



## HUD NEWS



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### **HUD and Long Island Housing Services Join Forces to Warn Homeowners about Foreclosure Rescue Scam Artists**

NEW YORK -- Senior officials from the U.S. Department of Housing and Urban Development (HUD), the NYS Attorney General's Office and Long Island Housing Services, Inc. (LIHS) held a press conference today to warn troubled Long Island homeowners about the continued dangers of mortgage rescue and loan modification scam artists who are after their money or home. The conference took place at LIHS' Bohemia office and featured homeowners who discussed their struggles and experiences in dealing with scam artists.

"Unfortunately, unscrupulous lenders and mortgage brokers continue to prey on unsuspecting and trusting homeowners who are desperate to save their homes," said Mirza Orriols, HUD Deputy Regional Administrator. "That is why I am very pleased that HUD has joined with Long Island Housing Services to warn people about foreclosure rescue scams that can inflict real harm on troubled homeowners."

"With the critical help of HUD's Fair Housing Initiatives Program (FHIP), we have maintained our vital enforcement efforts and developed greater staff capability to provide services to those vulnerable to discrimination and predatory lending while struggling to maintain their homes," said Michelle Santantonio, Executive Director of LIHS. "This, together with funding secured through the New York State Attorney General's new Homeowner Protection Program (HOPP), will support continued provision of critical counseling and legal services essential for those facing foreclosure. These programs benefit all Long Islanders."

"I commend HUD and Long Island Housing Services for working hard to educate New Yorkers about these fraudulent companies and for bringing to light mortgage settlement scams that have already surfaced," said Attorney General Schneiderman. "As in the past, our office will continue to use all available means to pursue under the law any predators who seek to rip off New Yorkers who are struggling to remain in their homes."

As a result of the foreclosure crisis, millions of distressed homeowners nationwide have become vulnerable targets to criminal third-party scammers, con artists, and thieves. Their tactics come in various forms including giving the false impression that they are affiliated with government programs, charging illegal up-front fees, and executing fraudulent lease-back financing schemes.

Closer to home, the number of distressed Long Island homeowners is quite sobering. In July, 2012, over 11 percent of home loans on Long Island were 90 or more days delinquent, in foreclosure or in a bank's possession, compared with 9.9 percent in July 2011. In fact, the Long Island mortgage delinquency rate has climbed steadily from 3.6 percent in July 2008 to 9.5 percent in Nassau and 12.7 percent in Suffolk as of July 2012.

While anyone can fall prey to these scams, studies show that mortgage fraud artists disproportionately target African-Americans, older Americans, and Hispanic borrowers.

LIHS' own statistics reveal that in the first eight (8) months of 2012, twenty-nine (29) Nassau homeowners filed complaints. These homeowners allegedly paid and lost \$59,015.67 to foreclosure scam companies. For Suffolk County, LIHS' numbers show that in the first eight (8) months of 2012, fifty-three (53) homeowners filed complaints. The homeowners allegedly paid and lost \$442,897 to foreclosure scam companies.

According to the Lawyers Committee for Civil Rights under Law (LCCRL), who receive complaints from agencies like LIHS, 76 Nassau homeowners in 2011 complained of foreclosure scam companies, claiming \$304,248 in damages. Since October 2009, 154 Nassau homeowners have made complaints to LCCRL, totaling \$498,816.01 in damages from these alleged foreclosure scam companies. From the same records, in 2011, 101 Suffolk homeowners complained of foreclosure scam companies, claiming \$304,482.13 in damages. Since November 2009, 230 Suffolk homeowners have filed complaints, alleging \$984,759.12 in damages.

LIHS is a unique non-profit advocacy organization that is both a HUD approved housing counseling agency as well as a HUD qualified fair housing enforcement organization. LIHS seeks to promote racial and economic integration and equal housing opportunity for all throughout Long Island; reduce and eliminate unlawful housing discrimination; encourage decent and affordable housing and to educate and assist the public regarding Fair Housing and Tenant's Rights, resources and opportunities in the region. In December, 2011 LIHS received a HUD grant of \$325,000 to strengthen its ability to educate the public and help vulnerable homeowners at risk of foreclosure, especially those most vulnerable and easy targets of scam artists. These services include foreclosure rescue and loan modification scam reporting, foreclosure prevention counseling and related legal services as well as tenant counseling for those living in foreclosed properties. LIHS does not charge for its services to individuals.

HUD encourages homeowners to call LIHS at 631-567-5111, ext. 330 or 1-888-995-HOPE (4673) or the New York State Attorney General's Consumer Frauds and Protection Bureau, or visit [www.hud.gov/preventloanscams](http://www.hud.gov/preventloanscams) to get the facts about mortgage fraud, and report suspected scammers.

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HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business. More information about HUD and its programs is available on the Internet at [www.hud.gov](http://www.hud.gov) and [espanol.hud.gov](http://espanol.hud.gov). You can also follow HUD on twitter @HUDnews or on facebook at [www.facebook.com/HUD](https://www.facebook.com/HUD).

Long Island Housing Services' Mission is the elimination of unlawful housing discrimination and promotion of decent and affordable housing through advocacy and education.