

TAKING ACTION:

Mortgage and Lending Fraud Victim Recovery Checklist

Being scammed out of your home can be financially and emotionally devastating. If you are a victim, you may be coping with the aftermath of damaged credit and financial loss, as well as a painful range of emotions including anger, fear, and frustration.

It may be difficult to achieve full financial recovery or to avoid foreclosure; however, it is critical that you report the crime as quickly as possible. Reporting any financial fraud helps law enforcement, regulators, and government agencies put a stop to the fraud, prevent the victimization of more consumers, and pursue the criminals committing the fraud.

Very often perpetrators will dispose of your money immediately after taking it. You may never get your money back. That said, your recovery is about more than lost money. It's about protecting your future financial health and assets and finding ways for you to recover emotionally from the crime.

We recommend taking the steps below to reclaim power from the fraudsters and help you move forward.

□ STEP 1 – Create a Lending Fraud File

Start by collecting all relevant documentation concerning the fraud in one file that's kept in a secure location. The file should include:

- a contact sheet of the perpetrator's name, mail and email addresses, telephone numbers, and website address, as well as any of the fraudster's purported regulatory registration numbers;
- a timeline of events, which may span many years;
- the police report, if any;
- your most recent credit report from all three credit reporting companies (See Step 7);
- any evidence of the fraud or deception;
- logs of any phone conversations, with dates, names and phone numbers of any representatives with whom you spoke, and notes on what information they gave you; and
- any other relevant documentation concerning the fraud.

□ STEP 2 – Know Your Rights

You have rights imparted by federal and, in some cases, state law. Learn about your rights to better protect yourself.

- For federal victim rights, the U.S. Department of Justice provides information on victim rights and financial fraud at www.justice.gov/usao-wdwa/victim-witness/victim-info/financial-fraud.
- For state victim rights, check with your state Attorney General, whose contact information is available at www.naag.org.

□ STEP 3 – Report to the Appropriate Agencies

You may benefit from reporting the fraud to as many agencies as apply. For instance, if the fraud was mortgage fraud, you can report both to the state agencies responsible for that type of crime and to the Inspector General for the U.S. Department of Housing and Urban Development. If the fraud was perpetrated by an attorney, you may consider contacting the state bar association.

Mortgage Fraud

- > **Housing and Urban Development (HUD) Office of the Inspector General**
451 7th Street, SW
Washington, DC 20410
(800) 347-3735
Fax: (202) 708-4829
hotline@hudoig.gov

Mortgage Loan Modification Fraud

- > **PreventLoanScams.org**
A national clearinghouse for loan modification fraud
<http://complaint.preventloanscams.org>

Any Lending Fraud

- > **Federal Trade Commission Complaint Assistant**
(877) FTC-HELP
www.ftccomplaintassistant.gov

State Agencies for All Types of Fraud

- Look up the agency to report to at www.preventloanscams.org/states.

□ STEP 4 – Report the Fraud to Law Enforcement

Reporting the lending fraud to law enforcement is important to begin the recovery process, ensure the responsible parties are investigated, and prevent further damage to other individuals.

- **Local Law Enforcement** – Contact any local law enforcement office to file a police report.
- **District Attorney** – Contact your local District Attorney’s Office.
- **Attorney General** – Contact your Attorney General’s Consumer Protection unit and the prosecution unit to report the fraud. Find contact information at www.naag.org.

- **Federal Law Enforcement** – Contact your local FBI Field Office or submit an online tip at <http://tips.fbi.gov>. Look up your local field office at www.fbi.gov/contact-us/field.

□ STEP 5 – Report the Fraud to the Federal Trade Commission

To file a report with the Federal Trade Commission (FTC), contact the FTC’s Complaint Assistant. Lodging a complaint will also enter the fraud into the Consumer Sentinel Network so that law enforcement can stop ongoing fraud and track these crimes. *This process will not initiate a criminal investigation of your case.*

> Federal Trade Commission Complaint Assistant

(877) FTC-HELP

www.ftccomplaintassistant.gov

□ STEP 6 – Contact a Housing Counselor (If Mortgage Related)

The U.S. Department of Housing and Urban Development provides housing counselors for individuals buying a home, refinancing a home, or attempting to avoid foreclosure. Find a local housing counselor at www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm or call the Housing Counselor Referral line at (800) 569-4287.

□ STEP 7 – Treat the Loan Fraud as Identity Theft

Because loan fraudsters may have information pertaining to your identity, including your Social Security number, you also will need to place a fraud alert and review your credit reports as precautionary measures:

- Contact one of the three credit reporting companies (Equifax, Experian, or TransUnion).
- Tell the company you are a victim of an identity theft and request that a fraud alert be placed on your credit report. (This initial fraud alert will last for 90 days.)
- Ask the company to report this request to the other two credit reporting companies. And,
- Order your free credit report. (By creating the fraud alert, you are entitled to one free copy from each credit reporting company within 12 months of placing the alert, regardless of previous requests.)

CREDIT REPORTING COMPANIES

All consumers are entitled to receive one free credit report every 12 months from each of the following companies:

EQUIFAX
(800) 685-1111
www.equifax.com

EXPERIAN
(888) 397-3742
www.experian.com

TRANSUNION
(800) 680-7289
www.transunion.com

□ STEP 8 – Consider Civil Remedies

Often the best potential for recovery of lost assets is through civil suits. In some cases, civil lawsuits have been used to remove liens from victims’ homes and provide victims with good title to their homes. Civil attorneys who work for victims of financial fraud can analyze the particular facts and circumstances of your case and counsel you on the available civil remedies. The National Crime Victim Bar Association can provide referrals to attorneys who litigate on behalf of victims of crime and who offer initial consultations at no cost or obligation.

> **National Crime Victim Bar Association**

2000 M Street, NW, Suite 480

Washington, DC 20036

(202) 467-8716 or (844) LAW-HELP/(844) 529-4357

Referral line is open from 8:30 a.m. - 5:30 p.m. (ET), Monday through Friday.

Questions can also be emailed to victimbar@ncvc.org.

□ **STEP 9 – Follow Up**

Review the steps you've taken and follow up after 30 days with any law enforcement agencies or organizations that serve victims.

PREVENTION TIPS

Once you have been a victim of fraud, you may be targeted more frequently for other scams. Because your information or identity may have been compromised, beware of schemes that require you to pay in advance for loan modifications and deals that guarantee results or claim to be “no money down.”

To learn more, visit the Loan Modification Scam Alert Campaign website at www.loanscamalert.org or the Prevent Loan Scams Campaign website at www.preventloanscams.org. Additional protection tips can be found at www.stopfraud.gov.

To find a housing counselor, contact the U.S. Department of Urban Development at (888) 995-HOPE. Counselors can provide referrals for mortgage and loan professionals and verify that they're registered with state, county, or city regulatory agencies.

ATTEND TO YOUR HEALTH

The toll of financial fraud may extend well beyond lost money. FINRA Foundation research indicates that nearly **two-thirds of fraud victims experience at least one severe emotional consequence**—including stress, anxiety, insomnia, and depression.

If you are suffering in the aftermath of a financial crime, seek help. Many mental health professionals offer services on a sliding-fee scale.