



For more information contact:  
Mike Burnette, 804.354.0641, ext. 118  
mburnette@phonehome.org  
626 E. Broad St., Suite 400,  
Richmond, VA 23219

FOR IMMEDIATE RELEASE: April 6, 2011

Housing Opportunities Made Equal of Virginia, Inc. (HOME)  
releases report on a **year-long**  
**loan scam investigation**

(Richmond, VA) - "We can stop your foreclosure!", "98% success rate," "We can guarantee you will qualify for a loan modification": These are the claims being made to Virginia homeowners on a daily basis. Today, Housing Opportunities Made Equal of Virginia, Inc. (HOME) with the National Fair Housing Alliance (NFHA) released a report "**Have I Got a Deal For You!**" documenting the ways in which homeowners facing foreclosure are taken advantage of by companies offering loan modifications to save the home, but frequently charge exorbitant, unlawful fees and do not live up to their promises. The report is the result of a year-long investigation in identifying scamming tactics used by companies advertising services on the internet and targeting homeowners at risk through direct mail, email and telephone.

Amy Nelson, HOME's Director of Systemic Investigations & Enforcement said, "Our investigation findings clearly document the unlawful practices of companies and individuals trying to exploit vulnerable homeowners in our state. We are cooperating with enforcement agencies in an effort to stop these practices."

Shanna L. Smith, CEO of NFHA said, "HOME of Virginia provided critical data and analysis to help expose the tactics of scammers who take advantage of families trying to save their homes. HOME's investigative expertise will help law enforcement combat these illegal activities."

HOME found:

- 54% told or encouraged homeowners to stop making their mortgage payments or to stop contacting their lenders*
- 50% required a fee up front to begin work or charged a significant initial fee after doing minimal work*
- 45% of the companies guaranteed that they could get a mortgage modified or offered enticements difficult to obtain to get homeowners to use their services*
- 25% encouraged homeowners to create fraudulent documents or provide fraudulent information in order to improve their chances of getting a modification*
- 25% discouraged homeowners from seeking free government supported services*

The majority of the companies investigated by HOME were based in California or Florida but offered their services to Virginians. Very often, they claimed attorney oversight would occur on the homeowner's case; however, these attorneys were not licensed to practice in the Commonwealth.

Nelson of HOME continued, "These companies were either breaking the law outright or skirting the edge of the law in order to scam vulnerable homeowners out of their last dollars. The companies made promises they couldn't keep and insinuated that they were the only ones the homeowner could depend upon in an attempt to gain the trust of families facing foreclosure."

HOME is working with state and federal agencies on possible legal action against those companies who appear in violation of the law. HOME is also distributing information and conducting community outreach to educate the public on how to avoid being taken advantage of by mortgage modification scams.

Homeowners should avoid any individual or company who:

- Requires an advance fee for their services
- Promises to find mistakes in your loan documents that will force your lender to forgive or modify your loan
- Guarantees to stop a foreclosure or to get your loan modified
- Advises you to stop making your payments to your mortgage company or to stop talking to your mortgage company
- Advises you to make your mortgage payment directly to them rather than your lender
- Advises you to transfer your home into their name stating they will make timely payments

HOME was founded in 1971 and investigates housing discrimination and provides support for discrimination victims. HOME also helps first-time homebuyers; assists homeowners to avoid foreclosure; provides financial literacy education and supports policy initiatives that expand housing opportunity. To learn more about mortgage scams, fair housing laws or other HOME efforts, visit HOME's web page at: [www.phonehome.org](http://www.phonehome.org)

The full report may be found at: [www.phonehome.org](http://www.phonehome.org)

**HOME CONTACTS:**

**Amy Nelson**, Director, Systemic Investigations & Enforcement, HOME  
anelson@phonehome.org, 804.354.0641, ext. 121

**Paula Sherman**, Education and Training Coordinator, HOME  
anelson@phonehome.org, 804.354.0641, ext. 114

**Mike Burnette**, Communications Manager, HOME  
mburnette@phonehome.org, 804.354.0641, ext. 118

**OTHER CONTACTS:**

**Brian Gottstein**, Director of Communications Office of Attorney General  
bgottstein@oag.state.va.us, 804.786.5874

**Deidre Swesnik**, Director of Communications, National Fair Housing Alliance  
dswesnik@nationalfairhousing.org, 202.898.1661 ext. 131

*The work that provided the basis for this publication was supported by funding under a grant/cooperative agreement with the U.S. Department of Housing & Urban Development. The substance and findings of this work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in the publication*