



Stop Foreclosure Prevention Scams

LOAN MODIFICATION SCAM ALERT

# » Guiding principles

## Overview

One in every 20 Minnesota homes was foreclosed upon between 2005 and 2009. As foreclosures continue to mount, for-profit foreclosure prevention scams have arisen to prey on struggling home owners at their weakest. In fact, the scams have boomed from only one reported to the Federal Trade Commission (FTC) in 2008, to 7,927 in 2009. At best, these companies charge money for services otherwise available for free. At their worst, they require enormous up-front fees or ask for the home title, only to leave the home owner in an even worse situation than before.

## Guiding principles

“Look Before You Leap” is a statewide public education effort based on three key principles:

### Everyone benefits from preserving home ownership.

Each foreclosure results in total costs of up to \$78,000 for neighboring home values, local governments, lenders and home owners are accounted for, according to the Joint Economic Committee of Congress. With such expansive costs, we all pay the costs of foreclosures – and we all benefit from their prevention.

### Preserving home ownership starts with protecting home owners from predators.

Today hundreds of for-profit companies are marketing false promises of guaranteed foreclosure prevention to home owners. Unfortunately, these wolves in sheep’s clothing are stripping home owners of their savings, their home, or sometimes both. Minnesotans are already struggling enough in the current economy; they should not have to bear the additional burden of warding off predatory scams, too.

### Struggling home owners have a right to free, trustworthy services.

Many home owners in danger of foreclosure are also struggling with a job loss, mounting medical bills or other stressors that have pushed mortgage payments out of reach. Home owners have the right to expect quality, free and trustworthy foreclosure prevention services from a network of trained mortgage professionals as an alternative to the predatory scams. In Minnesota, this network is coordinated by the Minnesota Home Ownership Center.

## Goal

“Look Before You Leap” is a statewide public education campaign that empowers home owners to spot deceptive scams and to protect their most precious asset – their home. The effort engages local governments, nonprofits, community and business leaders, and citizens in preserving home ownership in Minnesota by calling attention to for-profit companies’ predatory techniques and offering home owners free alternative home preservation solutions.



**Minnesota Home Ownership Center**  
1000 Payne Avenue, Suite 200  
St. Paul, MN 55130  
Ph: (651) 659-9336  
Toll Free: (866) 462-6466  
**LookBeforeYouLeap.org**

NAME: \_\_\_\_\_ ORGANIZATION: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_  
PHONE: \_\_\_\_\_ EMAIL: \_\_\_\_\_