

The Federal Trade Commission (FTC) filed three separate lawsuits in federal court recently to halt the deceptive tactics of companies preying on distressed homeowners by falsely claiming they could save their homes from foreclosure. Instead, the fraudsters charged homeowners thousands of dollars in up-front fees while delivering little or no help and often simply driving the homeowners further into debt. The FTC announced the enforcement actions as part of its Distressed Homeowner Initiative, a federal effort to stop predatory foreclosure rescue, mortgage modification, short sale, and bankruptcy schemes that have targeted distressed homeowners. Since 2008, the FTC has brought more than 40 cases against companies engaged in fraudulent mortgage relief scams.

The three new cases filed by the FTC were brought against Prime Legal Plans/Reaching U Network, American Mortgage Consulting Group, and Expense Management America. In each case, the FTC alleged that the companies were peddling bogus mortgage relief services in violation of the FTC act and the 2010 Mortgage Assistance Relief Services (MARS) rule.

Consumers who are behind with their mortgage or other debts should be particularly wary of companies offering "mortgage relief," "debt adjustment," and "debt relief" services. Many of these offers come from individuals or companies offering bogus services. The companies often collect high up-front fees and then do little or nothing to actually help consumers. Distressed homeowners can contact the **National Foundation for Credit Counseling** (800/388-2227) for foreclosure assistance tools and referrals to low-cost, certified housing counselors. In North Carolina, the **State Home Foreclosure Prevention Project** (866/234-4857) offers similar assistance and provides a call center to field questions from distressed homeowners.