



AVOIDING FORECLOSURE SCAMS

Protect Your Home and Your Rights

A comprehensive guide to recognizing, avoiding, and reporting foreclosure scams in Texas.

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1. Introduction: Knowledge is Your Best Defense

Facing foreclosure is one of the most stressful experiences a homeowner can encounter. The fear of losing your home, the financial pressure, and the uncertainty about the future create a perfect storm of vulnerability. Unfortunately, scammers know this and deliberately target homeowners in distress, promising quick fixes and guaranteed solutions that are too good to be true.

Why Homeowners Are Vulnerable

- Foreclosure creates a unique vulnerability for several reasons:
- **Time Pressure:** The foreclosure timeline in Texas moves quickly—typically 5-7 months from the first missed payment to the foreclosure sale. This sense of urgency can cloud judgment.
- **Emotional Distress:** The fear of losing your home and the shame associated with financial difficulties can make it hard to think clearly and recognize warning signs.
- **Financial Desperation:** When you're struggling to make payments, any promise of relief can seem appealing, even if it doesn't make logical sense.
- **Lack of Knowledge:** Most homeowners have never faced foreclosure before and don't know what legitimate help looks like or what their rights are.
- **Isolation:** Many homeowners facing foreclosure feel alone and embarrassed, making them less likely to seek advice from trusted friends, family, or professionals.

How Scammers Exploit These Vulnerabilities

Foreclosure scammers are sophisticated predators who use several tactics:

- Creating a sense of urgency: "Act now or lose your home tomorrow!"
- Offering guaranteed results: "We can definitely save your home."
- Using official-sounding names that mimic government agencies
- Exploiting trust by impersonating attorneys, counselors, or government officials
- Isolating victims by instructing them not to speak with their lender or attorney
- Requesting upfront fees before providing any actual services

YOU HAVE THE POWER TO PROTECT YOURSELF

This guide will equip you with the knowledge to recognize scams, understand your rights, and find legitimate help. Remember: legitimate help exists, and you have more options than scammers want you to believe. Don't let fear or pressure force you into a bad decision.

2. Common Foreclosure Scam Types

Understanding the different types of foreclosure scams is your first line of defense. Here are the most common schemes targeting Texas homeowners:

Foreclosure Rescue Scams

HOW IT WORKS: A company promises to negotiate with your lender to save your home, but requires a large upfront fee (often \$2,000-\$5,000). After you pay, they either do nothing, provide minimal services, or simply disappear.

REAL-WORLD EXAMPLE: Maria received a letter claiming a company could "guarantee" her loan modification for a \$3,500 fee. She paid, but the company never contacted her lender. By the time she realized it was a scam, her foreclosure sale date had passed, and she lost her home.

WARNING SIGNS: Demands for upfront payment before any work is done; guarantees of results; pressure to act immediately.

Phantom Help Schemes

HOW IT WORKS: Scammers pretend to be government agencies or HUD-approved counselors. They use official-sounding names like "Federal Homeowner Protection Agency" or "National Foreclosure Prevention Center." They collect personal information and fees but provide no legitimate services.

REAL-WORLD EXAMPLE: James received a call from someone claiming to be from a government foreclosure prevention program. They knew details about his mortgage and foreclosure status, which made them seem legitimate. He paid \$2,800 for "expedited processing" of his loan modification. The agency didn't exist.

WARNING SIGNS: Claims to be from a government program; official-sounding name; requests fees for "free" government services.

Rent-to-Buy (Leaseback) Scams

HOW IT WORKS: A "buyer" offers to purchase your home and rent it back to you, promising you can buy it back later. You sign over the deed, thinking you're safe. The scammer then: (1) collects your rent but doesn't pay the mortgage, leading to foreclosure; (2) evicts you; or (3) sets buyback terms that are impossible to meet.

REAL-WORLD EXAMPLE: Linda signed over her deed to a company that promised she could stay in her home as a renter and buy it back in two years. The "rent" was higher than her original mortgage payment. After 18 months, she discovered the company never made a single mortgage payment, and the bank foreclosed. She lost all her equity.

WARNING SIGNS: Pressure to sign over your deed quickly; vague or missing buyback terms; rent higher than your mortgage payment.

Equity Stripping

HOW IT WORKS: The scammer convinces you to take out a new loan or refinance, often based on inflated property values. The terms are terrible (high interest, huge fees), and the loan is designed to fail. When you can't pay, the scammer forecloses and takes your home, keeping all your equity.

REAL-WORLD EXAMPLE: Robert had \$100,000 in equity in his home. A "lender" convinced him to refinance to "consolidate debt." The loan had hidden fees, an adjustable rate that ballooned after six months, and a prepayment penalty. He couldn't afford the new payment and lost his home. The scammer pocketed his equity.

WARNING SIGNS: Loan terms you don't understand; pressure to sign without attorney review; appraisal much higher than expected.

Bait-and-Switch Schemes

HOW IT WORKS: You think you're signing documents for a loan modification or refinance, but you're actually signing over the deed to your property. The scammer uses complex legal language and pressures you to sign without reading carefully or consulting an attorney.

REAL-WORLD EXAMPLE: Sandra met with a "consultant" who brought a stack of paperwork. He told her it was for a loan modification and rushed her through signing, saying "it's all standard." Weeks later, she discovered she had signed a quitclaim deed transferring ownership to the consultant's company.

WARNING SIGNS: Rush to sign documents; refusal to let you take documents home to review; no attorney present.

Bankruptcy Fraud

HOW IT WORKS: A scammer charges you thousands of dollars to file a bankruptcy petition but does so improperly, incompletely, or not at all. The temporary automatic stay stops the foreclosure temporarily, but when the bankruptcy is dismissed due to errors, the foreclosure proceeds—and you've lost time and money.

REAL-WORLD EXAMPLE: Michael paid \$4,000 to a "bankruptcy specialist" who wasn't an attorney. The specialist filed a Chapter 13 petition with incorrect information and missed critical deadlines. The case was dismissed after two months, and the foreclosure sale was rescheduled. Michael lost the money and his window to pursue legitimate options.

WARNING SIGNS: Non-attorney offering bankruptcy services; fees much lower or higher than typical; poor communication after filing.

Forensic Loan Audit Scams

HOW IT WORKS: Companies promise to review your mortgage documents to find legal violations that will force your lender to modify your loan or dismiss the foreclosure. They charge \$1,000-\$3,000 for the "audit." In reality, even if violations exist, they rarely stop a foreclosure, and courts generally don't accept these audits as evidence.

REAL-WORLD EXAMPLE: Patricia paid \$2,200 for a forensic loan audit that claimed to find "27 violations" in her mortgage. When she presented this to her lender and the court, both dismissed it. The audit had no legal standing, and she had wasted precious time and money.

WARNING SIGNS: Guarantees of finding violations; claims the audit will stop foreclosure; upfront fees; no attorney involved.

Mass Joinder Schemes

HOW IT WORKS: You're recruited to join a class-action lawsuit against your lender, typically for a fee of \$1,000-\$3,000. The lawsuit claims widespread lending violations. These lawsuits are almost always dismissed, provide no actual help, and you're still responsible for your mortgage payments.

REAL-WORLD EXAMPLE: David joined a "mass joinder" lawsuit against his lender for \$1,500. The promoters told him to stop making mortgage payments because "the lawsuit would take care of it." The lawsuit was dismissed six months later, and David was now severely delinquent with no defense against foreclosure.

WARNING SIGNS: Told to stop paying mortgage; upfront fees to join lawsuit; claims of guaranteed success; no reputable attorney involved.

3. Red Flags Checklist: Warning Signs of Foreclosure Scams

⚠️ IF YOU SEE THESE SIGNS, STOP IMMEDIATELY

Use this checklist to evaluate anyone offering foreclosure assistance. Even ONE of these red flags should make you extremely cautious. Multiple red flags mean you should walk away immediately.

► RED FLAG	WHAT IT MEANS
Demands Upfront Fees	Legitimate HUD-approved housing counselors provide FREE services. It's illegal in Texas for foreclosure consultants to collect fees before completing services.
Guarantees Results	No one can guarantee they will save your home. Legitimate counselors are honest about outcomes and limitations.
Pressures You to Act Immediately	Scammers create false urgency. Legitimate help will give you time to think and consult with others.
Asks You to Sign Over Your Deed	This is almost always a scam. You should NEVER sign over your deed unless you're intentionally selling your home through a legitimate transaction.
Tells You to Stop Communicating with Your Lender	This is a major red flag. You should always maintain direct communication with your lender.
Asks You to Make Mortgage Payments Directly to Them	Your mortgage payments should always go to your lender or servicer, never to a third party.
Claims to Be from a Government Agency	Government agencies don't reach out unsolicited offering foreclosure help. Verify any claims independently.
Won't Provide Written Contracts	Legitimate businesses provide written agreements. If they refuse or give excuses, walk away.
Not Licensed/Can't Verify Credentials	In Texas, anyone charging for foreclosure consulting services must be a licensed attorney, real estate broker, or meet specific licensing requirements.
Tries to Isolate You from Advice	Scammers don't want you talking to attorneys, counselors, family, or friends who might recognize the scam.
Uses Scare Tactics	Statements like "This is your last chance" or "You'll lose everything tomorrow" are designed to panic you into bad decisions.
Has No Physical Address or Local Presence	Scammers often operate remotely with P.O. boxes or virtual offices to make it harder to pursue legal action.
Poor Reviews or Complaints	Check the Better Business Bureau, Texas Attorney General, and online reviews. Multiple complaints are a serious warning.

 **WHAT TO DO IF YOU SEE RED FLAGS:**

- 1. Do NOT sign anything**
- 2. Do NOT pay any money**
- 3. Do NOT provide personal information**
- 4. Leave or end the conversation immediately**
- 5. Contact a HUD-approved housing counselor for legitimate help**
- 6. Report the suspected scam to authorities (see Section 7)**

4. How Scammers Target Homeowners

Understanding how scammers find and manipulate their victims helps you recognize their tactics and protect yourself. Foreclosure scammers are sophisticated and use multiple channels to reach homeowners.

Marketing Tactics: How They Find You

- ✉ Direct Mail Campaigns: Foreclosure notices are public records in Texas. Scammers monitor courthouse filings and send official-looking letters immediately after a Notice of Default is filed. These letters may use government-style formatting, urgent language, and official seals to appear legitimate.
- Door-to-Door Solicitation: Some scammers physically visit homes in foreclosure. They may pose as inspectors, appraisers, or buyers. They create urgency by claiming "I was just in the neighborhood" or "I have a buyer ready today."
- 💻 Online Advertising: Scammers use targeted online ads that appear when you search for foreclosure help. They may use terms like "Stop Foreclosure Now," "Government Program," or "Free Consultation" to attract clicks.
- 📞 Phone Calls: Cold calls claiming to represent government programs or offering foreclosure assistance. They may already know details about your mortgage (obtained from public records) to seem legitimate.
- 📱 Social Media: Scammers create professional-looking Facebook pages, Instagram accounts, and YouTube videos with testimonials (often fake) from "satisfied customers."

Emotional Manipulation Techniques

Scammers are expert manipulators who use psychological tactics:

- **Creating False Hope:** They promise guaranteed results and paint an unrealistic picture of how easy it will be to save your home.
- **Exploiting Fear:** They emphasize worst-case scenarios—losing your home, ruining your credit, being evicted—to keep you in a state of panic.
- **Building False Trust:** They use professional titles, dress professionally, and share fake "success stories" to appear credible.
- **Manufactured Urgency:** They claim opportunities are limited, deadlines are today, or you're running out of time to pressure quick decisions.
- **Isolation Tactics:** They discourage you from consulting with family, attorneys, or counselors who might recognize the scam.
- **Mimicking Authority:** They use legal jargon, official-looking documents, and government-style language to seem knowledgeable and authoritative.
- **Shifting Responsibility:** They tell you to "let them handle everything" and stop communicating with your lender, removing your control.

Fake Credentials and Impersonation

Scammers go to great lengths to appear legitimate:

- Using official-sounding business names like "Federal Homeowner Assistance Center" or "Texas Foreclosure Prevention Bureau"
- Creating professional websites with stock photos and fake testimonials
- Claiming affiliations with government agencies, banks, or legitimate nonprofits
- Providing fake license numbers or credentials
- Using titles like "Certified Foreclosure Specialist" (which isn't a real certification)
- Wearing business attire and carrying professional-looking paperwork
- Operating out of temporary office spaces to appear established

PROTECT YOURSELF:

Always independently verify credentials. Don't rely on business cards, websites, or documents provided by the person offering help. Check with the State Bar of Texas for attorneys, the Texas Real Estate Commission for real estate professionals, and the HUD website for approved housing counselors.

5. Protecting Yourself: Essential Action Steps

Taking these proactive steps will help you avoid scams and find legitimate help.

Verification Checklist

Before working with ANYONE offering foreclosure assistance, complete this verification checklist:

- Verify attorney license with the State Bar of Texas (www.texasbar.com/findalawyer)
- Verify real estate license with Texas Real Estate Commission (www.trec.texas.gov)
- Check if the housing counselor is HUD-approved (www.consumerfinance.gov/find-a-housing-counselor)
- Search for complaints with the Better Business Bureau (www.bbb.org)
- Check for complaints with the Texas Attorney General (www.texasattorneygeneral.gov)
- Search online reviews and testimonials (look for patterns of complaints)
- Verify physical business address (visit in person if possible; avoid P.O. boxes)
- Ask for and check professional references
- Request a written contract and have it reviewed by an independent attorney
- Verify any claimed government affiliation by calling the agency directly

Critical Questions to Ask

Ask these questions to any person or company offering foreclosure help. Legitimate providers will answer clearly and patiently. Scammers will evade, get defensive, or pressure you not to ask questions.

1. What specific services will you provide?

► *Get a detailed, written description. Vague answers like "we handle everything" are red flags.*

2. What is your license number and who regulates you?

► *They should provide this immediately and you should verify it independently.*

3. What are ALL your fees and when are they due?

► *Get this in writing. Upfront fees before any work is done is a major red flag.*

4. Can I have a written contract to review with an attorney?

► *If they refuse or pressure you to sign immediately, walk away.*

5. What is your physical address and phone number?

► *Verify the address exists and isn't a UPS store or virtual office.*

6. How long have you been in business?

► *Newer companies may be riskier. Ask for proof of established business history.*

7. Can you provide references from past clients?

► *Contact these references independently to verify they're real and satisfied.*

8. What happens if you can't save my home?

► *Legitimate providers discuss all possible outcomes, including unsuccessful attempts.*

9. Do you have errors and omissions insurance?

► *This protects you if they make mistakes. Unlicensed consultants won't have this.*

10. Will you provide regular updates in writing?

► *You should receive documentation of all work performed on your behalf.*

Documents You Should NEVER Sign

🚫 NEVER SIGN THESE DOCUMENTS without independent attorney review:

- **Quitclaim Deed:** This transfers ownership of your property. You should NEVER sign this as part of a foreclosure rescue.
- **Power of Attorney:** This gives someone else authority to act on your behalf, including signing documents and accessing your finances.
- **Deed of Trust or Mortgage:** This creates a new lien against your property. Scammers may disguise this as a "rescue loan."
- **Blank Documents:** NEVER sign blank or partially completed documents. Scammers can fill in terms after you sign.
- **Documents in a Language You Don't Understand:** Demand documents in your language. Scammers exploit language barriers.
- **Contracts with No Cancellation Period:** Texas law gives you a 3-day right to cancel certain contracts. Legitimate providers honor this.

Finding Safe, Legitimate Alternatives

Legitimate help IS available. Here's where to find it:

- **HUD-Approved Housing Counselors:** These are FREE and the gold standard for foreclosure help. Find one at www.consumerfinance.gov/find-a-housing-counselor or call 1-888-995-HOPE (4673).
- **Licensed Attorneys:** For complex situations, consult a foreclosure defense or real estate attorney. Many offer free initial consultations. Verify licenses at www.texasbar.com.
- **Legal Aid Organizations:** If you can't afford an attorney, legal aid may provide free services. Find options at www.texaslawhelp.org.
- **Your Mortgage Servicer:** Contact your lender directly to discuss loss mitigation options like loan modifications, repayment plans, or forbearance.
- **Licensed Real Estate Brokers:** If selling is the best option, work with a licensed real estate broker. Verify licenses at www.trec.texas.gov.
- **Bankruptcy Attorneys:** If bankruptcy might help, consult with a licensed bankruptcy attorney (not a petition preparer or consultant).

6. What to Do If You've Been Scammed

If you realize you've been victimized by a foreclosure scam, act immediately. Quick action can minimize damage and may help you recover some losses.

Immediate Actions Checklist

- STOP all payments to the scammer immediately
- Contact your bank if you paid by check, credit card, or electronic transfer to attempt a reversal
- If you signed over your deed, contact a real estate attorney IMMEDIATELY to explore options to void the transfer
- If you gave the scammer power of attorney, revoke it in writing and notify all relevant parties
- Change all passwords and PINs if you shared personal information
- Contact your mortgage servicer directly to explain the situation and discuss legitimate options
- Gather all documentation: contracts, receipts, emails, text messages, letters, business cards
- Write down everything you remember: dates, names, phone numbers, what was said, what you signed
- Contact a HUD-approved housing counselor for legitimate help moving forward
- Place a fraud alert on your credit reports by contacting one of the three credit bureaus

How to Report the Scam

Report the scam to MULTIPLE agencies. This helps authorities track patterns, warn other homeowners, and potentially take enforcement action.

- **Federal Trade Commission (FTC)**
Contact: www.reportfraud.ftc.gov | 1-877-382-4357
Purpose: National database of consumer fraud complaints
- **Consumer Financial Protection Bureau (CFPB)**
Contact: www.consumerfinance.gov/complaint | 1-855-411-2372
Purpose: Handles mortgage and foreclosure-related complaints
- **Texas Attorney General**
Contact: www.texasattorneygeneral.gov | 1-800-621-0508
Purpose: State consumer protection enforcement
- **Local Law Enforcement**
Contact: File a police report in your city
Purpose: Creates official record for potential prosecution
- **Better Business Bureau (BBB)**
Contact: www.bbb.org
Purpose: Public complaint record to warn other consumers
- **Texas Real Estate Commission**
Contact: www.trec.texas.gov | 1-800-250-8732
Purpose: If scammer claimed to be a real estate professional
- **State Bar of Texas**
Contact: www.texasbar.com | 1-800-204-2222
Purpose: If scammer claimed to be an attorney

Legal Recourse Options

Depending on your situation, you may have legal options to recover losses:

- **Civil Lawsuit:** You may be able to sue the scammer for fraud, breach of contract, or violations of Texas foreclosure consultant laws. Consult with an attorney.
- **Small Claims Court:** For losses under \$20,000, you can file in small claims court without an attorney.
- **Rescission Rights:** Texas law gives you a 3-day right to cancel certain contracts. If you're within that window, send a cancellation notice immediately.
- **Quiet Title Action:** If you signed over your deed under fraudulent circumstances, an attorney can file a quiet title action to attempt to reclaim ownership.
- **Criminal Prosecution:** Work with law enforcement and prosecutors. While this may not recover your money, it can lead to criminal charges.
- **Class Action Lawsuit:** If multiple victims exist, an attorney may pursue a class action. Check with consumer protection attorneys.

IMPORTANT REALITY CHECK:

Unfortunately, many foreclosure scammers are difficult to track down and may have no assets to recover. Even if you win a judgment, collecting may be impossible. Focus first on protecting your home and finances going forward, and pursue legal action with realistic expectations.

7. Reporting Resources: Complete Contact Directory

Use this comprehensive directory to report foreclosure scams and find help.

AGENCY/ORGANIZATION	PHONE	WEBSITE	PURPOSE
Federal Trade Commission (FTC)	1-877-382-4357	reportfraud.ftc.gov	Report fraud and scams
Consumer Financial Protection Bureau (CFPB)	1-855-411-2372	consumerfinance.gov/complaint	Mortgage-related complaints
Texas Attorney General Consumer Protection	1-800-621-0508	texasattorneygeneral.gov	State consumer protection
Texas Dept. of Savings & Mortgage Lending	1-877-276-5550	sml.texas.gov	Report unlicensed mortgage activity
HUD Housing Counselor Locator	1-888-995-HOPE (4673)	consumerfinance.gov/find-a-housing-counselor	Find free housing counselors
Texas Real Estate Commission	1-800-250-8732	trec.texas.gov	Verify/report real estate professionals
State Bar of Texas	1-800-204-2222	texasbar.com	Verify/report attorneys
Better Business Bureau	Varies by location	bbb.org	Check/file business complaints
FBI Internet Crime Complaint Center	N/A (online only)	ic3.gov	Report internet-based scams
Local Police Department	Call non-emergency line	N/A	File police report for fraud
Credit Bureau Fraud Alerts	Equifax: 1-888-766-0008 Experian: 1-888-397-3742 TransUnion: 1-800-680-7289	Various	Place fraud alert on credit

REPORTING TIPS:

- *Have all documentation ready before calling or filing reports*
- *Write down confirmation numbers and case numbers*
- *Follow up periodically on your reports*
- *The more detail you provide, the better authorities can investigate*
- *Your report may help prevent others from being victimized*

8. Legitimate Help vs. Scams: Know the Difference

This side-by-side comparison shows the critical differences between legitimate foreclosure help and scams.

TOPIC	<input checked="" type="checkbox"/> LEGITIMATE HELP	<input type="checkbox"/> SCAM WARNING SIGNS
Fees	HUD-approved counselors are FREE. Attorneys charge standard rates AFTER providing services. Written fee agreement.	Demands large upfront fees (\$2,000-\$5,000+) before any work is done. Vague about total costs.
Promises	Honest about outcomes. "We'll explore options and do our best." No guarantees of results.	Guarantees they can save your home. "100% success rate." "We've never lost a case."
Timeline	Realistic timeline. "This process takes time." Encourages patience and informed decisions.	False urgency. "You must decide today!" "This offer expires in one hour!"
Communication	Encourages you to stay in contact with your lender. Helps you communicate effectively.	Tells you to stop all communication with your lender and let them "handle everything."
Credentials	Licensed attorney, real estate broker, or HUD-approved counselor. Verifiable credentials.	Vague credentials. Refuses to provide license numbers. Claims fake certifications.
Documentation	Provides written contracts, disclosures, and regular status updates. Everything in writing.	Verbal agreements only. Refuses written contracts. Pressures you to sign without reading.
Deed Transfer	NEVER asks you to sign over your deed unless you're intentionally selling through a legitimate sale.	Asks you to sign over your deed as part of a "rescue" plan. Claims you can still live there.
Payment Direction	Your mortgage payments continue to go to your lender/servicer directly.	Instructs you to send mortgage payments to them instead of your lender.
Professional Conduct	Patient, answers all questions, encourages you to seek second opinions and consult with family.	Pushy, defensive when questioned, discourages you from talking to others.
Physical Presence	Established office with verifiable physical address. Licensed in Texas.	P.O. box, virtual office, or no physical address. Out-of-state operation.
Cancellation Rights	Provides 3-day cancellation period as required by Texas law. Honors your right to cancel.	No cancellation allowed. "This is a one-time offer you must accept now."
Transparency	Clear about process, risks, and alternatives. Provides references and credentials willingly.	Evasive about specifics. Won't provide references. Vague about their process.

💡 **REMEMBER: If something feels wrong, trust your instincts. Legitimate help providers want you to feel comfortable, informed, and confident. They will never rush you or make you feel pressured.**

9. Your Rights Under Texas Law

Texas law provides specific protections for homeowners facing foreclosure. Understanding these rights empowers you to recognize violations and take action.

Texas Foreclosure Consultant Law

The Texas Finance Code, Chapter 21, Subchapter E, regulates "foreclosure consultants"—anyone who charges a fee to help homeowners avoid foreclosure. This law provides critical protections:

- **Written Contract Required:** Any foreclosure consultant must provide a written contract in the same language used in negotiations. The contract must include specific disclosures about cancellation rights and warnings about deed transfers.
- **3-Day Cancellation Period:** You have the right to cancel the contract within 3 business days for any reason, no questions asked. The contract must prominently state this right.
- **No Upfront Fees:** Foreclosure consultants cannot collect ANY fees until they have fully performed all services promised in the contract. Violation of this is illegal.
- **Deed Transfer Restrictions:** Foreclosure consultants cannot induce you to transfer title to your property as part of their services. They cannot acquire any interest in your home.
- **Waiver Prohibition:** You cannot waive your rights under this law. Any contract provision attempting to waive these protections is void and unenforceable.
- **Criminal Penalties:** Violations of the foreclosure consultant law can result in criminal charges, including jail time and fines up to \$10,000.
- **Civil Remedies:** You can sue a foreclosure consultant who violates the law for actual damages, attorney fees, and statutory damages up to three times the fee you paid.

Required Disclosures

Texas law requires foreclosure consultants to include specific language in their contracts. Look for these required disclosures. If they're missing, it's a major red flag:

REQUIRED CANCELLATION NOTICE:

"You may cancel this contract for any reason at any time before midnight of the third business day after the date on which you signed the contract. See the attached notice of cancellation form for an explanation of this right."

This notice must be in at least 12-point bold type.

REQUIRED WARNING ABOUT DEED TRANSFERS:

"Do not sign any papers without reading them first or before you understand them. Do not sign any papers if they have any blank spaces. Before you sign any papers, make sure they match any oral promises that have been made to you. You may want to have a lawyer review any papers you are asked to sign to make sure your rights are protected and you understand what you are signing."

This warning must be in at least 12-point bold type.

Who is Exempt from These Requirements?

Certain professionals are exempt from the foreclosure consultant requirements because they're already regulated by other laws:

- Licensed attorneys providing foreclosure defense or legal services
- Licensed real estate brokers assisting with the sale of the property
- Mortgage lenders and servicers working on your loan
- Title companies handling real estate transactions
- HUD-approved housing counselors (who don't charge fees)
- Government agencies

⚠️ IMPORTANT: Even if someone claims to be exempt, verify their credentials independently. Scammers often falsely claim to be attorneys or licensed professionals.

Additional Homeowner Rights

- **Right to Reinstate:** You have the right to bring your loan current and stop the foreclosure by paying all past-due amounts up to 20 days before the foreclosure sale.
- **Right to Loss Mitigation Review:** If you submit a complete loss mitigation application at least 37 days before the foreclosure sale, your servicer must review it and cannot proceed with foreclosure while it's pending.
- **Right to Dispute Errors:** You have the right to dispute any errors in your account or the foreclosure process. Your servicer must investigate and respond.
- **Right to Occupy:** You have the right to live in your home until the foreclosure sale is complete.
- **Right to Legal Representation:** You have the right to consult with and be represented by an attorney at any point in the foreclosure process.

10. Resource Directory: Finding Legitimate Help

This directory provides contact information for legitimate resources to help you avoid foreclosure and protect yourself from scams.

HUD-Approved Housing Counselors (FREE)

 HUD-approved housing counselors are your first stop for foreclosure help. These services are completely FREE and funded by the federal government.

- Website: www.consumerfinance.gov/find-a-housing-counselor
- Homeowner's HOPE Hotline: 1-888-995-HOPE (4673)
- Services Provided: Budget counseling, foreclosure prevention, loan modification assistance, connecting you with lenders, and explaining all your options
- Available: Nationwide, including all major cities in Texas (Dallas, Fort Worth, Houston, Austin, San Antonio, etc.)

Legal Aid Organizations (FREE or Low-Cost)

 If you need legal representation but can't afford an attorney, these organizations may help:

- **Texas Law Help**
www.texaslawhelp.org
Statewide directory of legal aid providers
- **Lone Star Legal Aid**
1-800-733-8394 | www.lonestarlegal.org
Serves low-income Texans in 72 counties
- **Legal Aid of Northwest Texas**
1-888-529-5277 | www.lanwt.org
Serves Dallas, Fort Worth, and surrounding areas
- **Texas RioGrande Legal Aid**
1-888-988-9996 | www.trla.org
Serves South, West, and Central Texas

State and Federal Consumer Protection Agencies

- **Consumer Financial Protection Bureau (CFPB)**
1-855-411-2372 | www.consumerfinance.gov
Submit complaints, find resources, report mortgage servicing issues
- **Texas Attorney General Consumer Protection Division**
1-800-621-0508 | www.texasattorneygeneral.gov
File complaints, report scams, consumer protection information
- **Federal Trade Commission (FTC)**
1-877-382-4357 | www.ftc.gov/complaint
Report fraud and scams, consumer protection resources
- **Texas Department of Savings and Mortgage Lending**
1-877-276-5550 | www.sml.texas.gov
Report unlicensed mortgage activity, file complaints

Verification Resources

🔍 Use these resources to verify the credentials of anyone offering foreclosure help:

- **State Bar of Texas**
1-800-204-2222 | www.texasbar.com/findalawyer
Verify attorney licenses and check disciplinary records
- **Texas Real Estate Commission (TREC)**
1-800-250-8732 | www.trec.texas.gov
Verify real estate broker and agent licenses
- **Better Business Bureau**
www.bbb.org
Check business ratings and read consumer complaints
- **Texas Secretary of State**
www.sos.texas.gov
Verify business registration and check corporate status

Licensed Real Estate Assistance

🏡 If selling your home is the best option, work with a licensed professional:

- **EnterActDFW**
Licensed Texas real estate brokerage
Phone: (832) 932-7585
Email: info@enteractdfw.com
Services: Cash home purchases, traditional sales, foreclosure alternatives

Always verify any real estate professional's license at www.trec.texas.gov before working with them.

Conclusion: You Have the Power to Protect Yourself

Foreclosure is frightening, but knowledge is your most powerful defense against scams. Remember these key principles:

- Legitimate help exists and is often FREE (HUD-approved counselors)
- No one can guarantee they will save your home
- NEVER pay large upfront fees for foreclosure help
- NEVER sign over your deed as part of a foreclosure rescue
- Always verify credentials independently
- Trust your instincts—if something feels wrong, walk away
- You have time to make informed decisions. Don't let anyone rush you.

You are not alone. Thousands of Texas homeowners successfully navigate foreclosure challenges every year by using legitimate resources and staying informed. Take action today by contacting a HUD-approved housing counselor and exploring all your options with qualified professionals.

 **EnterActDFW is here to help. If you have questions about your options or need assistance from a licensed Texas real estate professional, contact us at (832) 932-7585 or info@enteractdfw.com.**

Legal Disclaimer

This guide provides educational information only and does not constitute legal or financial advice. Consult with a qualified attorney or housing counselor for advice specific to your situation. EnterActDFW is a licensed Texas real estate brokerage and is not a law firm. While we strive to provide accurate and current information, foreclosure laws and procedures can change. Always verify information with current legal resources and qualified professionals.