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## Homeowners should be wary of loan modification offers

(Salem) – Oregonians facing foreclosure should beware of offers to modify their mortgage loan or find a loan modification for a fee, the Oregon Department of Consumer and Business Services and Department of Justice warned today. Some companies charge upfront fees for services homeowners can get for free by visiting a nonprofit counselor or by talking directly with their lender.

“Unfortunately, there are scammers trying to take advantage of the current economic situation and charge consumers unnecessarily,” said Cory Streisinger, director of the Department of Consumer and Business Services. “Under the new federal Homeowner Affordability and Stability Plan, lenders and loan servicers will have incentives to work directly with borrowers to modify loans and lower payments. Homeowners can also get the help they need for free from a nonprofit counselor certified by the U.S. Department of Housing and Urban Development (HUD).”

Loan modification companies recently have been targeting homeowners in Oregon through fliers, direct mail, and phone calls. Typically, the companies charge a fee to negotiate a change in the borrower's loan, such as deferred payments. In some cases, the borrower does not receive the services he or she paid for. In other cases, the borrower receives the services, but could have gotten the same result for no charge from a nonprofit counselor or by dealing directly with their lender.

Homeowners who believe they have been taken advantage of by a loan modification company should file a complaint with the Attorney General's Office. Contact the Attorney General's consumer hotline at 1-877-877-9392. Justice is online at [www.doj.state.or.us](http://www.doj.state.or.us). Written complaints can be sent to Financial Fraud/Consumer Protection Section, 1162 Court St. NE, Salem, OR 97301-4096.

To find a nonprofit foreclosure counselor in your area, go to <http://www.cbs.state.or.us/dfcs/ml/foreclosure/counselors.html> or call 1-800-SAFENET.

For more information about the options available under the Homeowner Affordability and Stability Plan, click here: <http://www.financialstability.gov/makinghomeaffordable/index.html>.

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