



Contact:
Anthony Polidori
Supervising Examiner
Consumer Finance Bureau
(208) 332-8000

NEWS RELEASE

For Immediate Release

April 20, 2009

FINANCIAL LITERACY MONTH TIP OF THE WEEK
Beware of Mortgage Loan Modification Scams
Looking for help to prevent foreclosure – Don't fall into a trap!

Boise, Idaho Governor Otter has declared April as "Financial Literacy Month." One action being taken by the Department of Finance to support financial literacy during April is to issue a consumer bulletin each week.

In an ongoing effort to protect struggling homeowners who seek to modify their home loans from incurring unnecessary fees, the Idaho Department of Finance warns Idahoans of scam artists who are preying on the vulnerability of Idahoans desperate to keep their home. Often, these companies use half-truths and inflated promises of help for a hefty fee and provide little or no assistance to the borrowers.

"A person engaged as a third party in mortgage loan modification activities in Idaho must be licensed as a credit counselor," said Gavin Gee, director of the Idaho Department of Finance. If you are considering doing business with a mortgage modification company, check the Department of Finance's website or call the Department to make certain the loan modification company you have chosen is licensed in Idaho.

Idahoans who are searching for help should know how to recognize a fraudulent loan modification offer.

THE "RED FLAGS" OF A POTENTIAL SCAM:

- ▶ guarantees to stop your foreclosure – no matter what your circumstances
- ▶ will only accept payments by cashiers check or money gram
- ▶ tells you to immediately begin making your mortgage payment to them-not your lender
- ▶ asks you to transfer your title or property deed
- ▶ encourages you to lease your home with the option to buy it back over time

Consumers who are having trouble paying their mortgage or have received a foreclosure notice should immediately contact their lender. Additionally, there are organizations willing to provide advice and assistance to Idahoans to help them avoid foreclosure.

The Department provides information on a variety of **FREE** foreclosure prevention resources that are available to distressed homeowners. That information can be accessed at the following website address: <http://finance.idaho.gov/Mortgage/ForeclosureResources.aspx>. If you feel that you may be the target or victim of foreclosure fraud, seek help and contact the Department for assistance.

* * * * *

Department of Finance press releases and a schedule of events for Financial Literacy Month can be found on the Internet via the worldwide web at <http://finance.idaho.gov> and may be obtained by contacting the Department at (208) 332-8000 or in Idaho toll-free at 1-888-346-3378.

800 Park Boulevard, Suite 200, Boise, ID 83712
Mail To: P.O. Box 83720, Boise ID 83720-0031
Phone: (208) 332-8010 Fax: (208) 332-8097

<http://finance.idaho.gov>