



FOR IMMEDIATE RELEASE

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www.SIGTARP.gov

www.ConsumerFinance.gov

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SIGTARP, CFPB, AND TREASURY ISSUE A FRAUD ALERT TO THE ARMED SERVICES COMMUNITY TO COMBAT HAMP MORTGAGE MODIFICATION SCAMS

WASHINGTON, DC - The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), the Consumer Financial Protection Bureau (CFPB), and the U.S. Department of the Treasury (Treasury) today issued a fraud alert to the Armed Services community to combat scams targeted at homeowners seeking to apply for mortgage assistance through the Home Affordable Modification Program (HAMP) and other federal programs. A number of these scams are specifically targeting members of the Armed Services community. The fraud alert is designed to raise awareness of these scams and provides a list of resources available to members of the Armed Services community for more information and for assistance with mortgage-related questions and how to report fraud.

The Armed Services Mortgage Fraud Alert is available below and online at www.SIGTARP.gov/documents/military_mortgage_fraud_alert.pdf.

Hallmarks of HAMP mortgage modification scams include: the unofficial use of official program names or logos of government agencies, non-profit organizations, and/or lenders; the advertising of a very high success rate in achieving modifications; and the guarantee of a successful modification in exchange for an upfront fee. Free help is always available.

In December 2011, SIGTARP, CFPB, and Treasury formed a taskforce to protect taxpayers by investigating and shutting down HAMP mortgage modification scams and by providing education to raise awareness among vulnerable homeowners. The taskforce issued a consumer fraud alert which contains tips on how to identify and avoid mortgage modification scams. The consumer fraud alert is available online at www.SIGTARP.gov/documents/Consumer_Fraud_Alert.pdf.

“Members of the Armed Services community often face unique financial challenges and are at particular risk for this type of scam,” said Christy Romero, Special Inspector General at SIGTARP. “We want to empower servicemembers and their families with information so that they can easily recognize and avoid these scams and also provide them with resources on where to turn for additional information and assistance. SIGTARP will continue to work with the CFPB and Treasury and our other partners in law enforcement to shut down these scams and to ensure that their perpetrators are held accountable for their crimes.”

“I applaud the new HAMP guidelines that have special provisions for military personnel. But at the same time it's important to remind military personnel and their families that there are scammers out there who may guarantee to get them a mortgage modification - for a fee up front. Don't lose your money on

one of those offers - there are plenty of legitimate, free resources for you if you are looking to modify your loan,” explained Holly Petraeus, Assistant Director, CFPB’s Office for Servicemember Affairs.

“Treasury is fully committed to working with SIGTARP and the CFPB to shut down mortgage scams that falsely represent themselves as government programs,” said Treasury Assistant Secretary for Financial Stability Tim Massad. “Unfortunately, certain scammers target military families – and we want to make sure military families know to protect themselves and make use of free resources for assistance.”

Armed Services Mortgage Fraud Alert

FRAUD ALERT:

Mortgage modification fraud schemes targeting struggling homeowners and which exploit the federal Home Affordable Modification Program (HAMP) have become increasingly common, and members of the Armed Services community struggling to make their mortgage payments should beware of con artists and scams that promise to save their homes and lower their mortgage debt or payments.

FACTS:

For servicemembers having trouble paying their mortgage, free help is available. Advice from U.S. Department of Housing and Urban Development (HUD)-approved housing counselors is always FREE, as are mortgage modifications under HAMP. In most cases, charging fees in advance for a mortgage modification is illegal. HUD-approved housing counselors can help you avoid scams and better understand your options.

RESOURCES:

Consumer Fraud Alert – For tips on how to identify and avoid mortgage modification scams and to view the Consumer Fraud Alert issued by the HAMP Mortgage Modification Fraud Taskforce, visit www.SIGTARP.gov/documents/Consumer_Fraud_Alert.pdf.

U.S. Department of Veterans Affairs – If you are an active-duty servicemember or veteran and have a VA loan, call the U.S. Department of Veterans Affairs at 1-877-827-3702 or visit the Loan Guaranty Service Home Loan Program Web site at www.HomeLoans.VA.gov.

Making Home Affordable Program – For free mortgage-related advice and assistance from HUD-approved housing counselors or to apply for HAMP, call the **Homeowner’s HOPE™ Hotline** at **1-888-995-HOPE** (1-888-995-4673) or visit www.MakingHomeAffordable.gov. You can apply to HAMP on your own or with free help from a HUD-approved housing counselor. Applying to HAMP is always FREE.

Consumer Financial Protection Bureau – For additional help and more information about mortgages, dial 1-855-411-2372 or visit www.ConsumerFinance.gov/mortgagehelp.

Fannie Mae – If your mortgage is owned by Fannie Mae, for help and more information, dial 1-800-7Fannie or visit www.FannieMae.com/portal/helping-homeowners-communities/veterans-outreach.html.

Freddie Mac – If your mortgage is owned by Freddie Mac, for help and more information, dial 1-800-Freddie (option 2) or visit www.FreddieMac.com/avoidforeclosure/military_assistance.html.

U.S. Department of Agriculture – If your mortgage was issued by the USDA, for help and more information, contact the Centralized Servicing Center at 1-800-414-1226 or visit RDHomeLoans.USDA.gov.

Federal Housing Administration – If your mortgage is insured by FHA, for help and more information, contact the National Servicing Center at 1-877-622-8525 or visit www.HUD.gov/offices/hsg/sfh/nsc/nschome.cfm.

REPORT FRAUD:

Special Inspector General for the Troubled Asset Relief Program – If you believe that you or someone you know has been a victim of a mortgage modification scam exploiting HAMP, dial the SIGTARP Hotline at 1-877-744-2009 or visit www.SIGTARP.gov/pages/hotline.aspx to submit a tip, which can be done anonymously.

Consumer Financial Protection Bureau – To report mortgage modification issues unrelated to HAMP, visit Help.ConsumerFinance.gov/app/mortgage/ask to submit a complaint.

About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program investigates fraud, waste, and abuse in connection with TARP.

If you suspect that you may have been a victim of a mortgage modification scam related to HAMP or to report other suspected illicit activity involving TARP, dial the **SIGTARP Hotline**: 1-877-SIG-2009 (1-877-744-2009).

To receive alerts about quarterly reports, new audits, and media releases issued by SIGTARP, sign up at www.SIGTARP.gov/pages/press.aspx

About CFPB

The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit the CFPB Web site at www.ConsumerFinance.gov.

About Treasury

The U.S. Department of the Treasury's mission is to maintain a strong economy and create economic and job opportunities by promoting the conditions that enable economic growth and stability at home and abroad, strengthen national security by combating threats and protecting the integrity of the financial system, and manage the U.S. Government's finances and resources effectively. Treasury administers the Home Affordable Modification Program (HAMP) which is designed to help homeowners prevent avoidable foreclosures.

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