

Foreclosure Rescue Scams

Foreclosure rescue fraud can cost you the home and equity you're trying to save. Scammers often turn around and take the homes from those they promise to help. Some scammers collect large fees for services never provided and are never seen again.

Beware of the Foreclosure Rescue Advertising Pitch

Foreclosure rescue firms use a variety of tactics to find homeowners in distress: Some read through public foreclosure notices in newspapers, place ads on the Internet or television, or send personalized letters to homeowners. The scam artists use simple and straight-forward messages, like:

“We can save your home. Guaranteed.”

“We have special relationships with many banks that can speed up approvals.”

“We stop foreclosure every day. Our team of professionals can stop yours this week.”

Foreclosure Help Resources

Are you falling behind on your monthly mortgage payment? Is your mortgage loan delinquent? Is your adjustable rate mortgage becoming unaffordable? **Take action now!**

Dial 2-1-1 or call (402) 444-6666 to get connected to a certified HUD housing counselor near you.

For a list of free nonprofit counseling agencies in Nebraska and other resources, check the Nebraska Department of Banking and Finance Web site at:

www.ndbf.ne.gov

A Word of Caution

Consumers are cautioned about doing business with Internet-based companies. It is common for fraudulent companies to claim residence in a state and/or appropriate the name of a legitimate business in an attempt to bypass state laws and state licensing requirements.

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How the Nebraska Foreclosure Protection Act Can Help You



The Nebraska Attorney General's Office

Consumer Protection Division
2115 State Capitol Building
Lincoln, NE 68509
(800) 727-6432 (toll-free in Nebraska)
www.ago.ne.gov



1230 "O" Street
Suite 400
Lincoln, NE 68508-1402
(877) 471-3445 (toll-free in Nebraska)
(402) 471-2171 (in Lincoln)
www.ndbf.ne.gov

Know Your Rights: Nebraska Foreclosure Protection Act

The Nebraska Foreclosure Protection Act protects homeowners from the fraudulent activities of individuals and entities that prey on vulnerable consumers.



An individual or company legitimately doing business under the Act will:

- Require fees for services only after the services have been provided.
- Fully describe the services to be performed in a written contract.
- Provide a homeowner with a “Notice of Cancellation” form along with contract documents.
- Give a homeowner adequate time, without pressure, to read and understand all documents before signing.





What are my rights as a homeowner?

You have a right to:

- Review a written contract from a foreclosure consultant for at least 24 hours before you sign it.
- Contact information including name, address, fax number and e-mail of the foreclosure consultant or equity purchaser.
- Receive full disclosure of the services to be provided and the total amount of the charges.
- Cancel a contract with a foreclosure consultant at any time. You must provide notice of cancellation in writing.

Foreclosure consulting and equity purchase contracts, as well as notices of cancellation, must be in English. If the homeowner has a different principal language, a true and correct translation of the documents must be provided.

Your Rights Under the Nebraska Foreclosure Protection Act

The Nebraska Foreclosure Protection Act imposes legal restrictions and requirements on foreclosure consultants and equity purchasers.

Foreclosure Consultants

In Nebraska, it is *against the law* for foreclosure consultants to:

- Guarantee you that they will be able to refinance your home or arrange for you to keep your home.
- Charge and collect up-front fees for foreclosure help.
- Take a wage assignment, a lien of any type on real or personal property, or any other security to guarantee payment for services.
- Obtain a power of attorney from you for any purpose other than to inspect documents.
- Ask you to sign any document that transfers any interest in your home or property directly or indirectly to the foreclosure consultant, or to an associate.
- Force or threaten you to enter into a foreclosure consulting contract.

Who do I call with a complaint?

Foreclosure related complaints should be filed with the Nebraska Attorney General's Office.

Nebraska Attorney General's Office
Consumer Protection Division
(800) 727-6432 (toll-free in Nebraska)
www.ago.ne.gov

Equity Purchasers

A homeowner has three business days to cancel an equity purchase agreement. During that time period, it is *against the law* for an equity purchaser to:

- Record with the Register of Deeds any document, including the equity purchase contract, or any lease or lien that has been signed by the homeowner.
- Obtain or transfer any interest in the property in foreclosure.
- Make any untrue or misleading statement about the value or the sale of the home in foreclosure, or the amount of proceeds the homeowner will receive after a foreclosure sale, or about any of the terms in an equity purchase contract.

Who do I call for help with my mortgage?

To get connected with a certified HUD housing counselor near you, dial 2-1-1 or call (402) 444-6666. For a list of free nonprofit housing counseling agencies in Nebraska go to www.ndbf.ne.gov.

What is a foreclosure consultant?

A foreclosure consultant is a person who solicits a homeowner in foreclosure with an offer to perform any of the following services for money:

- Stop or delay a foreclosure sale.
- Obtain a forbearance from a beneficiary of a lien on the property.
- Assist the homeowner in curing a default on a loan.
- Assist the homeowner in obtaining a loan or advance of funds.
- Avoid or reduce credit impairment.
- Obtain excess proceeds following a foreclosure sale.

A foreclosure consultant does not acquire an interest in or title to a residence in foreclosure. Financial institutions, insurers, escrow companies, attorneys, real estate brokers, judgment creditors and similar persons are not considered foreclosure consultants if they are acting in the normal course of business.

What is an equity purchaser?

An equity purchaser is a person who acquires title to a home in foreclosure. The Act excludes persons who intend to live in the property, relatives of the homeowner, and persons who acquire a deed through a court-ordered judgment or sale authorized by law.

