

Title:

Be Cautious Of Those Offering Foreclosure Help

Word Count:

528

Summary:

If you are facing a potential foreclosure, you are in a tough situation. But you aren't alone. With interest rates on the rise and home appreciation on the slow down, many homeowners are having trouble hanging on to their homes.

Keywords:

foreclosure,finance

Article Body:

If you are facing a potential foreclosure, you are in a tough situation. But you aren't alone. With interest rates on the rise and home appreciation on the slow down, many homeowners are having trouble hanging on to their homes.

And there are plenty of people banking on the desperation that this causes. You may have noticed advertisements popping up for help avoiding foreclosure. Are they legit?

First of all, no matter what your situation, you should always treat any offer of assistance with caution. Many cons use "helping" as a way to cheat struggling homeowners out of their equity. You could lose the money you have in your home and your home too.

Mortgage foreclosure rescues come in several forms. You may be loaned money by the rescuer in order to pay off the mortgage that is facing foreclosure. You will be asked to sign a loan agreement, but it isn't what it seems. You are actually transferring all of your interest in the property to the rescuer. You are then evicted from the home.

Sometimes, the homeowner knows that he is signing over the title to the property. The rescuer pays off the property and the homeowner agrees to lease the home and continue to live there until he is back on his feet financially. But the lease payments will become larger than the mortgage payments. The victim falls behind and is evicted. If the victim doesn't fall behind, the rescuer will set the price of the home so high that it cannot be repurchased.

Many homeowners believe that if they are foreclosed on, they loose everything.

Even if you lose your home to the lender, you may still receive money for it. The lender will only take any unpaid mortgage and associated fees out of the sale price of the property. The rest is your equity and will be paid to you. If you sign over your property to someone else, they will receive the proceeds from the sale.

How do you recognize and avoid scams?

1. Ignore any signs or bulletin board notes that offer foreclosure help. If they are advertising on the windshield of your car, they probably aren't legit.
2. Don't give out any information to anyone who contacts you wanting to help. Cons frequently check the public foreclosure notices for potential targets. They are betting that you are desperate to find a way out of your situation.
3. Read every single document, front and back. If an offer is too good to be true, it probably is. If someone says that you won't get a dime after your home is sold, don't put your trust in them. There is often a good chance that you will. For a few hundred dollars, you should have an attorney accompany you to read through every document that you are expected to sign. Also, watch out for documents with blanks and empty spaces.
4. Check out any company you are considering turning to with the Better Business Bureau and the state Real Estate Commission. You might even want to contact the state attorney general's office to see if there are any open investigations of the company or its owners.