



COUNTY OF YOLO
OFFICE OF THE DISTRICT ATTORNEY
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**Scam Alert: Beware of Fraudulent Loan Modification
and Foreclosure Rescue Scams during COVID-19**

(Woodland, CA) - (April 23, 2020) – Some Yolo County residents are feeling the burden of financial strain as a result of the COVID-19 shelter-in-place ordinance that was established in March, and many have found themselves out of work as a result. During these uncertain times, homeowners should be careful about a potential increase in loan modification and foreclosure rescue scams, where scammers are attempting to take advantage of people who may be financially struggling amid the coronavirus pandemic.

The California Department of Real Estate (DRE) has issued a Consumer Alert to explain loan modification and loan forbearances. It provides information about those who are authorized to provide services, and more importantly, those who are not. It also provides tips about how to spot a potential scam.

There are many red flags that consumers should be on the lookout for, including but not limited to: unlicensed people or companies, a demand for payment upfront, and instructions to transfer lease/rent titles to a third party or granting a “power of attorney” to the loan modifier. Once money or title is transferred, the scammer may vanish or sell the home without the owner’s knowledge.

To prevent this from happening, there are steps that can be taken to ensure a safe and educated choice is made:

- Do it yourself: Contact your lender directly and request a loan modification or forbearance that suits your financial situation. Take detailed notes about who you’ve spoken with, the details of the call, and what you need to do.
- Consult a free legitimate counselor: If you are unable to negotiate a loan modification yourself or would prefer assistance, the U.S. Department of Housing and Urban Development (HUD) offers free housing counseling through HUD approved non-profit agencies in California. Counselors can be found on HUD’s website at www.hud.gov
- Work with a legitimate, licensed, and qualified person or company: If you are unable to find a counselor through HUD that suits your needs, you can hire a representative to negotiate for you. This can be a California licensed real estate broker with mortgage loan originator license endorsements to perform loan modification work. You can make sure a person is licensed through the DRE’s website at www.dre.ca.gov

If you are unsure about a person or company, or to determine if a complaint has been filed regarding their legitimacy and business practices, you may contact the Better Business Bureau at www.bbb.org.

If you believe you have been a victim of a real estate scam, you have many options to report those involved. If a DRE licensed or unlicensed person practicing real estate is involved, you may contact the DRE at www.dre.ca.gov. You can always report fraud or potential scams to the Yolo County District Attorney's Office at 530-666-8180 or online at <https://www.yolocounty.org/law-justice/district-attorney/departments/real-estate-fraud-unit>

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