



HOUSING OPPORTUNITIES MADE EQUAL

700 E. Franklin St., Suite 3A, Richmond, VA 23219

804-354-0641, help@phonehome.org,

www.phonehome.org

FOR IMMEDIATE RELEASE

September 29, 2005

CONTACT:

MIKE BURNETTE

HOME's Marketing Director, 804-354-0641, ext. 118
804-869-1848, CELL

PAULA SHERMAN

HOME's Lending Protection Coordinator
804-354-0641, ext. 114

MEDIA ADVISORY:

WHO:

Housing Opportunities Made Equal (HOME)

WHAT:

Sign Swiping Day in the City (and it's legal!)

Where:

The Neighborhoods in Richmond

First Stop - Lamb Ave. (Just south of Brookland Park Blvd.) at 11:30 AM
(photo ops and interview with full team available at this time)

We will then fan out throughout the City.

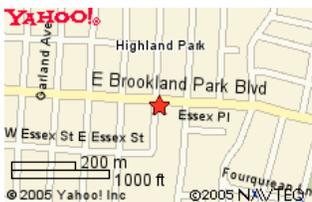
We will be wearing bright green shirts

WHEN:

11:30 AM – 2:30 PM

WHY:

To support the CLEAN CITY COMMISSION's effort to eliminate these illegal signs and to help stop the rampant abuse of residents that fall victim to these foreclosure rescue scam techniques that these signs promote.



See accompanying Press Release



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“Local Non-Profit goes Sign Swiping”

Trying to stop scam artists

RICHMOND, VA: Signs that say, “WE STOP FORECLOSURES! WE BUY HOMES! HOMES FOR CASH!” are sprouting up all across the US, and Richmond is certainly seeing its share. But beware! A new form of fraud and predatory lending is sweeping the nation and it is called “foreclosure rescue scams”. In these schemes, individuals or companies promise to bail homeowners out of foreclosure by paying off the arrears on the outstanding mortgage or refinancing the delinquent loan. Homeowners end up signing over the deed to their home to the company, and are told they may rent their home until they are able to buy it back. The purchaser, however, has no intention of leasing the property back to the homeowner. Instead, the purchaser evicts the homeowner within months after the transaction and walks away with equity the homeowner had built up sometimes as much as hundreds of thousands of dollars. Anxious homeowners overwhelmed with the prospect of losing their home often find themselves seeking help from these unscrupulous companies only to later find themselves trapped in a maze of deceit, broken promises and victim of fraud and outright “theft” of their property.

In an effort to help combat this problem, Housing Opportunities Made Equal (HOME) is trying to remove these signs which prey on so many of the residents of Richmond. With support from Richmond’s Clean City Commission, HOME will have its own “Sign Swiping Day” in the City of Richmond this Friday, September 30. Teams will meet on Lamb Ave. just south of Brookland Park Blvd near Chandler Middle School. They will then be dispersed throughout the city to get the signs out of the neighborhoods. “These companies are very clever,” said Paula Sherman, HOME’s Lending Protection Coordinator, “they specifically put a high concentration of signs in those neighborhoods that have a high foreclosure rate.” Sherman and HOME are committed to educating Metro Richmond on the egregious tactics of these scam artists.

Facing foreclosure is one of the most life shattering events one can experience. Most homeowners if faced with the choice would rather sell their home than have it lost through foreclosure. Couple that with the fact that in Virginia the foreclosure processes (barring bankruptcy, injunctions or other delays) can be completed in 30-45 days, and it leaves the homeowner with very little time to resolve their housing dilemma. Scammers armed with this information take full advantage of this period of duress by aggressively marketing and targeting homeowners with direct mail (including enclosing actual checks), phone calls, and even coming to your door. Unfortunately, homeowners who are afraid and desperate to keep their home are less likely to think carefully about what is being offered to them, investigate or ask questions.

According to National Consumer Law Center's recent report: "Dreams Foreclosed" (found at www.consumerlaw.org/news/ForeclosureReportFinal.pdf) they state the predominant foreclosure rescue scams appear to come in three varieties, the first one is "**phantom help**," where the "rescuer" charge outrageous fees for performing work that the homeowner could have easily performed themselves like; calling the mortgage company or completing loan workout papers. They call themselves "foreclosure consultants or a loss mitigation specialist and their exaggerated promises are always too good to be true. After the homeowner has paid the "consultation fee" the scammer is no where to be found and the homeowner has wasted time that could have been used negotiating with a lender or filing for bankruptcy protection.

The second type is "**bailout**". This scenario the homeowner is told to "surrender" title to their house in the belief that they are entering into a deal where they can remain as a renter and buy it back in a few years. However, the scammers make this impossible because they either sale your loan to another investor or up increase the resale value of your home so that you can no longer afford it.

Lastly, there is there is the "**bait and switch**" routine. In this scheme the homeowner does not realize he/she is surrendering ownership in exchange for a "rescue." Some homeowners have been duped into signing powers of attorney and quit claim deeds all under the disguise of necessary documents to do business; and in a number of case forgeries have been involved. Also, in this scheme the homeowner if left holding the original mortgage note on a property they no longer own. Here at HOME we recently had a case where a homeowner thought he was signing was a promissory note to repay money loaned to him to bring his mortgage current only to learn months later not only was his mortgage still past due, but he lost his home valued at \$235,000.00 because he was tricked into signing a deed of gift.

There are growing accounts of these and similar situations all across Virginia. Public attention is needed to warn potential victims of this activity and we need to draft strong legislation to thwart and prevent further abuses from occurring. In the meantime homeowners should be suspicious of anyone coming to them with offers to "rescue" them from foreclosure. If you become delinquent in your mortgage payments the first thing you should do is make an honest assessment of your financial situation and ask can I afford to keep my property or should I consider selling it? Next contact your mortgage company and inquire about the various loss mitigation programs available or call a HUD-approved housing counseling agency like HOME for free counseling. Never pay a fee to anyone for mortgage counseling services. If you are already in foreclosure you should also seek the advice from local legal aid offices or a reputable bankruptcy attorney. If you believe you have been a victim of this fraudulent activity we would like to hear from you.

Housing Opportunities Made Equal (HOME) is a private, non-profit organization founded in 1971 to ensure that everyone is treated fairly in their search for housing. HOME also helps victims of housing discrimination, offers comprehensive housing counseling services including pre-purchase counseling, budget and credit counseling, mortgage default counseling and many more housing related services and programs.

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