

COMMON FORECLOSURE RESCUE SCAMS

- **The “Pretend to Help” scam:** They tell you to give them cash, with no contract or receipt, and promise to “negotiate” with your lender. They may tell you to ignore your lender’s phone calls, ignore your court and foreclosure dates, and tell you not to contact an attorney. **What it really means:** They take your money, but don’t call your lender. By the time you find out, you’ve lost your house.
- **The “Review Your Papers for \$1,000” scam:** They tell you to send them your papers so their “experts” can review them. They promise to save your house. **What it really means:** They steal your money while your home is foreclosed. They may even send you official-looking documents to file in court.
- **The “Deed Your House and Rent it Back” scam:** They tell you to deed your house to someone else and promise to pay your mortgage, rent the house back to you. They promise you can buy your house back later. **What it really means:** They don’t pay your mortgage and you get evicted when your house gets foreclosed.
- **The “Filing Bankruptcy Will Save Your House” scam:** They tell you to deed your house to someone else and promise to file bankruptcy. They claim you can do it all without talking to an attorney. **What it really means:** Scam artists know that bankruptcy slows but does NOT stop foreclosure.

PROTECT YOURSELF FROM SCAMS

Receiving a “Notice of Default” is the beginning of the foreclosure process. This Notice is a **public record**. Scammers search these records and target homeowners who would help.

- **Get a WRITTEN contract and get all promises in writing.** Get receipts for any payments you make. Scammers pretend to negotiate with your lender, so get written proof of any agreements with your lender.
- **Know what you are signing.** If you can’t read or don’t understand a contract, get help before you sign.
- **Know who you are paying and why.** A scammer may ask you to give your mortgage payment to him instead of to your bank. Usually, you should only give mortgage payments to your lender or to your attorney for your “escrow account”
- **NEVER sign over your deed** unless you are selling your house. Signing your deed to someone else will NOT stop foreclosure or save your home.
- **PROTECT your personal information.** NEVER give a stranger your Social Security number, bank account numbers, mother’s maiden name, etc.

If you are at risk of foreclosure, contact your lender about your options. Get free advice from a HUD-certified counselor, and if you are worried about fraud or thinking of filing bankruptcy, call a qualified attorney.

This brochure is provided as a courtesy from the City of Sunnyvale Housing Division, housing@ci.sunnyvale.ca.us, (408) 730-7250.

FORECLOSURE RESCUE SCAMS



AVOID
FORECLOSURE
“RESCUE” SCAMS,
REPORT FRAUD,
AND GET THE HELP
YOU NEED

Resources for Santa Clara County Residents facing Foreclosure or Rescue Scams

1. Report Fraud		
Office of the District Attorney Consumer Protection Unit (408) 792-2880	You can file a consumer complaint in the county where you live, or in the county of the business you are filing against.	Your District Attorney investigates consumer complaints of fraud against businesses and individuals, including real estate agents, foreclosure “consultants” and local lenders.
California Department of Real Estate (DRE) (916) 227-0864 www.dre.ca.gov/index.html	The DRE investigates complaints against real estate agents or individuals acting like real estate agents, holds hearings and may revoke or suspend a professional’s license.	The DRE is a state regulatory agency, not a court of law, and generally cannot refund money or cancel contracts, but it can help investigate fraud. Your DRE complaint helps bring fraud to the attention of law enforcement and can help other consumers avoid falling victim to fraud.
2. Find Legal Assistance		
Legal Aid Society of Santa Clara County (408) 998-5200	Serves low-income residents of the Silicon Valley.	Services include Family Law, Fair Housing, Landlord/Tenant Rights, Special Education, immigration and Naturalization and more.
Project Sentinel In Sunnyvale, (408) 720-9888; In San José: (408) 287-4663 www.housing.org	Serves the greater Bay area and Central Valley.	Services include Housing Discrimination, Tenant and Landlord Counseling, Homeownership Counseling and Community Mediation.
County Bar Association Lawyer Referral Services and Private Attorneys (408) 971-6822 www.calbar.ca.gov www.naca.net	This service of your County Bar Association may help you find a brief legal consultation at a reasonable price for many different legal issues.	Foreclosure, predatory lending, and related issues can be complicated, even for attorneys. When looking for an attorney, ask if he or she has experience with your kind legal issue. If you use a Lawyer Referral Service, ask if the referral attorneys are experienced with your kind of legal issue.
3. Get Housing Counseling		
Consumer Credit Counseling Services (CCCS) (800) 540-2227 www.gotdebt.org	Serves members of the general public	HUD certified non-profit agency offering free advice on mortgage foreclosure and free or low-cost advice about debt management and bankruptcy.
Project Sentinel In Sunnyvale, (408) 720-9888; In San José: (408) 287-4663 www.housing.org	Serves the greater Bay area and Central Valley.	Services include Housing Discrimination, Tenant and Landlord Counseling, Homeownership Counseling and Community Mediation.
U.S. Department of Housing and Urban Development (HUD) (800) 569-4287 www.hud.gov	Serves members of the general public.	Referral to agencies that provide free or low cost advice on mortgage foreclosure and assistance with negotiating with lenders.
Homeownership Preservation Foundation (HPF) (888) 995-HOPE www.995hope.org	HPF is a HUD certified nonprofit agency offering free foreclosure counseling nationwide.	HPF is a member of HOPE NOW, a voluntary organization of the mortgage industry that may help homeowners at risk of foreclosure with either repayment plans or modifications (“workouts”). If you agree to a repayment plan or modification, make sure it is a long-term solution you will be able to afford over the remainder of your mortgage.