



# Money

BUSINESS, MONEY & WORK

## Beware of Mortgage Rescue Scams

BY REV. CHARLES BUTLER, DIRECTOR,  
DEPARTMENT OF EQUITABLE DEVELOPMENT, HCCI



**T**he foreclosure crisis is not over. Many homeowners are being threatened by this crisis and are at risk of losing their homes. You've heard the saying: "Desperate times, call for desperate measures." In desperate attempts to protect their investments, homeowners often fall victim to foreclosure recovery scams. The Federal Trade Commission, the nation's consumer protection agency, wants you to know how to avoid scams.

One wise homeowner who came to Harlem Congregations for Community Improvement (HCCI) for help said he was approached by such an agency. He told me they promised to stop the foreclosure process and could secure a loan modification for him. They claimed to have a 95% success rate in preventing foreclosures.

Beware of such organizations. If you sign a document appointing them to act on your behalf, you may well be signing over the title to your property and becoming a tenant in your own home! Scam artists are capitalizing on your fears and the imminent prospect of losing your home.

Fortunately this homeowner did the right thing and contacted HCCI before agreeing to pay the upfront fee

that can range from \$2,500 to \$5,000. This fee alone should serve as a warning not to proceed any further with this type of organization. HUD-approved housing counseling organizations will provide assistance for homeowners for free. I worked closely with this homeowner and his lender for several months. Eventually, we were able to secure a permanent modification for him at no cost. He was able to save his home. His mortgage payment was reduced by almost \$600, making it affordable for his family.

Some con artists use names, phone numbers, and websites that give the appearance of being a legitimate government agency. You should only use phone numbers listed on government agency websites or other reliable sources, like the Blue Pages in your phone directory. If you feel that you have been scammed you can file a complaint online at the following website: [www.preventloanscams.org](http://www.preventloanscams.org) or call 888-995-HOPE (4673).

For information on programs, attending a workshop or questions related to the home buying process or foreclosure prevention, contact Rev. Charles Butler at (212)281-4887 ext.131 or email at [cbutler@hcci.org](mailto:cbutler@hcci.org). ■