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Homeowners: Be Informed about Foreclosure Consulting Services

Las Vegas — The Nevada Division of Mortgage Lending and the Consumer Affairs Division are warning homeowners to be cautious when contracting with companies representing themselves as "foreclosure consultants". While many of these providers are legitimate, many are not and may charge hundreds of dollars up front to negotiate with a lender on behalf of the homeowner, often without success.

"*There are laws prohibiting fees being charged up front for foreclosure assistance,*" says Mortgage Lending Commissioner Joe Waltuch. According to NRS 645F.400, foreclosure consultants cannot charge a fee before they have performed the services you've contracted for.

"*It's important to remember, however, that those laws only take affect when the home has officially been placed in the lender's foreclosure cycle,*" continued Commissioner Waltuch. "*Depending on the services offered, the foreclosure consultant may also need to be registered with the Nevada Consumer Affairs Division under the Credit Service Organization law.*"

According to NRS 598.741, companies providing "counseling or assistance to a person in establishing

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or effecting a plan for the payment of his indebtedness" must be registered with Consumer Affairs. "*Before signing any contracts, check with Consumer Affairs to determine if the company is registered*," says Consumer Affairs Commissioner James Campos. "*It also helps to check with the Better Business Bureau for complaints and to research the company on the Internet to see what experiences other consumers have had*."

Adds Commissioner Waltuch, "*Be careful when using the Internet to find these types of companies. There are many out-of-state companies, and some lawyers, who claim they can help you. Make sure they are legitimate businesses, properly licensed to operate in Nevada*."

Consumers may also receive foreclosure assistance, including loan modification help, by working with a qualified housing counselor. Legitimate foreclosure consulting agencies are generally nonprofits that never charge an up-front fee and are usually free. Visit http://foreclosurehelp.nv.gov/HousingCounselors.html for a list of qualified Nevada housing counselors.

If you think you have been victimized by an unscrupulous foreclosure consultant, file a complaint with Consumer Affairs at http://www.fyiconsumer.org/Forms/ComplaintFormLV.pdf. For more information about foreclosure scams, visit the Foreclosure Help Website at http://foreclosurehelp.nv.gov/ForeclosureScams.html.

In addition, Commissioner Campos encourages consumers to visit the Fight Fraud Website at http://fightfraud.nv.gov/. "*The site includes extensive tips on how to prevent fraud and provides downloadable complaint forms to help you respond effectively if you become a victim*," says Campos. "*Visit it regularly for the latest fraud alerts*."

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