

## Campaign Fact Sheet

### About the Loan Modification Scam Epidemic

- Today, the **national foreclosure rate** stands at **4.63%**.
- **Every 15 seconds** in America, there is another foreclosure filing.
- There are more than **6,100 home foreclosure filings per day**.
- More than **4.5 million households** are currently at risk of foreclosure.
- Experts are predicting approximately **2.6 million new foreclosures in 2011**, resulting in an estimated **8.0 million foreclosures from 2009 to 2011**.
- 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 targets 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 are alerting thousands of homeowners in communities at high risk for scam activity through real-life scam stories, fliers, postcards, door hangers, 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

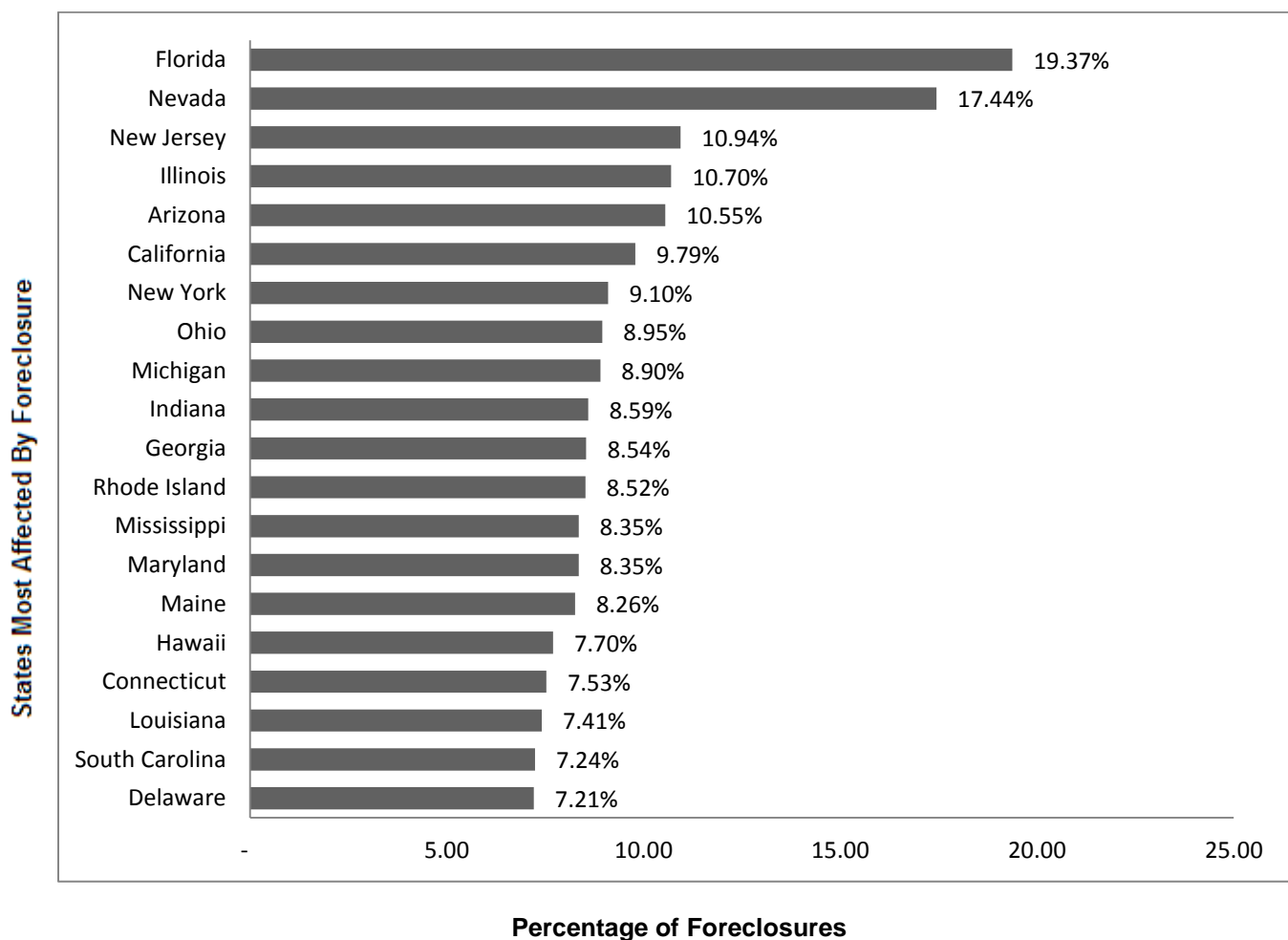
# ALERT™

1-888-995-HOPE(4673) [www.LoanScamAlert.org](http://www.LoanScamAlert.org)

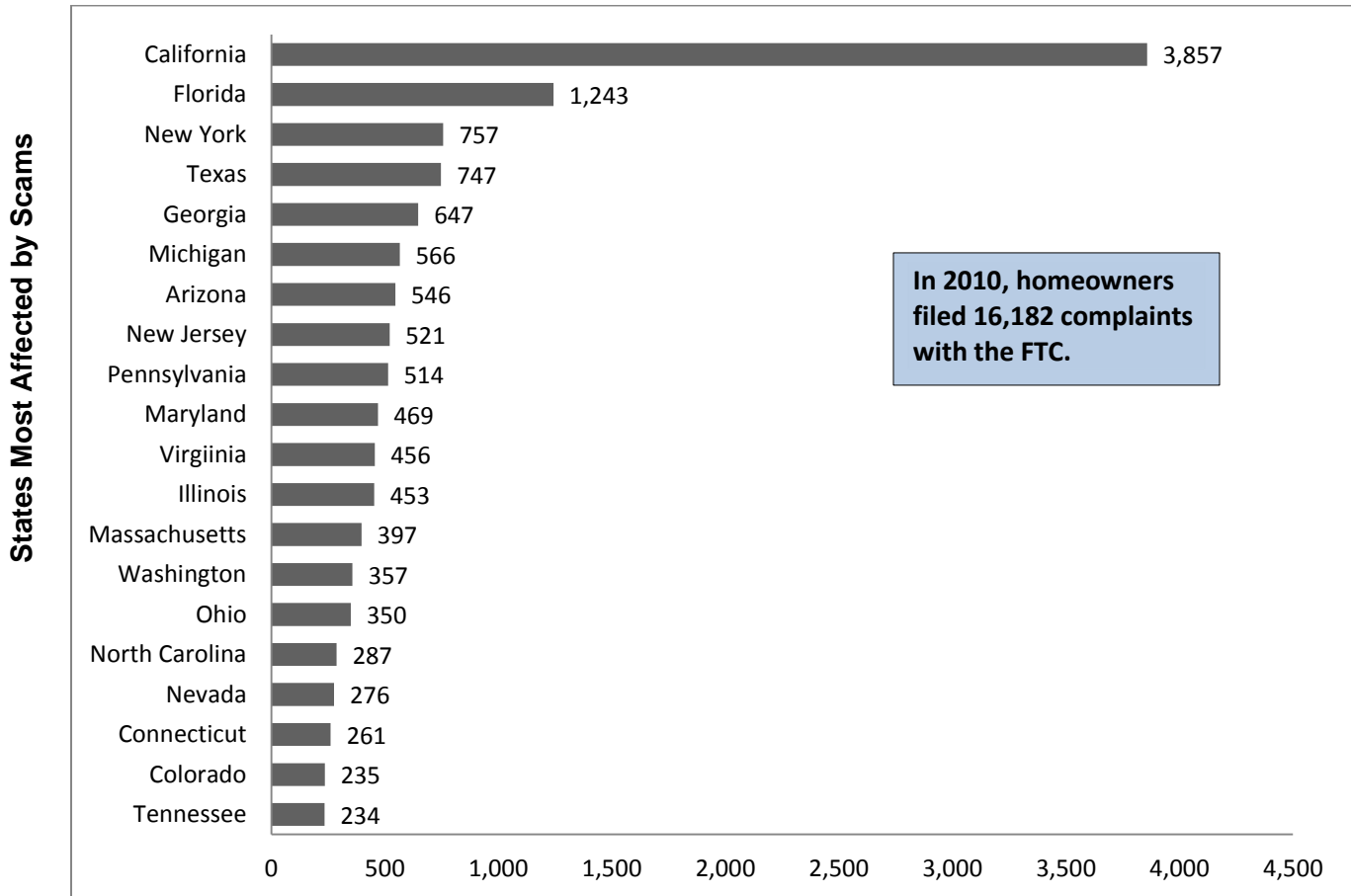
- Guarantees that they'll stop a foreclosure or modify a loan, or
- Tells you to stop paying your mortgage company and to pay them instead.
- For free, loan modification guidance from a HUD-approved counseling agency call 1-888-995-HOPE (4673) – available 24 hours a day, seven days a week – or visit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

### Charts and Graphs

#### 2010 Top Foreclosure Rates by State



**2010 Top 20 States with Highest Scams Reported to the FTC**



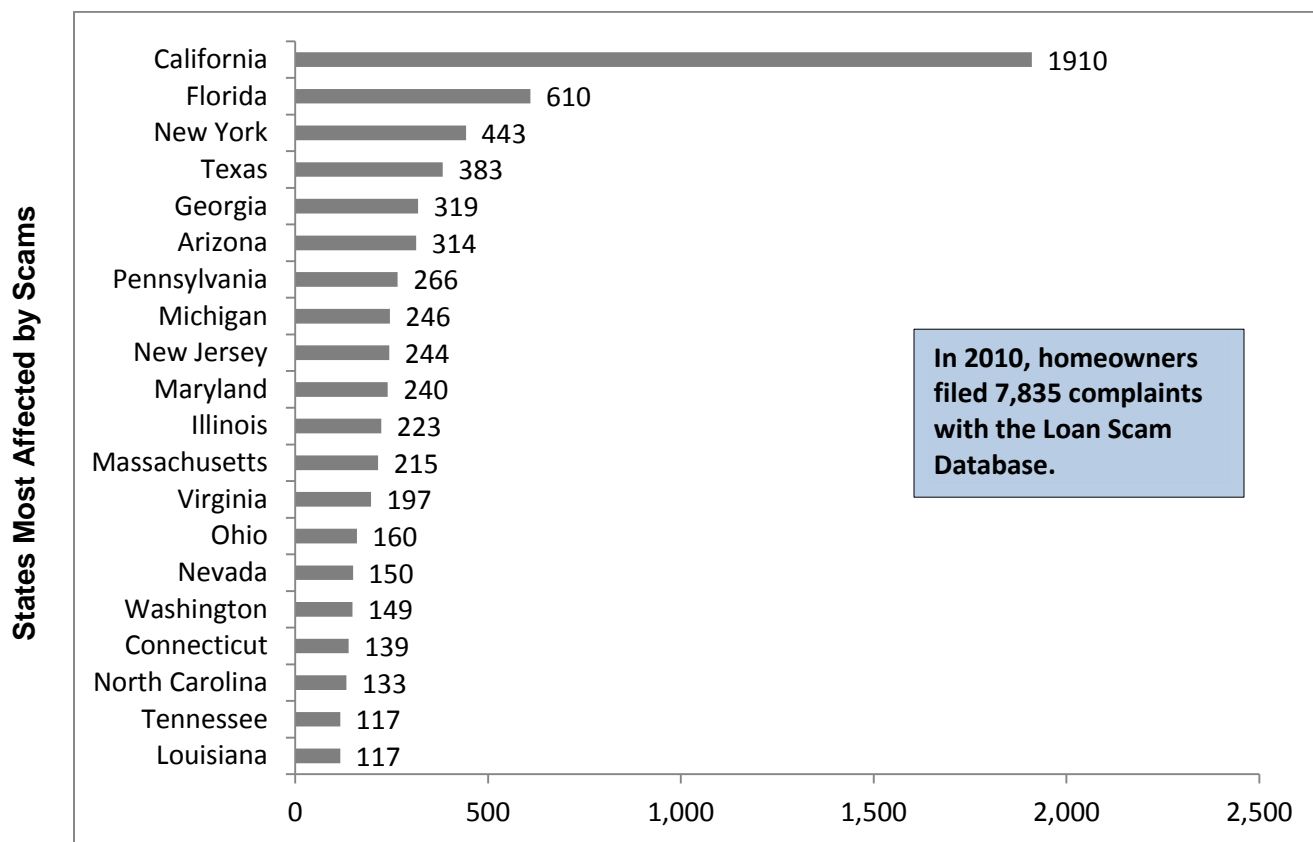
**Number of FTC Complaints Filed in 2010 = 16,182**

## LOAN MODIFICATION SCAM

# ALERT™

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### 2010 Top 20 States with Highest Scams Reported to the Loan Scam Database



**Number of Complaints Filed through Loan Scam Database in 2010 = 7,835**

*Original loan modification scam complaint information is compiled and housed in the national Loan Modification Scam Prevention Network Database, which is maintained by the Lawyers' Committee for Civil Rights Under Law, located in Washington D.C.*

#### Sources:

- NeighborWorks® America Analysis of Mortgage Bankers Association National Delinquency Survey
- Mortgage Bankers Association
- The Credit Suisse Group
- Federal Trade Commission, Consumer Sentinel Database
- Lawyers' Committee for Civil Rights Under Law

#### For more information, contact:

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