

Loan Modification and Foreclosure Rescue Scams

In the current economic environment, many homeowners are encountering significant difficulty in making their mortgage payments, which has led to an increasing amount of fraud scams. Many homeowners who have fallen for these schemes have ended up with money lost, equity lost and in many cases they have lost their home.

National Penn is aware of these scams and has put together a list of examples that may indicate a foreclosure scam. Please keep in mind this list is only **possible** signs (red flags) of fraudulent activity and that legitimate companies, which may or may not be affiliated with a Federal program, provide foreclosure assistance.

- A “foreclosure specialist” or “mortgage specialist” tells you they can help you avoid foreclosure or help you renegotiate the terms of your current mortgage. Look for these following signs:
 - Charges up-front fees for foreclosure rescue or loan modification services, they might tell you “The foreclosure will be recorded against them, not you”;
 - Accepts up-front payments only by official check, cashier’s check or wire transfer;
 - Uses aggressive tactics to seek out the homeowner by telephone, email, mail, or in person;
 - Pressures the homeowner to sign paperwork he/she didn’t have the opportunity to read thoroughly or understand;
 - Guarantees to save the home from foreclosure or stop the foreclosure process;
 - Claims the process will be quick with relatively little information and paperwork required from the homeowner;
 - Offers to buy the house and then rent it back to the homeowner;
 - Falsely claims to be affiliated with the government. (Perpetrators of scams often use names or symbols that mimic federal and state programs or falsely suggest that they offer legal services or are affiliated with an attorney or law firm, Example: “Treasury Direct Account”);
 - Instructs the homeowner not to contact the lender, a lawyer or financial counselor;
 - Offers to freeze mortgage payments for three to five months so you can pay them to modify your loan;
 - Tells the borrower they will be able to stop bankruptcy or foreclosure proceedings;
 - Offers to sell your property for top dollar to help relieve you from your situation;
 - Offers you money if you sign your house over to them.

If you receive any mailings or calls relating to any of the above, please contact a representative at National Penn Bank immediately by calling 1.800.822.3321.

We also suggest that you look for complaints filed with the Better Business Bureau and the Attorney General. You can find information on companies licensed or chartered by the Department of Banking at www.banking.state.pa.us or by calling 1.800.PA.BANKS.