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## **AVOID BECOMING A VICTIM OF FORECLOSURE RESCUE FRAUD**

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An increasing number of homeowners are falling behind in paying their mortgages. Mortgage lenders have been slow to respond to the foreclosure crisis and often are not equipped with adequate and knowledgeable personnel to answer questions from borrowers who are in default or at imminent risk for going into default on their mortgage payments. All too frequently, lenders may take months to respond to the homeowner's request for a loan modification, if they respond at all. Most homeowners do not have the time, knowledge or emotional fortitude to address their lenders in a manner that will yield a productive outcome. There are advertisements on television and radio made by individuals or companies who promise that they can stop foreclosure and allow the homeowner to retain ownership of their property. Some homeowners even receive fake notices in the mail stating that they are pre-approved for a special government program to modify their existing mortgage.

The downturn in the economy has spurred an industry related to foreclosure prevention assistance. Some companies provide legitimate help and charge a reasonable fee for their services. However, fraud is also prevalent among foreclosure defense service providers. Florida Statute §501.1377 was enacted in response to the growing problem and damage caused by foreclosure rescue fraud. Foreclosure rescue efforts are legal if the service provider gives the homeowner a written itemization detailing of all services to be performed by the rescuer and the total fee charged for those services. The homeowner has no less than three business days to cancel the agreement for services and no fee can be collected before all the promised services outlined in the contract are performed. The law also provides safeguards for homeowners who convey title to the property with the intention of repurchasing it at a later date. The homeowner should not sign a contract for foreclosure rescue services that does not contain all of the terms and services promised by the rescue company or contain blank lines. It is also recommended that the homeowner have the agreement reviewed by his or her own attorney before signing it. The Florida Attorney General's Fraud Hotline is a resource available to the homeowner to verify that there are no registered complaints against the individual or company providing foreclosure rescue services.

Whenever an owner stops paying their mortgage without the benefit of a written forbearance agreement entered into with their lender, they risk losing their property in foreclosure. Do not stop paying your mortgage until you have contacted your lender directly and fully understand the legal consequences of failing to make scheduled payments. Reliable information on federal mortgage modification and refinancing programs can be found at [www.makinghomeaffordable.gov](http://www.makinghomeaffordable.gov). You can also contact Housing and Urban Development (HUD) at (800) 569-4287 to obtain a list of local, approved credit / mortgage counselors. In Collier County, the HUD approved counseling agency is Housing Development Corporation of SW Florida, Inc. at (239) 434-2397 or [www.collierhousing.org](http://www.collierhousing.org). Many of the HUD approved mortgage counselors will not charge you a fee for their services.