

## Be On The Lookout For Foreclosure Scams

by Tabitha Perryman

A foreclosure is something that all homeowners definitely want to avoid. A foreclosure can have long-term, damaging effects on your credit history because a foreclosure becomes a matter of public record and can stay on your credit for seven years. There are many public and private organizations that are eager to help you out during your financial crisis and hold on to your home.

If you are in a bad financial situation, no one can guarantee that you will avoid foreclosure. That is why it is so important to avoid foreclosure scam artist. You should avoid "specialist that claim they can help you escape foreclosure. Most of these scam artist generally charge you for something you can do yourself. They generally just want to squeeze a few bucks out of you. Below are a list of typical forclosure scams you should avoid.

1. The Promise- "Sign this paper and I'll pay your past-due mortgage payments."The Reality- The paper is a deed that transfers ownership from you to the scam artist who never pays your lender a cent.The Result- You lose your home and any equity you've built up AND you will still owe the unpaid balance of your mortgage loan.

2.The Promise- "Sign this paper and I will get you a new loan."The Reality- The paper is a deed and the loan has a much higher interest rate than the one you are having trouble paying.The Result- You lose the home and get saddled with debt for a first AND second mortgage loan.

3.The Promise- "I will sell your home fast for a great price."The Reality- The "the great price" turns out to be far less than you would earn in a short sale arranged by your lender.The Result- You lose your home and still have to pay off the unpaid balance of the mortgage loan.

4.The Promise- "I will rent your house and pay your lender directly instead of paying you."The Reality- Your "renter" lives rent free and never pays the lender.The Result- You lose the home and end up in forclosure AND bankruptcy because of the accumulated non-payment.

Remember, any offer that sounds to good to be true, is usually a scam.

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