



HUD NEWS

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CALIFORNIA HOMEOWNERS ARE BEING TARGETED BY CON ARTISTS OFFERING FORECLOSURE ASSISTANCE

San Francisco – The U.S. Department of Housing and Urban Development (HUD) today warned that California homeowners are increasingly becoming the target of “scammers” and con artists trying to loot families of their bank accounts with phony promises to avoid foreclosure. HUD officials are warning homeowners seeking assistance to contact a local HUD-approved housing counseling agency instead of companies offering foreclosure assistance for a price.

“Foreclosures are hurting homeowners and communities, and now we see “financial looters” plying a “grab-and-go” strategy to con families out of their scarce dollars with empty promises and phony claims,” said Caroline H. Krewson, HUD Deputy Regional Director for Region IX. “It’s criminal when it happens in the wake of a natural disaster, and it’s just as criminal when it happens to families facing financial disaster.”

Congress has provided the U.S. Department of Housing and Urban Development and the Treasury with resources to assist families facing foreclosure at no cost to the homeowner. The public can find a HUD-approved housing counseling agency on HUD’s website at <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=CA> or call toll free (800) 569-4287 on weekdays between 9:00 a.m. and 5:00 p.m. Eastern Standard Time (6:00 a.m. to 2:00 p.m. Pacific Time) or call 1-800-CALL-FHA. People can also find out more information about mortgage modifications and the Administration’s Making Home Affordable Plan by visiting www.financialstability.gov.

HUD also warned that some homeowners are receiving emails and letters urging them to contact companies that have names that mislead the public by using variations of HUD’s official name and site. The only official HUD website is at www.hud.gov and sites that end in hud.us-gov or hud.com or hudgov.us or any of a number of other addresses are not official HUD websites.

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Examples of scams HUD include:

- **The foreclosure prevention specialist:** The “specialist” really is a phony counselor who charges high fees in exchange for making a few phone calls or completing some paperwork that a homeowner could easily do for himself or herself. None of the actions results in saving the home. This scam gives homeowners a false sense of hope, delays them from seeking qualified help, and exposes their personal financial information to a fraudster.

Some of these companies even use names with the word HOPE or HOPE NOW in them to confuse borrowers. Borrowers should not be misled. HOPE NOW provides foreclosure counseling assistance at its 1-888-995-(4673) HOPE hotline.

- **The lease/buy back:** Homeowners are deceived into signing over the deed to their home to a scam artist who tells them they will be able to remain in the house as a renter and eventually buy it back. Usually, the terms of this scheme are so demanding that the buy-back becomes impossible, the homeowner gets evicted, and the “rescuer” walks off with most or all of the equity.
- **The bait-and-switch:** Homeowners think they are signing documents to bring the mortgage current. Instead, they are signing over the deed to their home. Homeowners usually don’t know they’ve been scammed until they get an eviction notice.
- **Equity skimming.** In this type of scam, a “buyer” approaches you, offering to get you out of financial trouble by promising to pay off your mortgage or give you a sum of money when the property is sold. The “buyer” may suggest that you move out quickly and deed the property to him or her. The “buyer” then collects rent for a time, does not make any mortgage payments, and allows the lender to foreclose. Remember, signing over your deed to someone else does not necessarily relieve you of your obligation on your loan.

Krewson urged those approached by with these offers to contact the local U.S. Department of Housing and Urban Development office at 415-489-6400.

Additional resources include the California Department of Real Estate that offers advice on loan mod companies at www.dre.ca.gov/mlb_adv_fees.html.

The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a [complaint](#) or to get [free information on consumer issues](#), visit ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261.

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HUD is the nation’s housing agency committed to sustaining homeownership; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development and enforces the nation’s fair housing laws. More information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov.