

TAKING ACTION:

Mortgage and Lending Fraud Victim Recovery Checklist

Being scammed out of your home can be financially and emotionally devastating.

If you are a victim, you may be coping with the aftermath of damaged credit and financial loss, as well as a painful range of emotions including anger, fear, and frustration.

It may be difficult to achieve full financial recovery or to avoid foreclosure; however, it is critical that you report the crime as quickly as possible. Reporting any financial fraud helps law enforcement, regulators, and government agencies put a stop to the fraud, prevent the victimization of more consumers, and pursue the criminals committing the fraud.

Very often, perpetrators will dispose of your money immediately after taking it. You may never get your money back. That said, your recovery is about more than lost money. It's about protecting your future financial health and assets and finding ways for you to recover emotionally from the crime.

We recommend taking the steps below to reclaim power from the fraudsters and help you move forward.

STEP 1 - Create a Lending Fraud File

Start by collecting all relevant documentation concerning the fraud in one file that is kept in a secure location.

The file should include:

- a contact sheet of the perpetrator's name, mail and email addresses, telephone numbers, and website address, as well as any of the fraudster's purported regulatory registration numbers;
- a timeline of events, which may span many years;
- the police report, if any;
- your most recent credit report from all three credit reporting companies (see Step 7);
- any evidence of the fraud or deception;

- logs of any phone conversations, with dates, names and phone numbers of any representatives with whom you spoke, and notes on what information they gave you; and
- any other relevant documentation concerning the fraud.

STEP 2 – Know Your Rights

You have rights imparted by federal and, in some cases, state law. Learn about your rights to better protect yourself.

- For federal victim rights, the U.S. Department of Justice provides information on victim rights at <https://www.justice.gov/usao/resources/crime-victims-rights-ombudsman>.
- For state victim rights, check with your state attorney general, whose contact information is available at www.naag.org.

STEP 3 – Report to the Appropriate Agencies

You may benefit from reporting the fraud to as many agencies as apply. For instance, if the fraud was mortgage fraud, you can report both to the state agencies responsible for that type of crime and to the inspector general for the U.S. Department of Housing and Urban Development. If the fraud was perpetrated by an attorney, you may consider contacting the state bar association.

Mortgage Fraud

Housing and Urban Development (HUD) Office of the Inspector General

451 7th Street, SW

Washington, DC 20410

(800) 347-3735

Fax: (202) 708-4829

hotline@hudoig.gov

Mortgage Loan Modification Fraud

Consumer Financial Protection Bureau (CFPB)

(877) 411-2372

www.consumerfinance.gov

Prevent Loan Scams

www.preventloanscams.org

Any Lending Fraud

Federal Trade Commission Complaint Assistant

(877) FTC-HELP

www.ftccomplaintassistant.gov

State Agencies for All Types of Fraud

- Look up the agency to report to at www.preventloanscams.org/states.

STEP 4 – Report the Fraud to Law Enforcement

Reporting the lending fraud to law enforcement is important to begin the recovery process, ensure the responsible parties are investigated, and prevent further damage to other individuals.

- **Local Law Enforcement** – Contact any local law enforcement office to file a police report. Ask for a copy of the police report, if possible.
- **District Attorney** – Contact your local district attorney's office.
- **Attorney General** – Contact your attorney general's consumer protection unit and the prosecution unit to report the fraud. Find contact information at www.naag.org.
- **Federal Law Enforcement** – Contact your local FBI field office or submit an online tip at <http://tips.fbi.gov>. Look up your local field office at www.fbi.gov/contact-us/field.

STEP 5 – Report the Fraud to the Federal Trade Commission

Lodging a complaint with the Federal Trade Commission, using the FTC's complaint assistant, will enter the fraud into the Consumer Sentinel Network so that law enforcement can stop ongoing fraud and track these crimes. *This process will not initiate a criminal investigation of your case.*

Federal Trade Commission Complaint Assistant

(877) FTC-HELP

www.ftccomplaintassistant.gov

FREE CREDIT REPORT

AnnualCreditReport.com

is the only official source for free credit reports.

All consumers, regardless of a fraud alert, are entitled to receive one free credit report every 12 months from each of the following companies:

EQUIFAX

(800) 685-1111

www.equifax.com

EXPERIAN

(888) 397-3742

www.experian.com

TRANSUNION

(800) 916-8800

www.transunion.com

STEP 6 – Contact a Housing Counselor (If Mortgage-Related)

The U.S. Department of Housing and Urban Development provides housing counselors for individuals buying a home, refinancing a home, or attempting to avoid foreclosure. Find a local housing counselor at www.hud.gov/program_offices/field_policy_mgt/localoffices or call the Housing Counselor Referral Line at (800) 569-4287.

STEP 7 – Treat the Loan Fraud as Identity Theft

Because loan fraudsters may have information pertaining to your identity, including your Social Security number, you also will need to visit www.IdentityTheft.gov for more information on reporting, handling, and preventing identity theft.

STEP 8 – Consider Civil Remedies

Often the best potential for recovery of lost assets is through civil suits. In some cases, civil lawsuits have been used to remove liens from victims' homes and provide victims with good title to their homes. Civil attorneys who work for victims of financial fraud can analyze the particular facts and circumstances of your case and counsel you on the available civil remedies. The National Crime Victim Bar Association can provide referrals to attorneys who litigate on behalf of victims of crime and who offer initial consultations at no cost or obligation.

National Crime Victim Bar Association

For a referral, email: attorneyreferrals@victimsofcrime.org

Find more information about civil justice at www.victimbar.org.

ATTEND TO YOUR HEALTH

The toll of financial fraud may extend well beyond lost money.

FINRA Foundation research indicates that nearly **two-thirds of fraud victims experience at least one severe emotional consequence**—including stress, anxiety, insomnia, and depression.

If you are suffering in the aftermath of a financial crime, seek help. Many mental health professionals offer services on a sliding-fee scale.

STEP 9 – Follow Up

Review the steps you've taken and follow up after 30 days with any law enforcement agencies or organizations that serve victims.

PREVENTION TIPS

Once you have been a victim of fraud, you may be targeted more frequently for other scams. Because your information or identity may have been compromised, beware of schemes that require you to pay in advance for loan modifications and deals that guarantee results or claim to be “no money down.”

Protect Yourself:

- Do not make a false statement on your loan application, such as overstating your income.
- Never sign a blank document or a document containing blank lines.
- Read all documents before signing.
- If you don't understand what you're signing, hire an attorney to review the documents for you.

Stop:

- If the terms of a loan sound too good to be true, they probably are.
- Resist high-pressure tactics. Tell the sales person you need time to consider your decision.

Check:

- Find a housing counselor through the U.S. Department of Housing and Urban Development at (888) 995-HOPE.
- Get referrals for loan and mortgage professionals when you want to obtain a loan or mortgage.
- Verify the licenses of mortgage and loan professionals with state, county, or city regulatory agencies.
- Beware of “no money down” and “no doc” loans. “No doc” loans do not require borrowers to provide documentation of their income. Take extra care to check out the source of these loans with a housing counselor.