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SPECIAL REPORT
FORECLOSURESMEDIC.COM

HOW TO PICK A LOAN MODIFICATION COMPANY

- Insider tips to **Avoid Scams**
- Investigate the Loan Modification Company
- 10 Questions to ask a Loan Modification

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How to Pick a Loan Modification Company

There are over 250,000 foreclosure filings — default notices, auction sale notices and bank repossessions combined, occurring each and every month. Unfortunately, there are many people that don't know there is help out there for them. Most people will contact their lender, and find they are only being offered a FOREBEARANCE PLAN. Which in most cases, this does not benefit the homeowner.

Maybe you are being put off, or they tell you paperwork is missing, or you missed a deadline. This is how "put off" tactics are implemented.

However, the lenders do not have enough man power to handle all of the requests to modify loans, so they look for a quick fix.

Please be aware that your lender does not want to foreclose your home! The more foreclosures they endure, the closer they come to shutting their doors.

The homeowners usually stop looking for help after speaking with their lender and believe there is nothing left to do, except lose their home. **THIS IS NOT TRUE!**

If you do happen to come across this report, hopefully by the time your done reading you will feel more informed about this process.



How to Choose an Honest Loan Modificaion Company? Or maybe the question is How not to....

There seems to be hundreds of choices when searching for the "right" Loan Modification or Loss Mitigation Company. The thing you need to be aware of, a lot of them are not legit and will not deliver the type of outcome you expect or any at all.

Starting a few years back, there was a lot of "bad loans" being made, and predatory lending. This is the #1 reason why so many are struggling with their payments, aside from the bad economy and other types of hardships.

I am here to tell you BEWARE! Many Loan Modification companies are just trying to get a piece of the "foreclosure pie" and are "scamming" homeowners in distress to feed their own bank account.

On the other hand there are a few [good companies](#) to choose from who really care about your situation and have "real" legal help which includes Attorneys to mitigate (stop foreclosure) and negotiate with your lender to modify the loan. Modifying your loan means to change the terms of your existing loan. For example: Lower and fix the interest rate, move past due payments to end of loan, and sometimes freeze payments for a while depending on your hardship. All of the above, will result in a lower affordable payment which is what everyone is looking for.

How to Investigate a Loan Modification Company



How to Inve:

Check credentials:

- **The Bar Association**
- Check with the **Federal Trade Commission**- This can tell you if any laws have been broken, or the company has been investigated for any reason. <http://www.ftc.gov/ftc/business.shtm>
- Don't forget the **Consumer Protection Agency**- Great resource for Scams, Complaints, and licensing information. <http://consumeraction.gov/state.shtml>
- **Rip Off Report** is great also. This is not an official place, but is becoming very popular to consumers who have been ripped off or scammed.

Please note: While seaching for the company's credentials, make sure the address, and owner names match up to what you are looking for. You have to remember there are a lot of companies from different states that have the same name but are not affiliated.

Now, aside from credentials, there are other things to look for:

1. **Are you being asked the right questions?** ‘For Example: How much you owe? What is the value of your home? What is your interest rate? When did you purchase your home? What is your hardship? Have you contacted your lender?’
2. **Does this company "care" about your situation** or does it sound like they are more concerned about collecting a fee. Do they listen to you? Provide you with guidance and support? Are they passionate about what they are doing? Are they reading a script? Are they informative? Are they hesitate on providing you with answers?
3. **Do they have Licensed Attorneys to mitigate your home,** and negotiate with your lenders.

4. **Charges fees** anywhere from \$4000- \$10,000. This is price gouging. If the mortgage payment is extremely high, the fee should be able to be negotiated. Everyone's situation is different and this should be considered when charging a fee. Their #1 priority should be to work with you to keep you in your home.

5. **Seem to good to be true?** If you are being promised an interest rate, or and exact principle reduction amount, most likely you are just being told what you want to hear. **Please note that no one can promise you anything without negotiating with your lender.**

6. **Is there an approval process?** Before you agree to paying any fee at all, make sure your entire file has been reviewed by your Attorney and deemed eligible.

7. **Is there some type of money back guarantee?** This is very important. If the company you choose, can not provide you with a loan modification, then you should be entitled to getting most your money back. No Excuses!

How to Avoid Loan Modification Scams

**SCHEMING
CRAFTY
AGGRESSIVE
MALICIOUS**
DON'T LET THEM CON YOU

This is the biggest dilemma a homeowner is faced with when looking for **help to avoid foreclosure**. Who to choose, where to start and who is legit? It's not a secret that nearly **75% of Loan modification companies are fraudulent or scam artists**.

Loan modifications are in high demand right now. This makes it easy for **scammers to pray on innocent people** who usually will end up victims. Many lose their homes and the fee they invested for mitigation services. What's worse is, many homeowners entrust their last dime to an outside source who is supposed to help them.

Tell tale signs of a Loss Mitigation Scam:

- **Charges a huge upfront fee :**

Do not pay an upfront fee to anyone. There are some Loan Modification companies who will charge sometimes up to \$7500 with out even reviewing your file upfront. This is an automatic **Red Flag!** These are what I refer to as Fee Chasers. In most cases you are promised the world "verbally" and a stage of urgency is set to scare you into paying them immediately.

- **Collects upfront fee with out explaining the process, or does not seem interested in your circumstances .**

Anyone legit will listen and care about what your going through, and will explain exactly what you are paying for and what to look forward to while on the program. There should be no unanswered questions. **Listen to your intuition! It is screaming at you!**

- **Does not stop the foreclosure legally**

If your home is in foreclosure and you hire a company who is supposed to be negotiating on your behalf, what if the lender takes a long time to respond? You may lose your home. There is no real sign to look out for on this one other than reading over your contract thoroughly to observe what services you will be paying for. Remember: Verbal promises are obsolete.

- **Will accept the first proposal from the lender**

You pay an upfront fee for a Loan Mod, and with in 90 days your bank comes back with a modification that does not suit you or your budget. or worse had not even been contacted. Now you find yourself 3 more months past due and probably a lot closer to foreclosure. A lot of times homeowners are forced into accepting terms that are not beneficial in order to keep their home, just to find themselves right back in the same situation a few months later. Problem is, you only are allowed one modification per year as it stands now. If you choose carefully and are working your loan mod should turn out significantly better, which obviously results in long term benefits.

- **Virtual Company:**

These days the Internet has so much power you could literally have your business online without a physical location. Any loan modification company you hire should have a verifiable physical address and stated as a Firm. Make sure to check the Bar Association too. They will know of any complaints that have been filed. Unlike the BBB, you can't pay the Bar Association for a good rating.

- **Did someone promise you certain terms or rates for your loan modification?**

This may be your biggest tip. Huge Red Flag! If you are being promised an interest rate, or an exact principle reduction amount, most likely you are just being told what you want to hear. Please note that no one can promise you anything without negotiating with your lender. This is extremely important. Legally you have no leg to stand on in court if anything was verbally promised to you because there is no way for you to prove it. Challenge them and ask them to provide what they are verbally telling you in writing. I can tell you this. It won't happen.

- **Is there an approval process?**

Before you agree to paying any fee at all, there should be an application process which would determine if you qualify for this assistance. This should not include credit qualifying. Credit is not a determining factor. The application should include, your budget, income, property info, and hardship, basically an entire package should be submitted and reviewed before the loan mod company decides to take on your case. Your approval should not be determined on the first phone call.

- **Can not find them on the BBB, or anywhere else for that matter.**

Most companies who have been in business for at least a year will have a rating with the better business bureau whether they are a member or not. **But the BBB is over-rated so take heed and don't stop there when doing your research. The best place to find Loan Modification Companies is [HERE](#).** You want to make sure you are working with a leader in the industry. Extensive research can help you establish this.

On the other hand, there are some **legit companies** who do what they say they will do. But just be cautious while looking for help. This is a booming industry and there is a lot of greed. **Doing this kind of research can be exhausting.** You may still find that after researching them you are still unsure. **It is very tedious work and does take time.** Aside from researching them, you should know what questions to ask and read your agreement or contract carefully.

10 Questions to Ask a Loan Modification Company



1. Have you or any of your employees ever been convicted of a felony?

You can follow this up with do you do criminal background checks on your employees? If they have employees with criminal records or they don't do criminal background checks, look for another company.

2. Do you have a background in mortgage lending? If so what is it?

This is always a good question to ask because it shows the level of their competency and how they operate their business.

3. Can you provide references?

Don't be afraid to ask to speak to real people. Some companies will post questionable testimonials on their site signed by "Homer S.", "Monty B.", "Ned

F.” or “Moe S.” For all you know the owner or of one of his employees could have written these testimonials.

4. Is your processing done in house or is it contracted out?

This is a good question because it will tell you if the company is acting as a “middle man” and simply collecting a referral fee. Some services are legitimately contracted out such as the loan auditing or fraud investigating.

5. Do you have an attorney on staff?

This is a great question for two reasons. If they say, yes, then ask for their name and feel free to check them out with the state bar association. Having an in-house legal staff also gives the loan modification company legitimacy because it means they can handle any legal situations that may arise during the negotiations of the modification. If the loan modification uses outside attorneys, it’s a sign that the loan modification company could be acting as a soliciting agent for a law firm which is illegal in most states. Consumers also need to keep a watchful eye on attorneys who allow the loan modification company’s staff to use their letter head and fax cover sheets. In most states this considered unethical behavior by the attorney. If you suspect this do not hesitate to contact the state bar of where that attorney is a member.

6. Do I need to be late in order to make this work?

No. Although it may help expedite the process in certain cases, it is not mandatory.

7. How long does this process take?

It can take anywhere between two weeks to six months depending on the lender and the complexity of the file.

8. If I can’t get a modification completed – what can be done?

There is a whole menu of resolutions available. There is litigation (in cases of deceptive practices), short-sale, short-payoff, deed-in-lieu, or forbearance.

9. Are there any guarantees?

Be careful of loan modification companies that offer or guarantee specific results because they don't know what the final terms will be.

10. What are my costs and can you put this in writing?

There are two ways loan modification companies charge. They either charge a flat fee or a fee based on a sliding scale depending on the size of renegotiated payoff or by the size of your first payment. If they are unwilling to spell out the terms to you up front, keep shopping. Also, don't be afraid to shop around. New loan modification companies are popping up everyday which means more competition and better pricing. A loan modification fee should not exceed \$2500 and include a forensic mortgage audit.

Resources

Resource #1

Get started now with a reputable loan modification company here:



The Loan Modification Pros

AS SEEN ON CNN FOX NEWS USA TODAY Google

Worried about Foreclosure?

Loan Modification may be the Answer!

START HERE

Connect with foreclosure prevention counselors today.

First Name:

Last Name:

Phone Number:

Email Address:

1st Mortgage Balance:

Months Behind:

Get Help Now!

Re-negotiate your current loan • Get a payment you can afford • Act Now to Save Your Home!

<http://www.foreclosuresmedic.com/loanmodhelp.html>

Resource #2

Complete Loan Modification Kit

Complete loan modification do it yourself kit



<http://www.foreclosuresmedic.com>

Additional Reference Material

<http://www.mortgagenewsdaily.com/forums/t/10663.aspx>

<http://activerain.com/blogsview/775018/10-questions-you-should-ask-a-loan-modification-company>

<http://activerain.com/blogsview/624815/How-to-Avoid-Loan>

<http://activerain.com/blogsview/741535/How-to-Choose-a-Loan-Modification-Company>

<http://activerain.com/blogsview/624815/How-to-Avoid-Loan>

[Best Loan Modification Company](#)