

# Intelligence Report®

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[In the News]

## Foreclosure Crisis

Experts fear that a million homes will face foreclosure this year—30% more than in 2006—and scams are making the crisis worse. Some tips:

- 1. Contact your lender** as soon as you have a problem paying. Most want to help you keep your house.
- 2. Respond to all mail from your lender.** Early letters often include options that let you avoid foreclosure; later ones are legal notices. “I didn’t open my mail” isn’t a valid excuse in foreclosure court.
- 3. Know your rights.** Read your loan papers and find out about foreclosure laws in your state.
- 4. Prioritize you spending.** After health care, keeping your home should be your top priority—even before paying off other debt.
- 5. Avoid foreclosure-prevention companies and scams.** You don’t have to pay fees for foreclosure help. Don’t sign a document from someone claiming to stop a foreclosure. In a scam called “equity skimming,” a “buyer” offers to repay the mortgage if you sign over your deed and move out. You’re left with the debt and no house.
- 6. Get help from HUD.** The Department of housing and Urban Development offers free or low-cost counselors (call 1-800-569-4287 to find one) and information on avoiding foreclosure at [www.fha.gov](http://www.fha.gov).

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