

GOVERNMENT ESTABLISHES TASK FORCE TO COMBAT HAMP SCAMS, BUT NOT FORECLOSURE SCAMS

Treasury, SIGTARP, and the Consumer Financial Protection Board just formed a task force to fight HAMP fraud.

Mind you, they're not aiming to fight the fraud servicers engage in—that is, using HAMP as a way to get force homeowners to stop paying their mortgages and then using that “default” as a means to tack on fees and ultimately foreclose.

Nope, our government is going to fight other fraudsters.

SIGTARP, the CFPB, and Treasury investigate mortgage modification schemes, among other things, in which companies charge struggling homeowners a fee in exchange for false promises of lowering the homeowner's mortgage debt or payments through HAMP, a foreclosure prevention program funded by the Troubled Asset Relief Program (TARP) and administered by the U.S. Department of the Treasury.

Homeowners struggling to make their mortgage payments should beware of con artists and scams that promise to save their homes and lower their mortgage debt or payments.

If you are struggling to pay your mortgage and are seeking a mortgage modification, keep the following tips in mind:

- *You can apply to the federal Home Affordable*

Modification Program (HAMP) on your own or with free help from a housing counselor approved by the U.S. Department of Housing and Urban Development (HUD). Applying to the program is always FREE. For more information on how to apply, call the Homeowner's HOPE™ Hotline at 1-888-995-HOPE (1-888-995-4673) or visit www.MakingHomeAffordable.gov.

- Only your mortgage servicer has discretion to grant a loan modification. Therefore, no third party can guarantee or pre-approve your HAMP mortgage modification application.
- Beware of anyone seeking to charge you in advance for mortgage modification services – in most cases, charging fees in advance for a mortgage modification is illegal.
- Paying a third party to assist with your HAMP

application does not improve your likelihood of receiving a mortgage modification.

Accordingly, beware of individuals or companies that ask you for payment and tout success rates or claim to be “experts” in HAMP.

- *If an individual or company claims to be affiliated with HAMP or displays a seal or logo representing the U.S. government in correspondence or on the Web, you should check the connection by calling the Homeowner’s HOPE™ Hotline.*
- *Beware of individuals or companies that offer money-back guarantees.*
- *Beware of individuals or companies that advise you as a homeowner to stop making your mortgage payments or to not contact your mortgage servicer.*

Financially troubled homeowners can avoid scams by working with a HUD-approved housing counselor to understand their options and to apply for

assistance. Assistance from HUD-approved housing counselors is free, and homeowners can reach them by calling the Homeowner's HOPE™ Hotline at 1-888-995-HOPE (1-888-995-4673) or by visiting www.MakingHomeAffordable.gov.

Meanwhile, the government is trying to settle with servers for their fraud.

I'm not angry that the government is trying to protect struggling homeowners. But they've badly misjudged where the biggest threat lies.