



SPECIAL WARNING TO NON-ENGLISH SPEAKING HISPANIC CALIFORNIA HOMEOWNERS:

CRIMINALS AND OTHER FRAUDSTERS WHO OFFER "LOAN MODIFICATIONS", AUDITS OF A HOME LOAN, AND OTHER HOME LOAN AND FORECLOSURE RELIEF SERVICES MAY BE TARGETING YOU – TIPS TO PROTECT YOURSELF

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In reviewing investigations and cases handled by the California Department of Real Estate, it is clear that Spanish-speaking fraudsters are targeting and exploiting Hispanic homeowners in some California communities by taking advantage of the culture of trust within the Latino community, selling false hope, using half-truths or outright lies, and violating California and U.S. laws prohibiting the collection of money in advance for loan modification and related home loan relief work.

There are also other abuses and violations of the law in the area of foreclosure rescue being committed by Spanish-speaking scammers (like the corrupt organization that falsely promised its homeowner victims that litigation costing \$10,000 per homeowner could get the victims their homes "free and clear of any home loans"). To be clear, some of the scammers misleadingly offer "lawsuits" and "bankruptcy" as a guaranteed way for you to keep your home in order to lure you to pay them money.

Because of the ongoing fraud in various Hispanic communities in California, this special warning has been written and is intended to give you a few **basic tips to help protect yourself against such scams:**

1. *Anyone (including scammers without an appropriate California occupational or professional license) can advertise on television or radio, in newspapers, magazines or on the Internet.*

With very rare exception, the claims of people and companies who advertise are not verified for truthfulness, honesty or compliance with the law, and there is no screening done of those who are doing the advertising.

Therefore, an ad on the television or radio, or in a newspaper, magazine or on the Internet, does not mean that what is advertised is lawful or truthful.

Scammers have the money to put together convincing and professional-looking advertisements (some of which even look like actual "news" broadcasts) and marketing

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materials, all of which are intended to get you to give them your hard-earned money and/or property.

2. Just because someone speaks Spanish, and may share the same or a similar background with you, does not mean that you can or should trust them.

Scammers are experts in fraud and in gaining your confidence, lulling you into believing them and the false hope and lies that they sell, and they will use their same or similar backgrounds and ability to speak your language as tools to convince you to part with your money and/or property.

Quite simply, verify, verify, and then verify again before you trust.

3. Never pay in cash, or wire cash to anyone who offers you home loan relief.

Many Latino victims of fraud have reported that they either paid home loan and foreclosure rescue fraudsters in cash, or wired cash to the schemers.

With extremely limited exceptions, cash payments, and cash that has been wired, cannot be recovered.

And pure cash payments usually provide prosecutors with little or nothing in the way of proof of payment.

4. Do not pay anyone for home loan or foreclosure relief services in advance of their completing the work you wanted them to do for you.

Importantly, *free personalized advice* from housing agencies certified by the U.S. Department of Housing and Urban Development is available by calling 1-888-995-HOPE.

Free guidance is available online at www.hopenow.com.

5. Never transfer or sign your home over to any third party or anyone else who claims that such a transfer can or will help you repair your credit or keep you in your home.

Scammers will often recommend that you transfer your property deed or title to them, and/or encourage you to make your home loan payments directly to them.

These are sure “red flags” of a fraud.

6. *Make certain that you get and closely read the Spanish-language version of the following consumer alert published by the California Department of Real Estate: Consumer Alert: What You Can Do to Protect Yourself from Getting Ripped Off in Real Estate and Home Loan Relief Scams.*

That alert has a more complete list of tips and steps you can take to keep you from being scammed, including ways that you can check whether the person offering to help you is qualified and properly licensed in the State of California (or, alternatively, under an Order to desist and refrain from performing services), and how you must and can look into their disciplinary background (if any) and their reputation in the community for doing what they claim they can do to help you.

While this “special warning” is intended to highlight a few of the ways that Spanish-speaking fraudsters are specifically exploiting Hispanic homeowners, and to keep you from becoming their next victim, a few of the **additional tips to spot and avoid a scam** from the department’s Alert above are repeated here:

Avoid any person who or business which:

1. Makes bold promises and guarantees to stop a foreclosure, no matter what your circumstances.
2. Promises that they have a program that will allow you to stay in your home.
3. Tells you to stop contacting your lender, servicer, family, lawyer or housing counselor regarding your home loan.
4. Encourages you to transfer your home to him/them and then lease it and buy it back over time.
5. Pressures you to “act now”, or to sign documents that have blank spaces, that you have not had the chance to read, or that you do not understand.
6. Asks you to give him/them a “power of attorney” to act on your behalf.
7. Claims that all or most all of his/their other customers have gotten loan modifications, successful home loan relief, or their homes “free and clear”.

Remember that if something sounds too good to be true, it probably is!

If you have become the victim of a scammer, or suspect that you have, please contact the California Department of Real Estate immediately at www.dre.ca.gov. There is a Spanish language translation available. You may also call the department's Spanish language call center at 213-576-6878, or its Mortgage Lending Activities unit at 916-227-0770.