

Protecting the Pocketbook: Guarding Elders Against Wealth Stealing and Equity Draining Scams

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Seizing Seniors' Wealth

- Foreclosure Rescue/Loan Modification Scams
- Telemarketing fraud.
- (If time) Protecting Social Security/SSI from garnishment, payday lenders, overdraft fees

Poll #1: Who Are You?

- A) Attorney.
- B) Housing counselor.
- C) Nonlawyer in program serving seniors.
- D) Government office.
- E) Other.

NATIONAL
CONSUMER LAW
CENTER

A National Consumer Law Center Report

June 2009

DREAMS FORECLOSED:

The Rampant Theft of
Americans' Homes
Through Equity-Stripping
Foreclosure "Rescue" Schemes

Foreclosure Crisis

- **2.3 m homeowners in foreclosure in 2008**
- **81 percent increase over 2007**
- **900,000 properties repossessed in 2008**
- **February up 12% over January.**
- **Foreclosure moratoriums ending**

Unresponsive servicers/lenders

- Long holds on telephone.
- Lenders unwilling to offer modifications.
- Servicers get to keep default fees.
- Servicers making more money by foreclosing than working with homeowner.

Out of Work Mortgage Professionals

LAW FIRM SEEKS STRONG CLOSERS FOR LOAN MODIFICATIONS

Each seat is worth GOLD!!!!!!

A realistic earning potential in the 200's in today's market.

Skills and Qualifications:

- at least 1 yr of mortgage sales experience
- The ability to Sell (This is a sales role)

Loan Modification Consultants-Work From Home! Live Transfer and Direct Response Leads!

Occupation: Loan Modification Consultant
Position ID: Loan Modification

That's Right! Join the Mortgage Mitigation Machine from Home! We are looking for Ten (10) quality Loan Modification Consultants that want to work from home and take Live Transfer leads as well as Direct Response Internet Leads. Are You: Sick of driving miles to and from your current office? Tired of dialing for dollars using bad leads? Tired of your boss or manager telling you what to do? Sick of not making enough money? Do You:



[VIEW MORE DETAILS](#)

Listed With  vflyer

Publicity about Government/Industry Loan Modification Programs

- Hope Now (industry hotline)
- Hope for Homeowners (Congress passed in 2008)
- Making Home Affordable; Home Affordable Refinance Plan (Obama)
- Freddie Mac/Fannie Mae
- FDIC takeovers (IndyMac, etc.)
- Summary: http://www.consumerlaw.org/issues/financial_distress/loan_modification.shtml

Foreclosure Rescue Scams

- Foreclosure “consultants” or phantom help. – take your money, don’t do anything
- Sale/leaseback scams – take title “temporarily” while you rent and “rebuild credit.” You never get it back.
- Deed theft – forge deeds, claim you’re refinancing but take your title.
- Short sale scams?? – you sell at a loss but still on the hook for the mortgage.

Poll #2: What types of scams are you seeing?

- A) Foreclosure consultant/loan modification scams.
- B) Equity stripping, sale/leaseback or deed theft scams.
- C) Short sale scams.
- D) A & B only.
- E) All of the above.

How do the scammers get to the homeowners?

Loan Modification Leads

30-90 Days Old INTERNET LOAN MODIFICATION LEADS 3\$

- We also have some of the best data for all you call centers voice broadcasting or dialer needs. We offer 3 different types of data for the highest conversions. We have:
- 30 - 60 - 90 Day late files pulled fresh from the credit beauros daily. The most accurate data for loan modification. This is the best file for direct mail, telemarketing, or voice broadcasting.

Homeowners Flooded With Solicitations

(800) 846-1948 #1050.00

USPS POSTAGE METER 711772

SEP 11 '02

2020 Pennsylvania Ave., #600
Washington DC 20006
Call the 24 hour automated hotline 1-800-284-2690

Jeffrey A. Kincheloe
16202 Lost Canyon Rd
Santa Clarita, GA 01361

CONF. # 046312

9/12/02

talked to Jeremy will send paperwork to us to sign by fax

11360/9999

UNITED STATES HOMEOWNERS PROTECTION AGENCY

"to provide information and education to homeowners on their rights..."

You are entitled to certain rights that your lender may not have informed you of which could help you save your home. Bankruptcy should be a last alternative because over 75% of those who file it fail within the first year. You have the ability to stop your foreclosure and start making your regular monthly payments again, paying the back mortgage payments either at the end of the loan or in a special repayment plan.

These rights can be exercised even if your mortgage company has denied payment arrangements or has told you that they will only accept payment of your back mortgage payments in full.

Contact the 24 hour automated information hotline immediately at 1-800-284-2690 for free information and counseling on options for saving your home without bankruptcy. Please call immediately - your sale date is pending and you may be losing some of your options by waiting.

UNITED STATES HOMEOWNERS PROTECTION AGENCY

METER 711772

2020 Pennsylvania Ave., #600
Washington DC 20006
Call the 24 hour automated hotline 1-800-284-2690

Billboards/Signs



The New Way



Stop Foreclosure - Modify Your Loan
\$75 Billion Released In Government Funds

DID YOUR RATE GO UP
BECAUSE OF A RATE ADJUSTMENT?

Click HERE to get started!

Change Language

- English
- Español

Services

- ▶ Loan Modification
- ▶ Foreclosure Protection
- ▶ our FAQ
- ▶ our BLOG



Contact Us Now

Welcome to Federal Loan Modification Law Center Online

At Federal Loan Modification Law Center our objective is simple : to utilize our intimate knowledge of Federal and Consumer Homeowner Laws to help our clients in this housing crisis that is threatening the American Dream.

We believe in the reality of financial freedom and that everyone has the right to pursue happiness without becoming a victim of circumstance. We simply refuse to be silent in a time when homeowners need a clear voice the most!



“Loan Modification Specialists”

Claims:

- Can get payments/loan reduced.
- Have special connections, can cut through “red tape”.
- Will tap into government programs.
- Success guaranteed!

“Legitimate” Loan Modification Consultants???

- High up-front fees (\$2,500 to \$5,000).
- No refund if no modification.
- Same work homeowner, nonprofit could do for free.
- May counsel to stop paying loan.
- Some use terms “federal,” “U.S.” or “Hope Now” – imply government affiliation.

Poll #3: How are lenders modifying loans?

- A) Reducing principal or interest.
- B) Reducing payments by lengthening repayment period.
- C) Waiving late fees.
- D) Increasing payments by capitalizing arrearage.
- E) All of the above.

What Do Loan Modifications Look Like?

- **15% reduced interest rate or principal.**
- **55% reduced payments.**
- **Write-offs, if any, averaged 13%.**
- **40% are 60 days late after a loan modification**
- **Lenders losing 64% when home foreclosed.**

State Laws Regulating Foreclosure Rescue Operations

- Specific: AZ, CA, CO, DE, DC, FL, GA, HI, ID, IL, IN, IO, MA (reg), MD, MN, MO, NB, NV, NH, NY, OR, RI, WA
- Credit repair laws: MI
- Other laws (unfair and deceptive practices, fraud, etc.)

State foreclosure rescue scam laws

- Ban up front payments
- No fee until fully perform
- Right to cancel and rescind
- Required disclosures
- Language requirements
- Illinois caps on fees
- License (i.e., CA, MD) and bond (CA)
- May exempt nonprofits and licensed entities acting w/in scope of license.

FTC Enforcement Suits

- Federal Loan Modification
(fedmod.com)
- Bailout.hud.gov.us
- Hope Assure dba Expert Foreclosure
- Hope Now Modifications, New Hope Property, New Hope Modifications LLC.
- National Foreclosure Relief, Inc.

- FTC Survey: 71 companies with suspicious ads.

20 States Cracking Down

Pennsylvania (invoking mortgage license requirements) issued cease & desist order to:

- Consumer Loan Modification (AZ);
- U.S. Settlement Services (FL)
- Federal Loan Modification Law Center (CA)

Equity Theft Scams

- Take your title “temporarily” while you “rebuild credit.”
- You rent the home, get an option to repurchase.
- Deal rigged to prevent repurchase.
- Equity is stripped through new loan.
- New lender, new buyer claim to be innocent, untouchable victims.

Attacking Equity Stripping Scams

- If deed forged, it is void, not just voidable.
- If not, argue that sale is really an “equitable mortgage.”
- Lending laws apply (TILA, etc.) with right to rescind.
- New lender/buyer had warning signs (inquiry notice) and is not a bona fide lender/buyer.

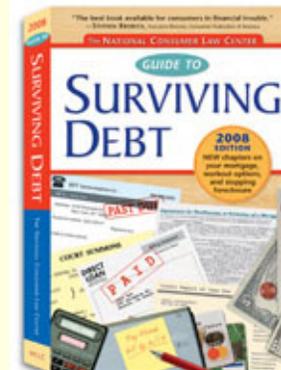
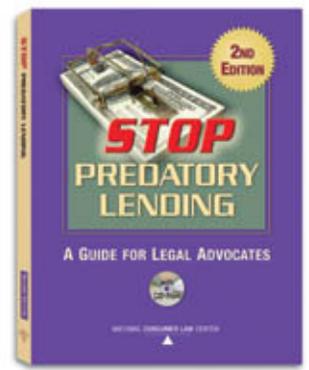
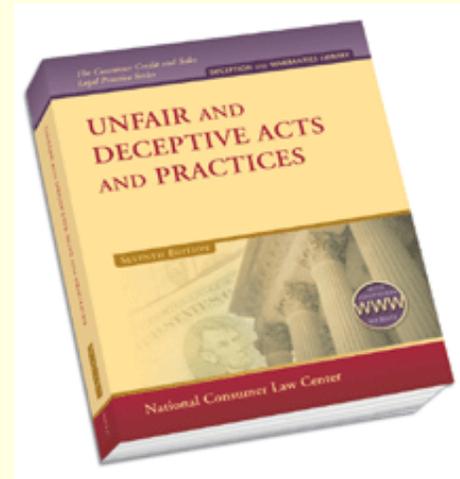
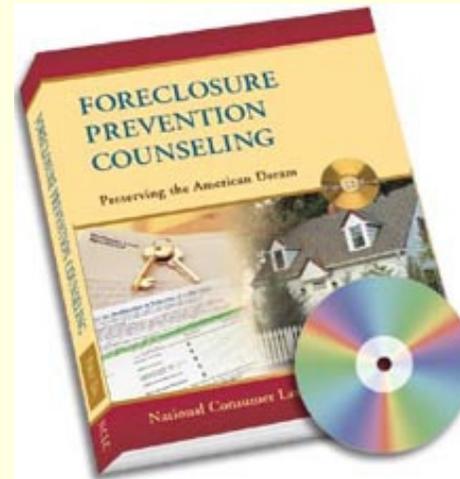
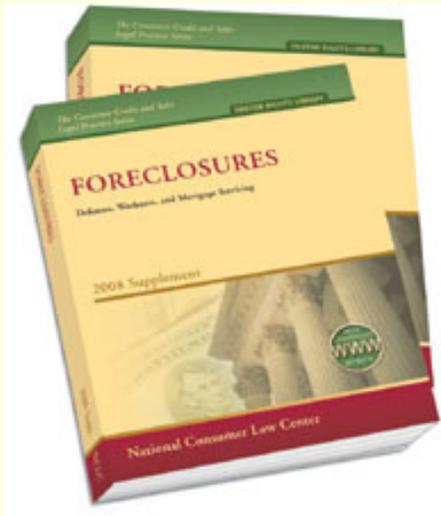
Short Sale Scams?

- How do they work?
- Are they scams?

Tips for Seniors Facing Foreclosure

- Don't pay any money up front.
- Visit a HUD-approved housing counseling agency. (800) 569-4287
- Contact your lender and don't deal with anyone else who approaches you.
- Be realistic and sell.
- Act fast; time costs you options.
- Visit an attorney if you think you may have a predatory loan.

NCLC Publications



Other NCLC Resources

- Advocates (not consumers) with short legal questions are welcome to call (617) 543-8010. More extensive assistance is available for those representing seniors and those in California, Massachusetts, Montana and Washington State.
- NCLC provides consulting, document review and expert witness services on a fee basis.
- NCLC does not directly assist individual consumers.

Questions?

Telemarketing Scams

Kathleen Benway

Federal Trade Commission

Social Security/SSI lost to:

- Direct deposit to payday lenders/check cashers.
- Garnishment by debt collectors/fees from freezing of bank account.
- Bank overdraft fees. (Fed is considering changes. See our legislation webpage.)

Direct Express Prepaid Card for Social Security and SSI

- Aimed at 4 million who get paper checks.
 - No garnishment, freezing, or overdrafts.
 - One free withdrawal per deposit.
 - Sign up for free low balance and deposit
 - Alerts by phone, text or email.
 - Sign up for statements for \$0.75/month.
-
- More info at NCLC.org under “For Consumers.”

Thank You
