OFFICE OF THE ATTORNEY GENERAL

Catherine Cortez Masto, *Attorney General*

555 E. Washington Avenue, Suite 3900
Las Vegas, Nevada 89101
Telephone - (702) 486-3420
Fax - (702) 486-3283
Web - http://ag.state.nv.us

FOR IMMEDIATE RELEASE
Date: March 6, 2012

Contact: Jennifer Lopez
702-486-3782

***** National Consumer Protection Week Consumer Alert*****

NEVADA ATTORNEY GENERAL WARNS NEVADANS OF FORECLOSURE SETTLEMENT SCAMS, LOAN MODIFICATION SCAMS

Carson City, NV – As part of the 14th annual National Consumer Protection Week (NCPW) Attorney General Catherine Cortez Masto is advising consumers to be aware of national foreclosure settlement scams and loan modification scams.

"Unscrupulous individuals or businesses will prey on victims in distress who want to save their home during these tough economic times," said Masto. "Nevadans should be vigilant when looking for resources to save their home. Be skeptical, educate yourself and don't fall for the national foreclosure settlement scams or loan modification scams."

While Masto's office has not received any complaints from Nevada consumers on the national foreclosure settlement scams, she urges them to be on guard and report any scams. In 2011 the Nevada Attorney General's Mortgage Fraud Task Force received over 1,000 loan modification complaints. The office has instituted criminal and civil investigations against the perpetrators of these frauds and continues to investigate fraudulent activity connected to loan modifications.

The Mortgage Fraud Task Force has successfully obtained convictions against 19 defendants to date, resulting in 24 felony convictions, 12 gross misdemeanor convictions and 13 misdemeanor convictions for mortgage fraud related crimes. These numbers only represent the activities for loan modification scams and mortgage related crimes being handled in the Office of the Attorney General.

"You should never give your personal banking information over the phone or via e-mail," added Masto. "Additionally, no one should charge you to receive assistance in connection with the national foreclosure settlement. In general, there is no reason to hire a for-profit loan modification company. Homeowners can directly negotiate loan modifications with

their mortgage loan servicers or with a Housing and Urban Development certified counselor."

National Foreclosure Settlement Scams
Nevadans should be cautious of scam phone calls and e-mails, especially from bank employees or third-party settlement administrators, related to the recent multistate mortgage servicer settlement. Citizens throughout the country have reported being contacted by callers claiming to have a list of consumers who are eligible for money from the settlement. The caller asks for the consumer's bank account number, supposedly so the caller can deposit the money directly into the consumer's bank account.

Mortgage borrowers should contact their mortgage servicers directly to obtain more information about specific loan modification programs and whether they qualify under the terms of this settlement.

National foreclosure settlement mortgage numbers:

- Bank of America: 877-488-7814
- Citigroup: 866-272-4749
- J.P. Morgan Chase: 866-372-6901
- Ally (formerly GMAC): 800-766-4622
- Wells Fargo: 800-288-3212

For more information on the proposed agreement visit www.NationalMortgageSettlement.com.

Loan Modification Scams
Common loan modification scam themes fall into several categories, including phantom foreclosure counseling, sale/lease-back or repurchase, bait and switch, and fraudulent modification.

Often loan modifications scammers try to circumvent recent federal and state law changes intended to protect consumers by charging upfront fees. These laws allow attorneys to charge upfront fees for their work in helping homeowners obtain loan modifications with strict guidelines. Therefore, many scammers use attorneys as the face of their operations to collect an upfront fee and then never perform the promised services.

Here are some tips to spot these scams:

- Read and understand any documents that you sign — take time to read any and all documents that you are asked to sign. Scammers may ask you to sign numerous documents quickly without review and in the pile of documents, you may unassumingly transfer the title to your home to the scammer.
- Stay away from businesses that aggressively advertise — be wary of businesses that aggressively seek you out for a loan modification.
- Be suspicious of rent-to-buy or lease-option programs — do not transfer the title to your house to a loan modification company, even if the company tells you that you

can remain in the home as a renter and have the option to buy back your home later.

- Research the company or attorney from whom you are seeking assistance. You can check the reputation of a business or law firm through the Better Business Bureau (www.bbb.org/search) or Nevada State Bar (http://www.nvbar.org/find-a-lawyer).
- Do not pay fees until after the promised services have been provided. Recent regulations adopted by the Federal Trade Commission say loan modification companies are not permitted to charge upfront fees prior to performing the contracted services.

How to Report a Scam

Consumers who spot either of these scams or others are encouraged to report them to the Attorney General's Bureau of Consumer Protection Hot Line by calling 702-486-3132.

This consumer alert is part of National Consumer Protection Week (NCPW), March 4-10, 2012. Starting Monday, March 5 and running through Friday, March 9, the Nevada Attorney General's Office will issue daily consumer alerts relevant to Nevadans.

More information about NCPW is also available at www.ncpw.gov. Consumer Protection information can also be found on the Attorney General's website (http://ag.state.nv.us), the Nevada Fight Fraud website (http://fightfraud.nv.gov) and the Federal Trade Commission website (www.ftc.gov).

###