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**CENTER FOR NYC NEIGHBORHOODS SOUNDS ALARM ON
FORECLOSURE RESCUE SCAMS WITH NEW JOINT REPORT**

New York, NY – Today, the Center for NYC Neighborhoods and the national Lawyers’ Committee for Civil Rights Under Law released a joint report on foreclosure rescue scams. The report, titled *Who Can You Trust? The Foreclosure Rescue Scam Crisis in New York* (available at cnycn.org/scams), combines quantitative data on national trends from the Lawyers’ Committee and qualitative data from focus groups coordinated by the Center. The report provides an in-depth look at foreclosure rescue scams, as well as recommendations for consumer education and enforcement actions to protect New York homeowners.

The report highlights some shocking findings about the prevalence of foreclosure rescue scams. As of September 2014, New York homeowners have submitted over 2,700 complaints to the Lawyers’ Committee’s Loan Modification Scam Database, while over 42,000 complaints have been submitted nationally. New York homeowners have been conned out of an average of about \$4,200 each, well above the national average of about \$3,300. And that number does not begin to reflect the incalculable damage done when homeowners are derailed from reaching legitimate help—or having finally reached it, finding that they are too far behind to recover.

All told, homeowners in New York have reported total losses of \$8.25 million. Nationwide, homeowners have reported total losses of almost \$100 million to scammers.

Foreclosure rescue scammers also disproportionately target minority homeowners. African American homeowners make up 8% of homeowners in New York, but represent 30% of reported foreclosure rescue scams. Similarly, Latino homeowners own 6% of homes, but are 20% of reported scam.

The report also highlights the alarming trend of increasing attorney involvement in foreclosure rescue scams. The involvement of real or alleged attorneys in rescue scams has been on the rise, both nationally and in New York: today, the majority of scams in New York now involve a person who is, or claims to be, an attorney. New Yorkers who were scammed by a company involving attorneys saw an average loss of \$5,212 per scam—\$1,437 more than the average lost in scams without attorney involvement.

Fortunately, trustworthy mortgage assistance is available through New York State Attorney General Eric Schneiderman’s Homeowner Protection Program (HOPP). HOPP partners across the state offer high-quality housing counseling and legal services free of charge to help homeowners fight foreclosure and keep their homes. Homeowners can reach these services by calling the Homeowner Protection Program hotline at 855-HOME-456 (855-464-3456).

“We need to stop these financial predators from harming yet more New Yorkers, just as we need to make it a priority to raise awareness about these scams among homeowners. No homeowner should have to pay for foreclosure prevention services. At the Center, we are incredibly proud to work with a network of skilled professionals who help New Yorkers stay in their homes at no cost. Homeowners who are behind on their mortgage or worried they might fall behind should call today. No one should go through this

alone,” said **Christie Peale, Executive Director of the Center for NYC Neighborhoods.**

“With millions of homeowners around the country still at risk of foreclosure, the United States continues to be fertile ground for foreclosure rescue scammers. One reason the foreclosure rescue fraud epidemic has flown under the radar for so long is people don’t understand the domino effect this fraud can have. The fee paid to the scammer is often only the tip of the iceberg. Scammers gain access to social security numbers, bank accounts, and tell homeowners to stop paying or redirect their mortgage payments – destroying the homeowner’s credit, often leading to foreclosure and homelessness,” said **Michael Tanglis, analyst at the Lawyers’ Committee.**

“We build our homes in faith and hope. When we trust someone who has bad intentions, it can be devastating. There has to be more information and education to protect homeowners,” said **Bronx homeowner Denise Williams.**

About the Center for NYC Neighborhoods

The Center for NYC Neighborhoods is committed to promoting and protecting affordable homeownership in New York. Established by public and private partners, the Center meets the diverse needs of homeowners across the five boroughs. The Center and its Network Partners offer high-quality housing counseling and legal services, free of charge, to New York homeowners. Visit cnycn.org for more information.

About the Lawyers’ Committee

The Lawyers’ Committee for Civil Rights Under Law (Lawyers’ Committee), a nonpartisan, nonprofit organization, was formed in 1963 at the request of President John F. Kennedy to involve the private bar in providing legal services to address racial discrimination. We celebrated our 50th anniversary in 2013 and continue our quest of “Moving America Toward Justice.” The principal mission of the Lawyers’ Committee is to secure, through the rule of law, equal justice under law, particularly in the areas of fair housing and community development; employment; voting; education; criminal justice and environmental justice. For more information about the Lawyers’ Committee, visit www.lawyerscommittee.org.