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A.G. Schneiderman Launches New Web-based App To Help New York Homeowners Avoid Foreclosure Rescue Scams

New Web Tool Will Educate Consumers On How To Avoid Mortgage Modification Scams; Enable Consumers To Report Scams In Real-Time

AG Will Also Begin Monthly Mailings With Tips To Homeowners At Immediate Risk Of Foreclosure

Schneiderman: The Most Powerful Tools Against Foreclosure Rescue Scams Are Informed Consumers

NEW YORK – Attorney General Eric T. Schneiderman today announced his office's new consumer education initiative, which features a web-based app, [AGScamHelp](https://agscamhelp.com/en) (link to: <https://agscamhelp.com/en>). The app will help homeowners determine whether a company has been vetted by a government agency and will urge homeowners at risk of foreclosure to work with a qualified agency within the Attorney General's Homeowner Protection Program (HOPP), a network of more than 85 housing counseling and legal service providers who offer services to struggling homeowners at no cost. As part of this new initiative, the Attorney General's Office will also send monthly mailings with tips on avoiding foreclosure scams to New York homeowners who are within 90 days of a potential foreclosure filing.

The announcement was made this morning at a housing forum held at Brooklyn Law School. Attorney General Schneiderman was joined by New York City Public Advocate Letitia James, New York Department of Consumer Affairs Commissioner Julie Menin and housing advocacy organizations, including HOPP anchor partner, the Center For New York City Neighborhoods, which is assisting the Attorney General's consumer education initiative.

"While my office is committed to cracking down on scam operations that target struggling New Yorkers, the most powerful tool against these frauds is to ensure that consumers are informed and aware of the free services that are available to them through our Homeowner Protection Program," said **Attorney General Schneiderman**. "Through our new education initiative, we're putting facts in the hands of those who are at immediate risk of foreclosure – and at immediate risk of getting scammed. I

encourage all homeowners to utilize AGScamHelp to check a company offering to help with your mortgage and report potential scams to our office in real-time.”

New York City Public Advocate Letitia James said, “As we continue to promote programs that keep homeowners in their homes, and help them exit foreclosure, we must ensure that we remain vigilant in identifying and rooting out scams perpetrated by fraudulent companies. The innovative measures being announced by Attorney General Schneiderman today will protect homeowners at immediate risk of foreclosure, and help inform consumers about the growing threat of foreclosure rescue scams. Foreclosure rescue scams disproportionately target low-income, at-risk, and uninformed property owners, and I am proud to stand with Attorney General Schneiderman as he takes substantive action against predatory schemes, and seeks to educate homeowners at-risk of foreclosure.”

New York City Department of Consumer Affairs Commissioner Julie Menin said, “In recent years, New Yorkers have been hit hard by an epidemic of foreclosure rescue scams. I commend Attorney General Schneiderman for working hard to make sure that New Yorkers have all the information they need to identify fraudulent foreclosure rescue companies, find safe, legal providers of mortgage assistance and report frauds.”

Christie Peale, Executive Director of the Center for New York City Neighborhoods, said, “Foreclosure rescue scammers have an incredibly damaging impact on our neighbors and our communities. But thanks to AG Schneiderman, New Yorkers can fight back against scammers by learning how to spot scams and by reporting them in real time to the Attorney General. We urge any homeowner who has fallen behind on their mortgage, or worried they might, to call the Homeowner Protection Program Hotline today at 855-HOME-456.”

Foreclosure rescue scams target vulnerable homeowners and, for an upfront fee, generally promise to save their homes by negotiating lower mortgage payments or principal reductions with the homeowners’ mortgage servicers or lenders. After collecting upfront fees, these scam operations fail to provide the services promised, placing their victims at even greater risk of foreclosure.

As with the foreclosure crisis itself, New Yorkers have been hit hard by the foreclosure rescue scam epidemic. According to a [new report](http://cnycn.org/scams/) (link to: <http://cnycn.org/scams/>) by the Center For New York City Neighborhoods and the Lawyers’ Committee for Civil Rights Under Law, from March 2010 to September 2014, New York homeowners have submitted over 2,700 foreclosure rescue scam complaints, which documented at least \$8.25 million in losses. New York homeowners trail only California and Florida in the number of complaints reported to the Loan Modification Scam Database. On average, each New York victim of a foreclosure rescue scam reported a loss of \$4,183. However, these scams often result in a domino effect that raises that dollar figure: Homeowners can end up losing tens or even hundreds of thousands of dollars more because their homes fall into foreclosure as a direct result of the scam.

As many homeowners lack an awareness of foreclosure scams, Attorney General Schneiderman's new initiative aims to direct needed information to New Yorkers who are most at risk of being victimized by foreclosure rescue scams, providing tips on how to avoid these scams and where to go for assistance. The Attorney General program will promote the web-based app, AGScamHelp, through monthly mailing to homeowners cautioning them about mortgage rescue scams, traditional marketing initiatives such as Google Ads and public service announcements, and grassroots outreach efforts in communities which have been particularly hard-hit by the foreclosure rescue scam epidemic.

AGScamHelp App

AGScamHelp is a web-based app that is easily utilized on all electronic devices, including computers, smartphones and tablets. Users will also be directed to the app through the Attorney General's HOPP website, www.AGHomeHelp.com (link to: <http://www.aghomehelp.com/>). AGScamHelp has several informational features:

- **Search Government-Vetted Companies:** AGScamHelp will allow consumers to search the name of an individual or company to determine if that entity is a "government-vetted" agency (that is, either a member of the Attorney General's HOPP network or a HUD-certified counseling agency). If the company searched is not a government-vetted agency, the consumer will be told to proceed with caution and advised with several tips on how to identify signs of a foreclosure rescue scam.
- **Locate Nearby HOPP Partners:** The web-based app also features an interactive map that will allow a consumer to find the nearest HOPP grantee. The Attorney General has dedicated \$100 million to fund HOPP, a network of more than 85 housing counseling and legal services agencies across the state that are dedicated to providing free assistance to New Yorkers.
- **Report Scams:** Consumers who have already been contacted by or are in the process of working with a company suspected of operating a foreclosure rescue scam will also have the option to file a complaint with the Attorney General's Office. They will be directed to a separate page where they can complete a complaint form online. All complaints will be directed to the Attorney General's Consumer Frauds and Protection Bureau, and will be mediated by the Attorney General's Office.
- **Get Tips:** AGScamHelp offers details on how to recognize signs of a foreclosure rescue scam, including samples of scam letters and other resources utilized by fraudsters to target homeowners, and provides information about recent foreclosure scams that have been the subject of enforcement actions brought by the Attorney General's Office and other law enforcement agencies.

Attorney General Schneiderman also remains committed to enforcing laws against scam operations that prey on financially struggling homeowners and those facing foreclosure. His office has already taken action against two such operations, including Litvin Law Firm (link to: <http://www.ag.ny.gov/press-release/ag-schneiderman-sues-brooklyn-florida-law-firms-involved-alleged-fraudulent-mortgage>). Last month, the Attorney General obtained a judgment against Home Affordable Direct (link to: <http://ag.ny.gov/press-release/ag-schneiderman-sues-long-island-florida-companies-defrauding-homeowners-mortgage>) and interrelated companies, securing full restitution for all defrauded consumers as well as \$2.5 million in penalties and costs. Other investigations into reported foreclosure rescue scams are ongoing.