

RAMPANT MORTGAGE FRAUD DUPES HOMEOWNERS OF HOME AND MONEY



Foreclosure on homes purchased with a deep yearning of fulfillment of lifelong desires to have a house of their own, is by itself a very painful and hurting experience that financially strapped homeowners have to go through. But what if, in addition to losing your homes you also lose a lot of money thanks to avaricious representatives of fraudulent companies that claim that they can modify your loans and ensure that you do not lose your homes? Glib talk and the prospects of saving their homes have seen many a homeowner fall prey to such fraudulent schemes. It is reported that upwards of 4,000 homeowners who were having difficulty in paying their loan installments on their homes lost around 7 million to such loan-modification scams. Last month 11 people involved in the scam were arrested and legal action was taken against them, but it was too late, for those who had fallen into their trap, not only lost a lot of money but also their homes. United States Attorney André Birotte Jr. said, "The housing crisis provided fraud artists a new avenue to exploit people in financial distress. Many of the victims in this alleged scheme were in desperate financial straits, and shameless financial predators promised relief they could not deliver. As a result, many homeowners went into foreclosure and now have to deal with the ramifications of losing their homes." To help safeguard homeowners who are desperately trying to save their houses and are most vulnerable to such deceitful schemes that are increasing day-by-day, the FBI has joined the Department of Justice, the Department of Housing and Urban Development, and the Federal Trade Commission (FTC) in raising awareness and also tell them about the results of the Distressed Homeowner Initiative. The scam is simple and plays on the apprehensions and fears of the homeowner and his desperate desire to save his house at any cost. The scammers take upfront fees from them, even though FTC has prohibited companies that offer loan modification or any other type of mortgage assistance, from asking for fees in advance. The homeowners are assured that their houses will be saved from foreclosure and that their loans will be modified. However, the services are never provided and the financially strapped homeowners lose even more and eventually their homes. The initiative has joined hands with federal, state, and local law enforcement to ensure that the perpetrators of such crimes are taken to task and targeted both criminally and civilly. Their efforts have seen more than 200 companies downing their shutters and criminal charges being filed against 530 defendants. The initiative found that the perpetrators of such crimes had duped more than 73,000 people across the country and cost them more than a billion dollars. Associate Deputy Director Kevin Perkins, "In contrast with previous initiatives, where the fraud victims primarily were lenders, the focus here is on individual homeowners, many times at their most vulnerable point." The initiative says that there is a 300 percent increase in mortgage fraud cases all over the country and there have been complaints of homeowners in financial turmoil being targeted by such fraudsters. Mortgage data showed that almost a quarter, 22.3 percent, of residential properties were "underwater," meaning that the worth of the properties was less than what the owners had to pay for them. This, analysts say, means that there is no dearth of people whom these fraudsters can target and swindle. It was also found that attorneys and lawyers were also playing a dubious role in the proceedings. Fraudsters would use attorneys which would give their nefarious schemes a semblance of authenticity and lead the homeowners to believe that there was nothing to fear. The FBI's Financial Intelligence Center has been evaluating and examining thousands of consumer complaints to find out high-priority offenders and areas most prone to such schemes. The FBI said that it remains committed to catching and bringing to law the worst criminal offenders. The agency has employed the latest most sophisticated investigative techniques and regular conduct undercover operations and legally permissible electronic surveillance to ensure that they are apprehended and brought to book.