

# Prevent, Detect, & Report Real Estate Fraud

Understanding some of the common warning signs of a real estate scam will help you avoid the misfortune of unlawful schemes

## What is Real Estate Fraud?

Generally, a false representation coupled with intent to deceive in conjunction with real estate. Examples:

- **Loan Modification Fraud:** *False promises of reducing loan balance, payment or saving one's home and/or credit in exchange for money*
- **Foreclosure Exploitation:** *Collecting fees in exchange for deeding property to third parties who falsely promise to delay or prevent foreclosure*
- **Private Equity Fraud:** *Obtaining investors' money without properly securing their "investments" in real estate or theft of owners' equity*
- **Reverse Mortgage Fraud:** *Deception of elderly homeowners designed to generate loan fees*
- **ID Theft/"Straw" Borrowers:** *Use of another's personal information to obtain a loan, with or without their consent*

Call 1-855-4YOLODA  
[www.yoloda.org/fraud.htm](http://www.yoloda.org/fraud.htm)  
to Report Fraud

## Tips on being a Smart Consumer

- Be wary of internet-only real estate services. Not having an actual office or a person to talk to is a red flag. Do not sign ANYTHING you don't understand. Ask questions...and get answers you are satisfied with!

## Free Resources for Distressed Homeowners

- Information about Federal programs to prevent foreclosure [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov)
- Homeowner's HOPE Hotline 888-995-HOPE (4673) offers help in multiple languages [www.995hope.org](http://www.995hope.org)
- Talk to a HUD Housing Counselor at (800) 569-4287 or go to [www.hud.gov/foreclosure/index.cfm](http://www.hud.gov/foreclosure/index.cfm) or <http://espanol.hud.gov/>
- State of California Consumer Home Mortgage Info. [www.yourhome.ca.gov/](http://www.yourhome.ca.gov/) or [www.sucasa.ca.gov/](http://www.sucasa.ca.gov/)
- Surepath Financial Solutions (formerly Consumer Credit Counseling Service) 800-540-2227 or [www.surepath](http://www.surepath)
- Keep Your Home California at 888-954- 5337 or [www.keepyourhomecalifornia.org](http://www.keepyourhomecalifornia.org)



Don't let  
**REAL ESTATE  
FRAUD**  
scam you out of house  
and home!

The mission of the Yolo County Real Estate Fraud Advisory Team is to partner industry professionals and law enforcement to better protect Yolo County residences from falling prey to scams and other fraud involving real estate transactions. We want to educate residents with how to protect against, detect and report suspicious or fraudulent behavior & practices.



# GET THE INFORMATION YOU NEED TO **PROTECT YOURSELF**



**When the offer Seems to  
Good to be True....It Usually is**

Mortgage fraud and foreclosure fraud can be prevented with awareness, education and enforcement—and an occasional reminder that if the solution to your problem sounds too good to be true, it probably is.

Mortgage scams are up 60% nationally.

- Never pay upfront fees! Foreclosure consultants are prohibited by law from collecting money before services are performed. Instead call the resource numbers listed above for housing counselor who can educate you about loan modifications, short sales, and alternatives to foreclosure.
- Pay attention to letters from your lender or loan servicer. Bank of America, for example, recently sent letters to 200,000 holders of Bank of America/Countrywide mortgages who may be eligible for loan modifications or principle reductions under the terms of the national mortgage settlement where California received \$18 billion in settlement funds. Only your lender or loan servicer is authorized to help you file a claim for assistance. Visit [www.nationalmortgagesettlement.com](http://www.nationalmortgagesettlement.com) for more information.
- Don't transfer title or sell your home to anyone claiming to be able to rescue it from foreclosure by allowing you to stay on as a renter and purchasing it back in the future. Sometimes this scheme is part of a fraudulent bankruptcy filing. Ultimately the perpetrator may claim ownership and evict the homeowner.
- Don't make your mortgage payments to anyone other than your lender or loan servicer without the lender's or loan servicers' approval. Scammers generally keep the money for themselves, while your mortgage is likely to end up in default.
- Never sign any documents without first reading them. Many homeowners are falsely led to believe by scammers that they are signing documents for a loan modification or a new loan to pay off their old mortgage. Only later do they realize they have actually transferred ownership to someone who is now trying to evict them.

## Tips on being a Smart Consumer

- Don't sign blank documents of any kind; take the time to read and understand.
- Don't deed or grant your home to a third party or entity.
- Obtain a neutral third party's help to explain or translate any documents you do not understand.
- Paying *in advance* for loan modification services—this is *illegal* as of 10/11/09 per SB 94.
- Demand copies of all documents you sign immediately for any transaction.
- Do not provide your personal information (date of birth, social security number) unless you are certain with whom and why you are doing so.
- Don't sign documents that state different terms than explained to you by the person seeking your signatures. Do not sign documents under pressure or coercion.

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Scams can be highly complex, and con artists use the complexity to "seal the deal" by making you feel as if you NEED them to guide you through the details. If it feels shady or uncomfortable, listen to your gut and report it!