



5 Tips for Avoiding Foreclosure Scams

1. Work only with a nonprofit, HUD-approved counselor.

If you are looking for help to prevent foreclosure (www.federalreserve.gov/pubs/foreclosuretips/default.htm), be sure the counseling agency is on the Department of Housing and Urban Development's list of approved agencies. Visit HUD's website for an easily searchable list of HUD-approved housing counseling agencies (www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm), or call 877-HUD-1515 (877-483-1515) for more information. If you are approached by foreclosure counselors—by mail, phone, or in person—make sure the counseling agency is HUD-approved before you do business with them.

2. Don't pay an arm and a leg.

You should *not* have to pay hundreds—or thousands—of dollars. Most HUD-approved housing counselors provide no-cost counseling services and many more provide low-cost counseling. Do not agree to work with a counselor who collects a fee *before* providing you with any services or who accepts payment only by cashier's check or wire transfer. In general, do not pay money to anyone unless you know exactly what services you will receive.

3. Be wary of "guarantees."

A reputable counselor will not guarantee to stop the foreclosure process, no matter what your circumstances. Working with a legitimate counselor can certainly increase your chances of keeping your home—but be wary of people who promise a sure thing. Again, get the details of your transaction, along with any promises, in writing first.

4. Know what you are signing—and be sure you sign it.

Don't let a counselor pressure you to sign paperwork you haven't had a chance to read through carefully or that you don't understand. Don't sign any blank forms or let "the counselor"

fill out forms for you. Be sure to talk with an attorney before signing anything that transfers the title of your home to another party.

5. If it sounds too good to be true, it probably is.

If you feel you may be the target or victim of foreclosure fraud, trust your instincts and seek help. For tips on spotting scam artists, visit the Federal Trade Commission's webpage on foreclosure rescue scams (www.ftc.gov/bcp/edu/pubs/consumer/credit/cre42.shtm). Report suspicious schemes to your state and local consumer protection agencies, which you can find on the Federal Citizen Information Center's Consumer Action Website (www.consumeraction.gov/caw_state_resources.shtml).

