

LOAN MODIFICATION SCAM

ALERT[™]

1-888-995-HOPE(4673) www.LoanScamAlert.org

FOR IMMEDIATE RELEASE

February 18, 2010



NEIGHBORWORKS® AMERICA JOINS CITY OFFICIALS FOR LOCAL LAUNCH OF NATIONAL 'LOAN MODIFICATION SCAM ALERT' CAMPAIGN

Campaign Offers At-Risk Homeowners Free Resources to Recognize Scams, Report Them and Find the Help They Need

NEW YORK -- NeighborWorks® America today launched the national “Loan Modification Scam Alert” campaign in New York City to provide City residents facing the possibility of foreclosure with vital information to guard against loan modification scams, find trusted help and report illegal activity to trusted authorities. NeighborWorks Chief Operating Officer Eileen Fitzgerald was joined for the announcement by New York City Mayor Michael Bloomberg, New York City Department of Consumer Affairs (DCA) Commissioner Jonathan Mintz, representatives from the Center for New York City Neighborhoods and other City officials.

The national foreclosure rate has reached an all-time high of 8.85 percent, and millions more foreclosures are expected in coming years. In New York, the rate is near 7.78 percent. “Too many residents in New York City are losing thousands of dollars and their homes to scam artists who make big promises and then do little or nothing to help them save their homes,” said Fitzgerald. “Anyone can be a victim and the people of New York City need to know what resources are available to them. They need to know that there are free services available to anyone seeking help.”

In New York City, ‘Loan Modification Scam Alert’ campaign advertisements can be seen on an animated billboard in Times Square that will run until March 31, encouraging City residents to call 311 to access free foreclosure counseling services and file complaints against businesses using illegal and deceptive practices to sell loan modification services. Now through Feb. 21, campaign street teams, which include DCA Civic Corps volunteers, will be distributing informational fliers available in five languages – English, Spanish, Chinese, Korean and Vietnamese – in some of the hardest hit foreclosure neighborhoods in New York City to spread the word about the campaign and the free foreclosure services offered in New York City. Public service announcements have also begun airing on select stations in New York City and other impacted markets across the country.

“We have made great strides to protect New Yorkers from fraud and prevent foreclosures but far too many residents in New York City are still at risk of losing their homes thanks to scam artists who make big promises and then do little or nothing to help,” said Mayor Michael Bloomberg. “We can do more. Alerting New Yorkers to the dangers of loan modification scams is an important step to making sure homeowners do not become victims. If you and your family are facing foreclosure, call 311. It is the best source for free, confidential, one-on-one foreclosure prevention services.”

(more)

The launch event coincided with the passing of Local Law 74, which went into effect on Feb. 17 to provide New Yorkers with further protections against loan modification scammers by requiring any business advertising loan modification or foreclosure prevention services to inform consumers of their rights. This new law will be enforced by the Department of Consumer Affairs

“In New York City, foreclosure prevention businesses cannot charge upfront fees for their services, and as of this week they must warn consumers of that fact in all of their advertisements,” said Consumer Affairs Commissioner Jonathan Mintz. “New Yorkers facing potential foreclosure should call 311 for free, professional help.”

“There are few actions more troubling than preying on the fears of vulnerable people,” said New York City Department of Housing Preservation and Development (HPD) Commissioner Rafael E. Cestero. “Just as homeowners should call 3-1-1 immediately for free assistance if they are at risk of foreclosure, so too should they call if they have any questions or concerns about foreclosure rescue firms and any up-front fees. When you can get good quality advice from experienced housing professionals at no charge, why go anywhere else? Know your rights. It’s the best thing to do, and it’s free.”

“The Center for NYC Neighborhoods is fortunate to have the leadership of Mayor Bloomberg and the New York City Council in fighting foreclosures in our neighborhoods,” said Michael Hickey, Executive Director of the Center for NYC Neighborhoods. “Together we are attacking the problem on every front: by passing the strongest consumer protection laws against scams in the country; by mobilizing the most engaged advocates within the CNYCN Network and our partner organizations; and by providing 311 as a single point of consumer access, so that increasing numbers of homeowners can report scams and get counseling to fight losing their homes to foreclosure.”

New Yorkers facing foreclosure can call 311 to schedule free counseling sessions at the Center for New York City Neighborhoods and file complaints about loan modification scams. Nationally, information, resources and reporting capabilities are now available around the clock at www.LoanScamAlert.org and by calling 1-888-995-HOPE (4673).

“Our campaign is based on the belief that knowledge is the best defense, which is why we’re equipping homeowners with the tools they need to minimize their risk and stop scammers in their tracks,” said Fitzgerald.

NeighborWorks® America is coordinating the “Loan Modification Scam Alert” campaign nationwide through its 235 community-based affiliates and other local, state and national partner organizations, including the Department of Housing and Urban Development (HUD), the Federal Trade Commission, the U.S. Department of the Treasury, Fannie Mae, Freddie Mac and the Lawyers’ Committee for Civil Rights Under Law. For more information about the campaign, visit www.LoanScamAlert.org.

DCA enforces the Consumer Protection Law and other related business laws throughout New York City. Ensuring a fair and vibrant marketplace for consumers and businesses, DCA licenses more than 71,000 businesses in 57 different industries. Through targeted outreach, partnerships with community and trade organizations, and informational materials, DCA educates consumers and businesses alike about their rights and responsibilities. DCA’s Office of Financial Empowerment (OFE) is the first municipal office of its kind in the nation with a mission to educate, empower and protect New Yorkers with low incomes. DCA’s OFE administers a citywide network of Financial Empowerment Centers and other products and services that help these New Yorkers make the best use of their financial

resources to move forward economically. For more information, call 311 or visit DCA online at nyc.gov/consumers.

- 30 -

Contact:	Jason Werden (ALERT Campaign)	(202) 828-9726
	Kay Sarlin/Elizabeth Miller (DCA)	(212) 487-4283
	Petra Tuomi (CNYCN)	551-358-7672