

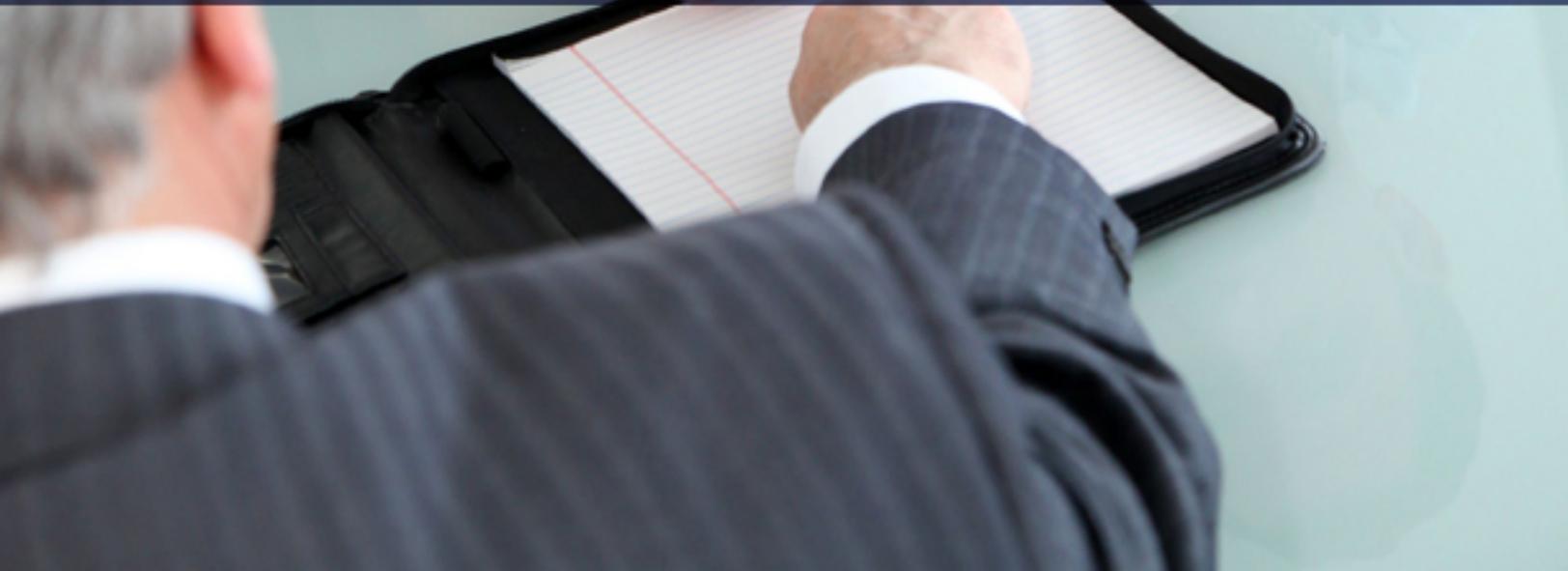


# 6

## COMMON LOAN MODIFICATION SCAMS AND HOW TO SPOT THEM

Written by:

Levitt & Slafkes, P.C. - Loan Modification, Bankruptcy and Foreclosure Defense Attorneys



# INTRODUCTION



If you are reading about these loan modification scams it is likely you or somebody you know is behind in their mortgage or at risk of foreclosure.

Over the 30 years that we have been practicing we have met with and helped many individuals, couples and families who were at risk of losing their home. We understand that the possibility of losing your home to foreclosure is terrifying. The reality that scam artists are preying on desperate homeowners is equally frightening.

There are many loan modification scams out there - companies or people who take your money and disappear. During the last several years many people who have come to us have fallen prey to many of these scams. They are not so easy to spot- but it helps if you know the warning signs.

We have written this report to help you recognize and avoid these scams and ultimately to save your home!

We welcome the opportunity to speak with you about how we can help you save your home and eliminate your debt.

# ABOUT ATTORNEYS SHELLEY SLAFKES AND BRUCE LEVITT

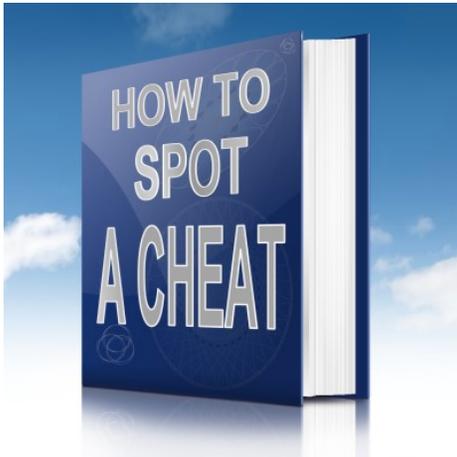
Our names are Bruce Levitt and Shelley Slafkes and we are New Jersey lawyers who practice exclusively in the areas of bankruptcy, loan modification, foreclosure defense and litigation. Over the 30 years we have been practicing law we have helped thousands of New Jerseyans with debt problems eliminate debt and save their homes. We have helped hundreds of people file loan modifications as well. Our clients come from all walks of life-individuals, couples and families, of all ages and backgrounds struggling in these tough times to stay afloat and keep their homes.

We are a great team—even though we have been practicing for many years we never stop learning. We treat every client with compassion and with respect. As a small law firm we pride ourselves on providing high level service to every client we represent. We treat every person with respect and know that every situation is unique and important. While we cannot and will not guarantee results, we promise to work hard and to fight for you as if we were fighting for our own home and our own family.

For more information about us visit our website [www.lsbankruptcylaw.com](http://www.lsbankruptcylaw.com) Call us today at (973) 323-2953.

# 6 COMMON LOAN MODIFICATION SCAMS AND HOW TO SPOT THEM

## SCAM 1 - WHEN A COMPANY OR PERSON PROMISES OR GUARANTEES RESULTS.



A company or person guarantees that they can stop a foreclosure or get your loan modified **is probably a con artist**. Nobody can guarantee they can stop a foreclosure or modify your loan. A trustworthy company, attorney or HUD-approved housing agency will only promise to try their very best to help you.

Obtaining a loan modification depends on many factors, ranging from your individual financial situation to your loan's investor. It is impossible for anyone **to know for certain how your particular lender is going to process your particular application**. Any modification company willing to make specific promises or guarantees about their results, without regard to these factors, is willing to lie to get your money.

## SCAM 2 - WHEN A COMPANY OR PERSON TELLS YOU TO SIGN BLANK DOCUMENTS.



Scammers will often **ask you to sign blank documents** so they can add information later without your knowledge or approval. **One common example is when the scammer** increases the amount they said they would charge. A legitimate company or attorney would never pressure you to sign a document you did not read or did not understand.

***Never Sign a Blank Document!!***

## SCAM 3 - WHEN A COMPANY OR PERSON ENCOURAGES YOU TO SIGN OVER THE TITLE TO YOUR HOME SO THEY CAN LEASE IT BACK TO YOU NOW AND YOU CAN BUY IT BACK OVER TIME.

A scammer **often** urges you to sign over the title or deed of your home as part of a deal that will let you stay in your home as a renter and then buy it back in a few years. He/she may tell you that surrendering the title will permit a borrower with a better credit rating to get new financing and keep you from losing your home. However, usually, the scam artist has no intention of ever selling the home back to you. The terms of these deals **typically** make buying back your home impossible.

Worse yet, if the new borrower defaults on the loan, you're evicted. If you had any equity in the house, you lose it.



The scammer may **also** raise your rent over time to where you cannot afford it. After missing several rent payments you are evicted, leaving the scam artist free to sell your house.

## **SCAM 4 - WHEN A COMPANY OR PERSON REQUIRES YOU TO PAY FOR A “FORENSIC LOAN AUDIT.”**

The scammer may call him/herself a forensic or mortgage loan “auditor” and offer to review your mortgage loan documents to determine whether your lender complied with state and federal mortgage lending laws. The scammer usually requires you to pay a fee to start the process which can be hundreds or even thousands of dollars. The scammer may say that you can use the audit report to avoid foreclosure, accelerate the loan modification process, reduce your loan principal, or even cancel your loan.

In our experience there is no proof that a forensic loan audit will help you get a loan modification or any other mortgage that can save your home from foreclosure.

## **SCAM 5 - WHEN A COMPANY OR PERSON CLAIMS TO OFFER “GOVERNMENT APPROVED” OR “OFFICIAL GOVERNMENT” LOAN MODIFICATIONS.**



Some scammers may claim to be affiliated with, or approved by the government, or they may ask you to pay high, up-front fees to “qualify” for government mortgage modification programs. The scammer’s company name and website may sound like a real government agency, but the website may end with .com or .net instead of .gov. You may also see terms like “federal,” “HAMP”, “HARP”, or other words related to official U.S. government programs.

## **SCAM 6 - WHEN A COMPANY OR PERSON ADVISES YOU TO STOP PAYING YOUR MORTGAGE COMPANY AND PAY SOMEONE ELSE INSTEAD.**

Beware of individuals or companies who advise you as a homeowner to stop making your mortgage payments and to pay them instead and/or to make payments to somebody else.



Despite what a scammer will tell you, NEVER send a mortgage payment to anyone other than your mortgage lender.

## HOW CAN THE SCAMMERS FIND HOMEOWNERS IN DISTRESS?

Scammers use many tactics to find homeowners in trouble. Some go through foreclosure notices in newspapers and on the internet or go through public files at local government offices, and then send personalized letters to homeowners. Others take a broader approach through ads on the internet, on television, on radio or in newspapers, posters on telephone poles and at bus stops and some actually send people to your front door. The scammers use potentially deceptive messages, like:

- “Stop foreclosure now!”
- “Over 90% of our customers get results.”
- “100% Money Back Guarantee.”



**Contact Levitt and Slafkes today to set up a free consultation to discuss all available options to save your home. (973)-323-2953. Visit our website: [www.lsbankruptcylaw.com](http://www.lsbankruptcylaw.com)**

The information contained herein should not be construed to be formal legal advice or the formation of a lawyer/client relationship. The law office of Levitt & Slafkes, P.C. has been designated by an Act of Congress as a debt relief agency.