If you are in financial distress, beware of these schemes:

“Foreclosure & Bankruptcy” Schemes
An individual promises to negotiate with your lender or get refinancing on your behalf if you pay a fee up front. Instead of contacting your lender or refinancing your loan, the individual pockets the fee and files a bankruptcy case in your name - sometimes without your knowledge. One indicator of this scheme is a sharp decline in calls from creditors.

“Phony Foreclosure Rescue” Schemes
An individual advises you to make your mortgage payment directly to him or her and promises to negotiate with the lender on your behalf – and then disappears after collecting a few mortgage payments without ever contacting the lender.

“Forensic Loan Audit” Schemes
As part of phony loan counseling services, an individual may offer audit services requiring prohibited upfront payments. After reviewing your mortgage loan documents, the individual will claim the results of the audit can be used to avoid foreclosure, force a mortgage modification, or even cancel a loan. Then the individual will disappear with the fee.

“Mass Joinder Lawsuit” Schemes
An individual, often representing himself or herself as a lawyer, law firm, or marketing partner, promises to force lenders to modify loans. He or she may try to “sell” participation in a lawsuit against the mortgage lender, claiming that you cannot participate in the lawsuit until you pay some type of upfront fee. Once you pay, the individual disappears with the fee.

“Phony Counseling” Schemes
An individual indicates that he or she can negotiate a deal with your lender to modify the terms of your mortgage for an upfront fee – and then disappears with the fee.

Fake “Government” Modification Programs
An individual representing a fake loan modification program claims to be affiliated with or approved by the government, often using a company name, website, and logo similar to those of a real government agency, but then disappears with your fee. [https://www.youtube.com/watch?v=wi0BiOYmWZ4&feature=youtu.be](https://www.youtube.com/watch?v=wi0BiOYmWZ4&feature=youtu.be) (Source: HUD.gov)

“Rent-to-Own or Leaseback” Schemes
An individual tries to convince you to surrender the title or deed to your home as part of a deal that will let you stay as a renter and have the opportunity to buy the home back. However, the individual has no intention of selling you back your home and, instead, allows your home to go into foreclosure while keeping your monthly “rent” payments.

If you think you may be a victim of a fraud scheme, report it to the HUD Office of Inspector General by calling the HUD OIG Hotline at 1-800-347-3735, visiting [www.hudoig.gov/hotline](http://www.hudoig.gov/hotline), or clicking the “REPORT FRAUD” button.
Here are some tips to avoid falling victim to one of these schemes:

**DO**

- Seek Information about the U.S. Department of Housing and Urban Development’s (HUD) loan modification programs from its National Servicing Center at (877) 622-8525 or on HUD’s website, https://www.hud.gov/hudprograms/fhahamp.

- Talk with a HUD-approved counseling agency for free. A list of approved agencies may be found at https://apps.hud.gov/offices/hsg/sfh/hcc/fc/.

- Always use caution when discussing loan rescue plans offered by individuals other than your lender or HUD, especially when they appear too good to be true.

- If you feel you are being targeted by unscrupulous actors or were victimized regarding your FHA-insured loan, contact HUD’s Office of Inspector General (OIG) at 1-800-347-3735 or the official website, https://www.hudoig.gov/hotline, or the Federal Housing Finance Agency OIG for conventional (not FHA-insured) loans at https://www.fhfaoig.gov/ReportFraud or 1-800-793-7724.

**DO NOT**

- Pay upfront fees.

- Stop making payments without speaking directly to your lender.

- Sign any documents giving up title to your home.

- Pay for a forensic audit.

- Pay to participate in a lawsuit against a lender to force a modification to your loan.

If you think you may be a victim of a fraud scheme, report it to the HUD Office of Inspector General by calling the HUD OIG Hotline at 1-800-347-3735, visiting www.hudoig.gov/hotline, or clicking the “REPORT FRAUD” button.