

Don't Fall for Bogus Loan Modification Specialists!

How do you protect yourself?

- As always, before doing business with anyone, ask for references and check out those references.
- Check with Consumer Affairs to make sure the company is registered and bonded with them. Companies offering loan mod services are required to register with Consumer Affairs according to Credit Service Organization laws (NRS 598).
- However, keep in mind that, even if someone has the proper credentials or comes highly recommended, there's less of a risk of a scam, but it's not eliminated entirely.
- Be extremely wary of anyone charging huge fees to help you modify your mortgage.
- **Don't pay for services you can get for free** on your own or from a HUD-certified housing counselor. For a list of qualified counselors, visit the Foreclosure Help website at <http://foreclosurehelp.nv.gov/HousingCounselors.html>. Borrowers can also call their lender or loan servicer directly and ask for a loan modification package to be sent to their homes.



Millions of anxious homeowners are turning to loan modification programs, where homeowners and banks get together and try to negotiate a more user-friendly loan. **However, be VERY cautious when contracting with companies or people calling themselves 'loan modification specialists'.**

The Consumer Affairs Division has received numerous complaints about 'loan modification companies' offering unrealistic loan modification options to unsuspecting borrowers, charging excessive fees for doing what the borrower can do for free, and then not delivering the promised services.

The State cannot recommend or endorse any particular company or individual offering loan modification services. However, we are committed to helping you learn to protect yourself and avoid being scammed. Use the tips listed on this page to avoid losing your hard-earned money to loan mod con artists.

Most of these scams ask homeowners for an upfront fee in order to start a loan modification program. At best, the homeowners may end up paying for work that is completed by the group asking for the money when it is work that likely could have been done for free – either directly with your bank or through a HUD-certified counselor: <http://foreclosurehelp.nv.gov/HousingCounselors.html>. At worst, the homeowners pay for work that isn't done at all.

Even worse, some of these con artists use the personal information they collect during the process to steal borrowers' identities!

Tips to Avoid Loan Mod Scams

- Ignore unexpected solicitations, whether through the mail, by phone or in person. Instead, enlist the help of a HUD-certified counselor: <http://foreclosurehelp.nv.gov/HousingCounselors.html>.
- There's a reason rescue scam firms have "generic-sounding" names. They are hard to research online and hard to do background checks on.
- Any loan modification or other rescue firm or individual seeking an up-front fee is likely running a scam.
- The worst thing a homeowner can do is avoid talking to the bank. Many scam artists will insist on that, telling homeowners not to talk to their lenders to facilitate negotiations. The moment an aid company insists on secrecy, be extremely wary. Deal directly with your bank or contact a HUD-certified counselor: <http://foreclosurehelp.nv.gov/HousingCounselors.html>

Other Resources

- Southern Nevada Mortgage Fraud Hotline:
702-584-5555
- Attorney General's Bureau of Consumer Protection:
702-486-3786
- Better Business Bureau:
Las Vegas 702-795-2000
Reno 1-888-350-4222
- Consumer Credit Counseling Service:
1-800-451-4505
- National Foreclosure Prevention Line:
1-888-995-HOPE