

STATE OF NEBRASKA



Dave Heineman
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DEPARTMENT OF BANKING AND FINANCE

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Nebraska Department of Banking & Finance Issues Consumer Advisory on Foreclosure Rescue Services

Lincoln, Neb., Aug 22, 2007-- Nebraska Department of Banking and Finance Director John Munn issued a consumer advisory today urging Nebraskans facing the possibility of foreclosure on a home mortgage to be cautious when working with foreclosure rescue consultants and companies. Recent inquiries to the Department regarding foreclosure have prompted Department officials to warn Nebraskans of the potential risks associated with foreclosure rescue services.

In many foreclosure rescue deals, individuals or companies offer to take ownership of the property as part of an arrangement that allows the homeowner to lease and buy back the home at a later date. The rescuer often promises to save the homeowner from foreclosure, pay the mortgage, save the homeowner's credit status and/or sell the house quickly. Distressed homeowners are often pressured into signing documents giving ownership of the home to the rescuer and the rescuer walks away with all or most of the home's equity.

"We advise homeowners facing foreclosure to be cautious consumers and talk with licensed professionals such as lawyers and real estate agents before signing any agreement," said Munn. "If the terms sound too good to be true, I would stay away."

While the Department of Banking and Finance cannot stop foreclosures, Munn stated that borrowers can file a complaint with the agency against individuals or companies for deceptive and misleading lending practices. "We cannot serve as an attorney, but we can contact the appropriate regulatory authority with issues described in the complaint," said Munn. Borrowers can find the complaint form on the agency's Web site at <http://www.ndbf.org>

There are several things homeowners might do to avoid foreclosure. Munn suggests contacting the lender first to see whether a new payment plan can be worked out or the loan refinanced. If that doesn't work, he recommends talking with an attorney or credible housing counselor. A list of additional consumer resources can be found on the Department's Web site.

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