

Campaign Fact Sheet

About the Loan Modification Scam Epidemic

- Today, the **national foreclosure rate** stands at an all-time high of **8.85%**.
- **Every 13 seconds** in America, there is another foreclosure filing.
- There are more than **6,600 home foreclosure filings per day**.
- More than **4.5 million households** are currently at risk of foreclosure.
- Experts are predicting between **1.5 and 2.0 million new foreclosures in 2010** and an estimated **8.1 million foreclosures by 2012**.
- This already tumultuous environment provides great opportunity for loan modification scam artists, who prey on unsuspecting homeowners with unethical and sometimes unlawful tactics to scam them out of money and often times their homes.
- Many of these homeowners have turned to loan modification or foreclosure “rescue” companies for help -- only to realize they've been scammed.
- Loan modification scams are proliferating at a rapid pace. Every day, more homeowners are falling prey to the slick advertising and sales pitches that guarantee to keep them in their homes. Many scam artists are openly taking advantage of people in difficult circumstances – online, on the telephone, and sometimes audaciously knocking on doors.

About the “Loan Modification Scam Alert” Campaign

- To combat this issue, Congress asked NeighborWorks® America to launch a national public education campaign to empower homeowners to educate homeowners about loan modification scams.
- The campaign will target all audiences, but its resources are focused sharpest on those groups that have already seen high levels of scam activity, including seniors, Hispanics, African Americans and Asian Americans
- Our mission is threefold:
 1. First, ALERT homeowners about scams.
 2. Second, help them spot a scam before it's too late.
 3. Third, encourage them to report scammers to the authorities.
- Through an integrated marketing and earned media campaign, NeighborWorks® America is working with its national, state and local partners on the ground and 235 community-based affiliates to educate and protect homeowners from unethical practices.

Campaign partners will alert thousands of homeowners in communities at high risk for scam activity through real-life scam stories, fliers, postcards, e-cards, posters, print advertising, local PSAs, events, word of mouth and social media activity.

What Homeowners Can Do to Avoid Scams

- Homeowners at risk of foreclosure and looking for loan modification guidance should avoid any company or person who:
 - Asks for fees in advance,

LOAN MODIFICATION SCAM

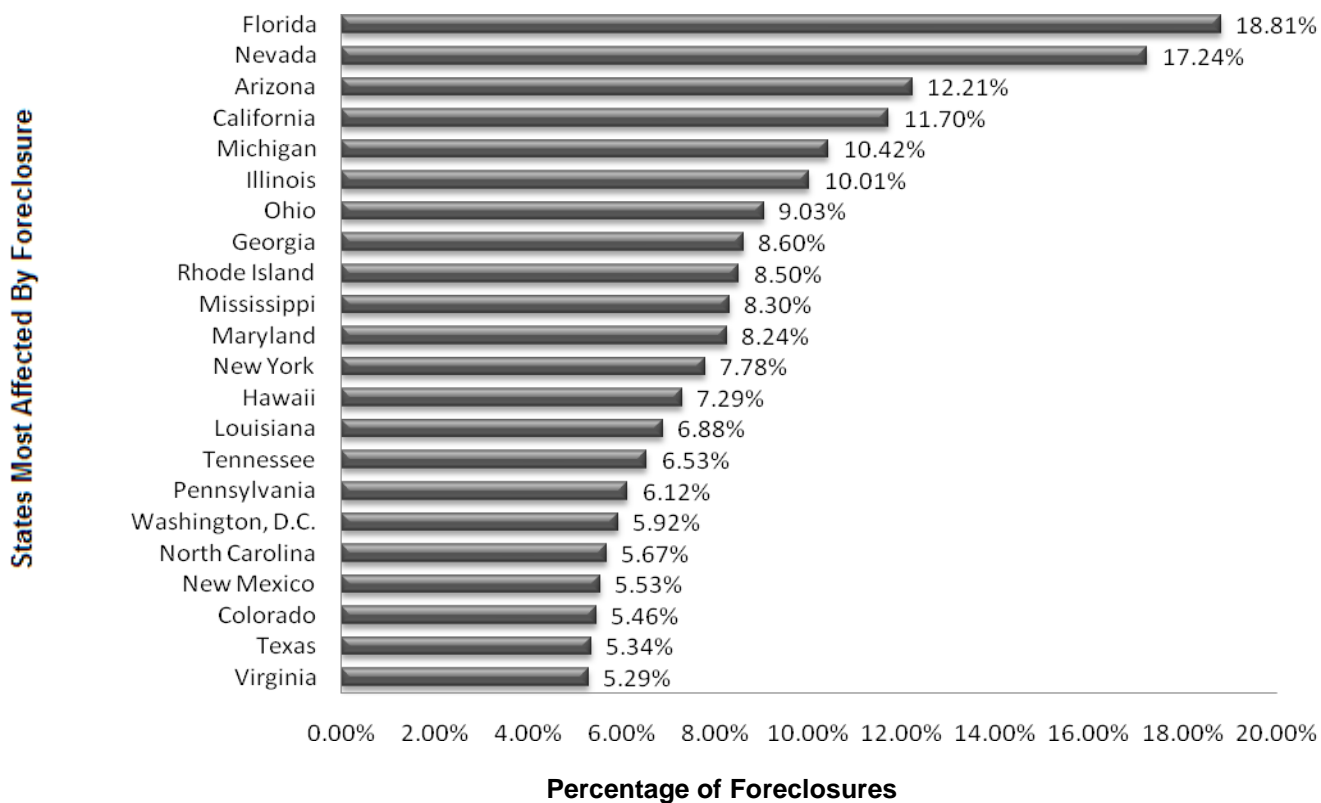
ALERT™

1-888-995-HOPE(4673) www.LoanScamAlert.org

- Guarantees that they'll stop a foreclosure or modify a loan, or
- Tells you to stop paying your mortgage company and to pay them instead.
- For loan modification guidance from a HUD-approved counseling agency call 1-888-995-HOPE (4673) – available 24 hours a day, seven days a week – or visit www.LoanScamAlert.org.

Charts and Graphs

2009 Foreclosure Rates by State

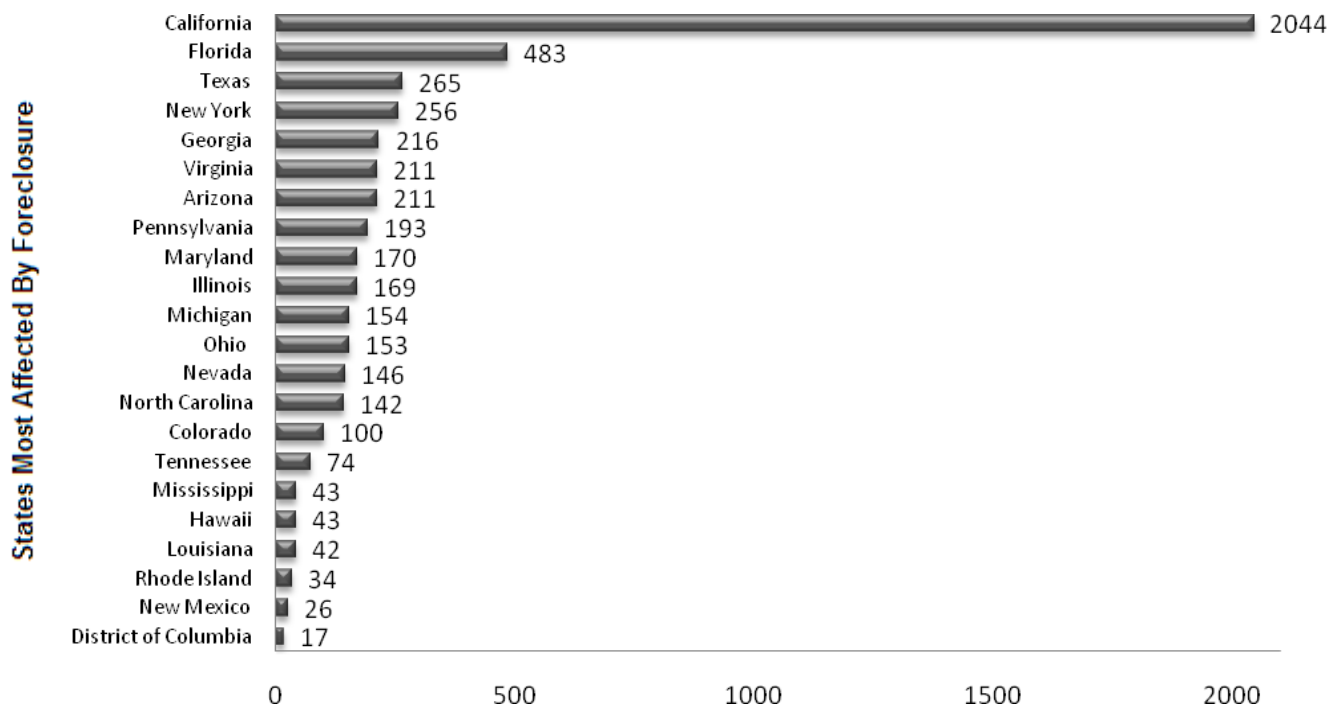


LOAN MODIFICATION SCAM



1-888-995-HOPE(4673) www.LoanScamAlert.org

2009 Scam Statistics by State



Number of Complaints Filed in 2009*

*As of Nov. 22, 2009

Sources:

- NeighborWorks® America
- The Center For Responsible Lending
- Mortgage Bankers Association
- The Credit Suisse Group
- The Office of the Attorney General of California

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