

North Carolina Governor Beverly Perdue signed into law the Homeowner and Homebuyer Protection Act. The Act is intended to provide important protections to those at risk of losing their homes to foreclosure. Such distressed homeowners are too often victimized by foreclosure rescue scams. The Act provides that it is unlawful for any party to carry out a foreclosure rescue transaction for financial gain unless at least 50% of the fair market value of the property, as determined by a licensed appraiser, is paid by the transferee to the transferor. This prohibition applies to all financial rescue transactions other than certain exempt transactions such as those involving a member of the homeowner's immediate family, a governmental agency or organization, or a bank or lender. The new law is codified as Article 6 of Chapter 75 of the North Carolina General Statutes. A copy of the Act is attached hereto. A violation of the Homeowner and Homebuyer Protection Act would be deemed an unfair trade practice, entitling a person victimized by a foreclosure rescue scam to treble damages.

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