

Campaign Fact Sheet

About the Loan Modification Scam Epidemic

- Today, the **national foreclosure rate** stands at **2.1%**.
- **Every 20 seconds** in America, there is another foreclosure filing.
- There are more than **4,260 home foreclosure filings per day**.
- Approximately **1 million households** are currently in some stage of foreclosure.
- Experts say **4.9 million homes have already completed foreclosure since September 2008**.
- The foreclosure environment continues to provide great opportunity for loan modification scam artists, who prey on unsuspecting homeowners with unethical and sometimes illegal tactics to scam them out of money and often times their homes.
- Many of these homeowners turn to loan modification or foreclosure “rescue” companies, or even lawyers who are unethical, for help -- only to realize they've been scammed.
- Loan modification scams continue. Every day, homeowners fall prey to the slick advertising and sales pitches that guarantee to keep them in their homes. Many scam artists are openly taking advantage of people in difficult circumstances – on the television and radio, online, on home and cell phones, and sometimes boldly knocking on doors in communities.

About the “Loan Modification Scam Alert” Campaign

- To combat this issue, Congress asked NeighborWorks® America to launch a national public education campaign to empower homeowners to educate homeowners about loan modification scams.
- The campaign targets all audiences, but its resources are focused sharpest on those groups that have already seen high levels of scam activity, including seniors, Hispanics, African Americans and Asian Americans
- Our mission is threefold:
 1. First, ALERT homeowners about scams.
 2. Second, help them spot a scam before it's too late.
 3. Third, encourage them to report scammers to the authorities.
- Through an integrated marketing and earned media campaign, NeighborWorks America has worked with its national, state and local partners on the ground and 235 community-based affiliates to educate and protect homeowners from scam artists.

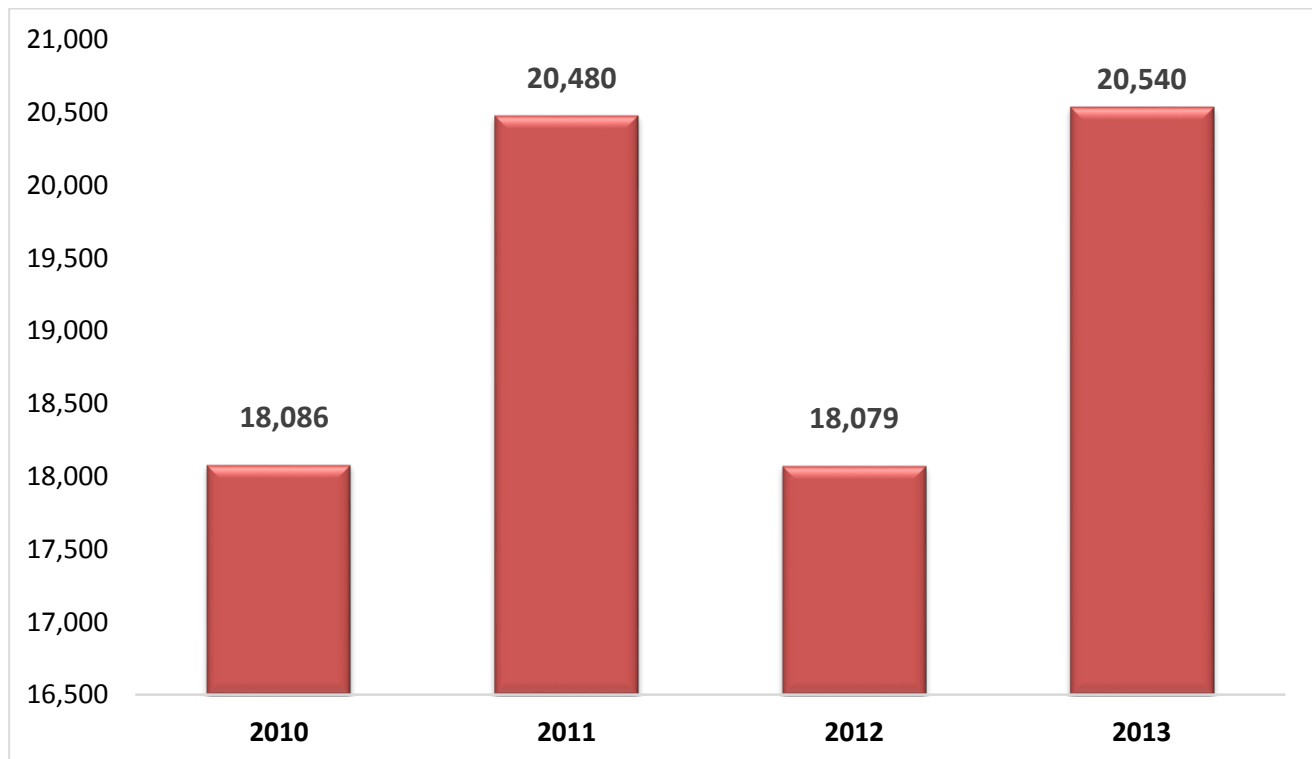
Campaign partners have alerted thousands of homeowners in communities at high risk for scam activity through real-life scam stories, fliers, postcards, door hangers, e-cards, posters, television, radio, and print advertising, local radio and transit PSAs, out of home advertising, search engine marketing, events, word of mouth and social media activity.

What Homeowners Can Do to Avoid Scams

- Homeowners at risk of foreclosure and looking for loan modification guidance should AVOID any company or person who:
 - Asks for fees in advance (it's illegal to collect advance fees)
 - Guarantees that they'll stop a foreclosure or modify a loan, or
 - Tells you to stop paying your mortgage company or to pay them instead.
- For free, loan modification guidance from a HUD-approved counseling agency call 1-888-995-HOPE (4673) – available 24 hours a day, seven days a week – or visit www.LoanScamAlert.org.

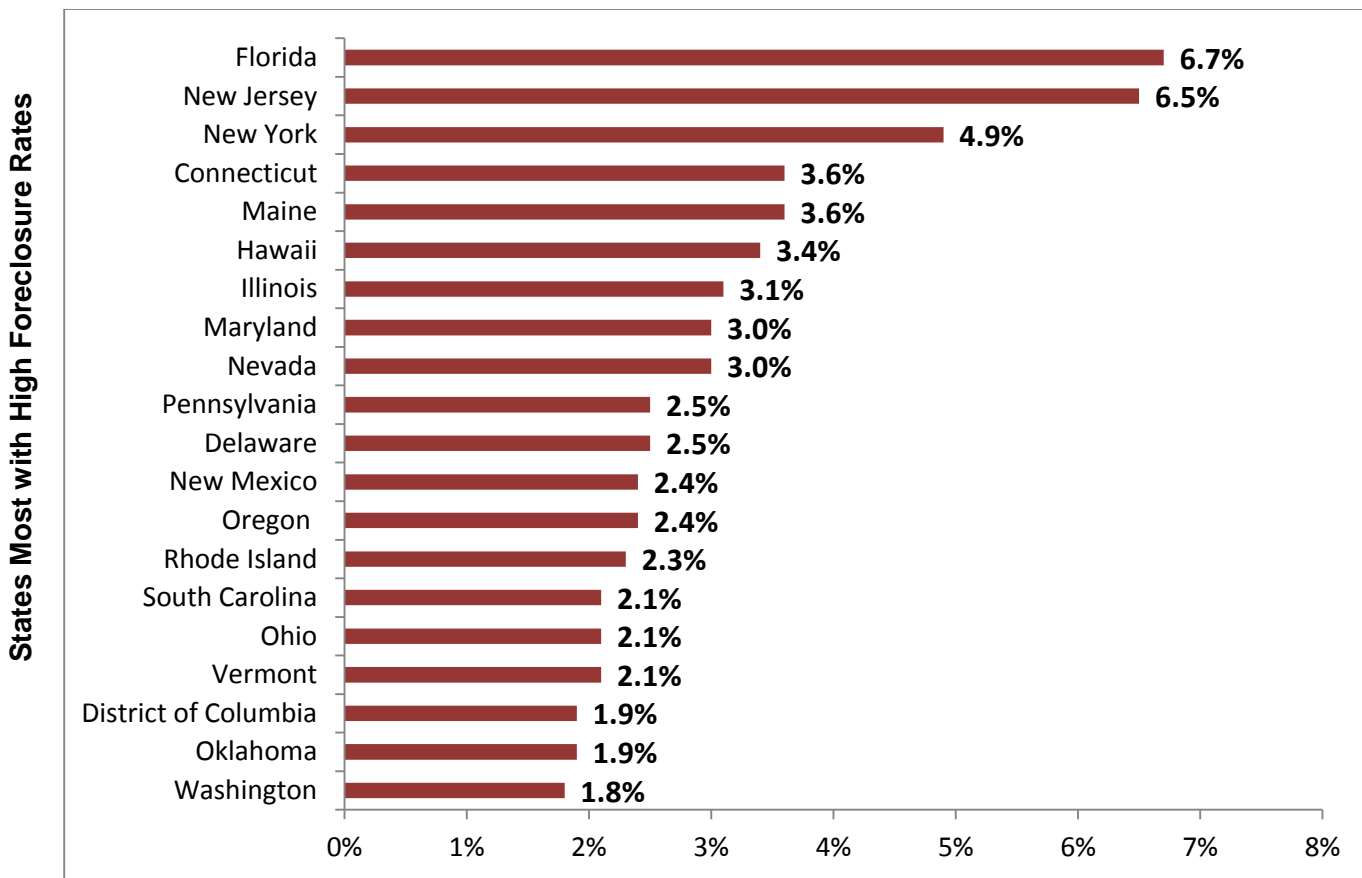
Charts and Graphs

**Total Modification/Foreclosure Scams Reported to the Federal Trade Commission
Consumer Sentinel Database
2010 – 2013**



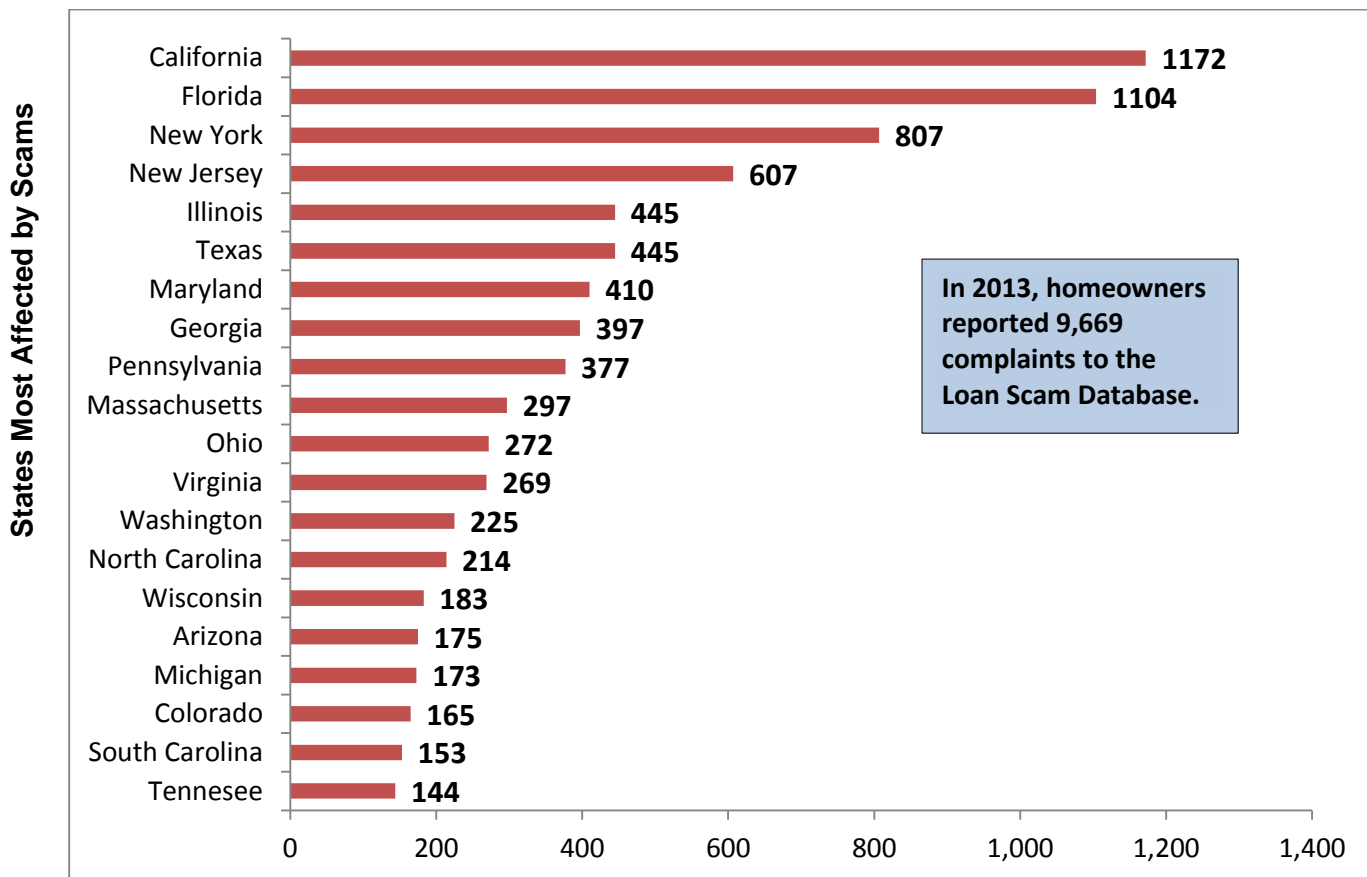
Number of Complaints Filed through FTC Consumer Sentinel Database 2010-2013 = 71,185

2013 Top 20 States with Highest Foreclosure Rates



National Foreclosure Rate in 2013 = 2.1%

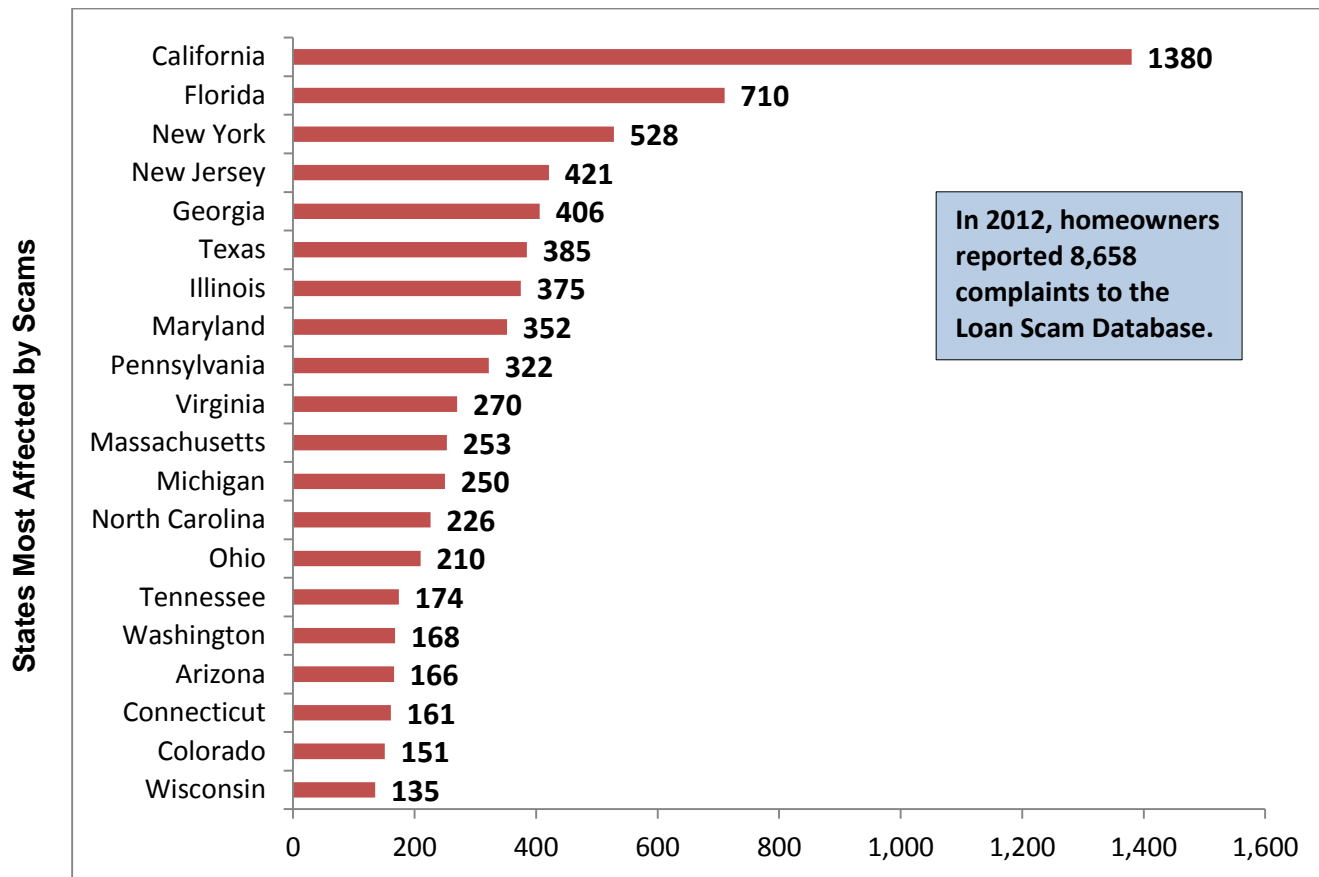
2013 Top 20 States with Highest Scams Reported to the Loan Scam Database



Number of Complaints Filed through Loan Scam Database in 2013 = 9,669

Original loan modification scam complaint information is compiled and housed in the national Loan Modification Scam Prevention Network Database, which is maintained by the Lawyers' Committee for Civil Rights Under Law, located in Washington D.C.

2012 Top 20 States with Highest Scams Reported to the Loan Scam Database



Number of Complaints Filed through Loan Scam Database in 2012 = 8,658

Original loan modification scam complaint information is compiled and housed in the national Loan Modification Scam Prevention Network Database, which is maintained by the Lawyers' Committee for Civil Rights Under Law, located in Washington D.C.

Sources:

- Federal Trade Commission, Consumer Sentinel Database
- Lawyers' Committee for Civil Rights Under Law
- Core Logic
- RealtyTrac

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