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Contact: Albert Suguitan
618-692-8300

Glen Carbon, Illinois — For a homeowner facing the frightening threat of foreclosure, the offer seems too good to be true. A “mortgage rescue” company contacts you, claiming to be able to help you save your credit and your home.

In some cases the company provides phantom help offering to work as an intermediary with lenders, collecting an up-front fee for services it never provides or that homeowners easily could have done on their own – for free. In other scams, the “rescuer” may offer to pay off the delinquent loan and allow homeowners to stay on as renters, with the possibility of buying the home back later. However, the scam artist doesn’t make the payments, and homeowners, who have signed over their deed, end up losing the home and any equity they had in it.

“People who are facing foreclosure need to know there are reputable organizations and industry professionals who can help them turn things around,” said Pat Walker, Chairman of the Board of the Greater Gateway Association of REALTORS®. “A good rule of thumb to remember is if something sounds too good to be true, it probably is.”

Last year, Illinois instituted tougher guidelines on mortgage rescue companies by implementing the Mortgage Rescue Fraud Act. The law requires that rescue companies give homeowners a written contract, which the homeowner can cancel at any time, listing the services they will perform before being paid. In the case of a home sale, a written contract is also required, and the company must pay the homeowner at least 82 percent of the fair market value if the rescue fails.

At-risk homeowners are encouraged to contact a HUD-certified housing counselor who can help walk them through their options. Reputable counselors can be found through the HUD website at www.hud.gov or by calling 800-569-4287. HUD-certified counselors can also be contacted through the Hope Now Alliance homeowner hotline at 888-995-4673 or www.hopenow.com.

The Greater Gateway Association of REALTORS® serves over 1,000 REALTOR® and affiliate members in the southwestern Illinois region including the counties of Bond, Calhoun, Fayette, Jersey, Macoupin, Madison, Monroe, and Montgomery. The Association strives to promote education, professionalism, and ethical conduct in the real estate industry, to continue to be an advocate for the protection of property rights, and to further the interest of residential and other real estate property ownership.