



(Issued 3/2009)

## California Department of Real Estate

### **\*\* CONSUMER ALERT \*\***

#### **FRAUD WARNINGS FOR CALIFORNIA HOMEOWNERS IN FINANCIAL DISTRESS**

##### **□ HOME LOAN MODIFICATIONS.**

What is a Loan Modification? That is where you and your lender agree to modify one or more of the terms of your home loan. The terms could be a lower interest rate, an extension of the length of the loan (like making a 30 year loan into a 40 year loan), a conversion of an adjustable rate loan (called an ARM) to a fixed rate, the deferring of some of your payments, or any other modification of loan terms.

The goal of a Loan Modification is to help you keep your home and to give you a real, meaningful, sustainable, and long-term adjustment to your current home loan that works for your financial situation.

##### **□ BEWARE OF LOAN MODIFICATION SCAMS AND CON ARTISTS, WHO USUALLY DEMAND THE PAYMENT OF UPFRONT FEES.**

##### **□ PROTECT YOURSELF FROM BECOMING A LOAN MODIFICATION OR FORECLOSURE RESCUE SCAM VICTIM.**

###### **○ Free and Safe Options**

The **U.S. Department of Housing and Urban Development** (“HUD”) offers **Foreclosure Avoidance Counseling** through non-profit agencies in California. Go to HUD’s web site at [www.hud.gov](http://www.hud.gov), or call 800-569-4287, to find counselors. HUD also offers information to homeowners facing the loss of their home.

**HOPE NOW Alliance** - this is a cooperative effort of home loan counselors and lenders, and it consists of HUD intermediaries. Go to the HOPE NOW web site at [www.hopenow.com](http://www.hopenow.com) or call 888-995-HOPE.

###### **○ Locate and Work with a Legitimate, Licensed, and Qualified person or company - “Log on, Look em up, and Check em out” – [www.dre.ca.gov](http://www.dre.ca.gov)**

##### **□ WHAT YOU CAN DO IF YOU HAVE BEEN SCAMMED (OR BECOME AWARE OF A LOAN MODIFICATION SCAM)? REPORT FRAUD AND FILE COMPLAINTS.**

**VISIT THE CALIFORNIA DEPARTMENT OF REAL ESTATE FOR MORE IMPORTANT INFORMATION:**

[http://www.dre.ca.gov/pdf\\_docs/FraudWarningsCaDRE03\\_2009.pdf](http://www.dre.ca.gov/pdf_docs/FraudWarningsCaDRE03_2009.pdf)