

How to Protect Yourself From Scams

Know what you are signing. Read and understand every document you sign. If a document is too complex, seek advice from a lawyer. Never sign documents with blank spaces that can be filled in later. Never sign a document that contains errors or false statements, even if someone promises to correct them later.

Get promises in writing. Oral promises and agreements relating to your home are usually not legally binding. Protect your rights with a written document or contract signed by the person making the promise. Keep copies of all contracts you sign.

Make your mortgage payments directly to your lender or the mortgage servicer. Do not trust anyone else to make mortgage payments for you.

Be very careful about signing over your deed. Foreclosure scams often require you to sign over ownership of your home to a third party. Never sign over your deed without getting the advice of your own lawyer. By signing over your deed, you lose your rights to your home and any equity built up in the home.

The information contained in this brochure applies only in the State of Georgia. In August of 2008 the information contained in this brochure was correct. The law changes and the information in this brochure may no longer be correct. The information in this brochure is intended only as information and does not constitute legal advice. Anyone seeking specific legal advice should contact an attorney. This information was created by the Georgia Legal Services Program.

Avoid Foreclosure Scams



If you are behind in your mortgage payments you need to be aware that there are people who may try to take advantage of you. Con artists know that people in your situation are often looking for help to keep their homes.

Con artists may contact you stating that they want to help you. They often refer to themselves as a “foreclosure consultant” or

“mortgage consultant” and state they work for a “foreclosure rescue agency.” If someone offers to help you avoid foreclosure and asks you to pay a fee be careful.

There are many groups that can help you avoid foreclosure and they do not charge a fee. One such group is Homeowner's HOPE a counseling service which can be reached at 888-995-HOPE or online at <http://www.995hope.org>. This group does not charge a fee for its service.

Look Out for These Scams

Offers to Refinance your Loan: Some con artists will offer you a new loan telling you it will let you keep your home. The truth is that these loans include terms and fees that will only put you deeper in debt. These lenders charge large fees by convincing homeowners to refinance over and over again, even when it is not in their best interest.

Foreclosure prevention scams. These “specialists” say they’ll keep you out of foreclosure if you agree to pay them a fee. Many of these are con artists trying to get your money with no intention of helping you. There are many groups that want to help homeowners avoid foreclosure and they do not charge a fee.

Equity skimming. Be very careful if you are contacted by someone who offers to pay off your mortgage if you deed the property to them. Deeding your property to another person doesn't change the fact that you still are the one responsible for the mortgage payments.

Lease-Back or Repurchase Scams: Often con artists will offer to pay your mortgage and rent your home back to you. This requires you to sign the deed to your home over to the con artist. Signing over the deed gives the

con artist the power to evict you, raise your rent, sell the house, or steal the equity you have in your home. You will still be responsible for paying the mortgage and if you fail to make the payment you will lose your home.

Bankruptcy Schemes: Several scams attempt to abuse the bankruptcy laws. Bankruptcy can help homeowners keep their homes. If you want to see if bankruptcy laws can protect you talk to a lawyer