



State of Utah
Department of Commerce
Division of Real Estate

JON HUNTSMAN, JR.
Governor

FRANCINE GIANI
Executive Director

MARK B. STEINAGEL
Real Estate Division Director

October 27, 2008

MEDIA ALERT

Division of Real Estate offers Consumers Five Ways to Fight Foreclosure Fraud
(For immediate release...)

SALT LAKE CITY, Utah – Mark Steinagel, Director of the Utah Division of Real Estate, announced today that the Division is offering advice on how to avoid foreclosure scams in light of Utah's rising foreclosure rate as referenced in a recent RealtyTrac report. The Division has compiled the "Top Five Common Foreclosure Frauds" as well as "Five Ways Consumers Can Protect Themselves against Foreclosure Fraud" lists for the public.

"With foreclosure rates grabbing local headlines, we are concerned that foreclosure rescue scams will increase in Utah," said Mark Steinagel, "Our Division is warning consumers to watch out for fraud and offering tips to help them avoid becoming a victim."

Top Five Common Foreclosure Frauds

Consumers should be wary of any offers that include the following language;

- 1. Save Your Credit:** "Pay us a fee and sign your house over to us. The foreclosure will be recorded against us, not you." In this scheme, the lender will record the foreclosure against the homeowner who does not pay as promised under a mortgage.
- 2. Lease-Back Repurchase Schemes:** "We'll buy your property, lease it to you, and you have the option to buy it back!" Fraudsters prey on trusting individuals to get access to their home equity, title to property, credit, or money. Legitimate lease-back or lease-option agreements exist, but consumers must closely scrutinize the deal.
- 3. Bank Relationships:** "We have a special relationship with Banks and can solve your problem quickly with no harm to your credit!" There are no easy solutions when you are facing foreclosure.
- 4. Guaranteed Short Sale:** "A Short Sale can Save Your Credit, Guaranteed!" Short sales can be a legal, effective method for preventing a foreclosure, but they are not guaranteed to be accepted by your lender and they can affect your credit.
- 5. Claim Bankruptcy:** "Stop foreclosures with bankruptcy!" Financial advisors typically recommend bankruptcy only when all other avenues have failed so consumers should weigh all options before pursuing this path.

Five Ways Consumers Can Protect Themselves against Foreclosure Fraud

Below are tips to assist consumers who may be facing foreclosure;

- 1. Contact your lender as soon as you become delinquent.** It costs lenders a significant

amount of money to foreclose on a property and many lenders have programs to help consumers.

2. Seek the advice of a competent professional, recommended by someone you know and trust. Real estate licensees, attorneys, and mortgage licensees can help you identify options for your situation. Make sure you are working with a licensed professional by calling the Division of Real Estate at 801-530-6747.

3. Do not transfer the title to your home to a third party. Individuals who are truly working in your best interest will want to help you keep your home or help you evaluate your best options.

4. Contact government agencies that can help you. Many agencies provide services for those facing foreclosure. The US Department of Housing and Urban Development provides a list of HUD approved housing counseling agencies. They can be found at <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>

5. Report any person or company who guarantees they will solve your problem. Your awareness may help government agencies prevent others from being harmed. You can report real estate fraudsters to the Utah Division of Real Estate at 801-530-6747 or by filing a complaint form: http://www.realestate.utah.gov/complaint_form.pdf.

For more information contact:

Jennifer Bolton

Public Information Officer

Utah Department of Commerce

(801) 530-6646 office

(801) 652-8322 cell