

Beware of Foreclosure and Debt Relief Scams

In today's economy, many consumers are feeling the pinch. For some, the pinch has become more than just an irritation; it has become an ever increasing stressor that may be taking a toll on you and your family. If you're living paycheck to paycheck and trying to make ends meet without much success, rest assured that you are not alone. For many, it starts out gradually; you get a little further behind each month and before you know it, you have collection and foreclosure notices sitting in your mail box. Layoffs, furloughs, pay cuts and increasing interest rates on credit cards are making payments that were feasible last year, impossible today.

You've heard the saying, 'If it sounds too good to be true, it probably is.' Yolo FCU encourages you to cautiously take this advice when dealing with debt and foreclosure. Undoubtedly you've received offers in the mail regarding the 'debt relief act' and/or counseling services that promise to help you prevent foreclosure, work with your creditors to lower your rate and/or forgive balances, all of course, for a fee. The offers often come in official looking envelopes from Washington DC explaining that you are approved for this special program all while hinting that it's supported by the government. In the foreclosure scams, the thieves go as far as tricking consumers into signing off on their deed, providing fake new loan documents with the amended terms they state have been arranged with your current lender. In almost every case, these companies ask for the fees up front or even request that you send your payments to them directly. Don't be fooled! These so called offers or programs are nothing more than fraud. In fact, the Federal Trade Commission has instigated lawsuits against several of these companies for unlawful practices and blatantly lying to consumers. So what can you do?

If you are currently facing financial difficulties the best method is to be proactive. Contact your creditors directly and inform them of your situation. Most have programs in place to help get you back on track and avoid foreclosure and/or bankruptcy.

Protect yourself from becoming a victim.

Don't:

Partner with companies that offer unrealistic promises.

Provide personal information about your accounts to unknown companies.

Send your payments to anyone other than the creditor unless instructed to do so by the creditor.

Sign paperwork that you don't understand or are being pressured to sign.

Sign documents that surrender your property deed or title.

Do:

Contact your creditors directly and determine which programs are available.

Be honest about your financial status and be willing to compromise.

Work with licensed Consumer Credit Counseling Agencies.

Attend free workshops on budgeting and debt management.

As your financial partner, Yolo FCU is here to help. We have staff that is devoted to helping you arrange a payment plan that will work for you. To learn more about our programs or to talk to someone directly call (530) 668-2700.