

# U.S. DEPARTMENT OF THE TREASURY


## Press Center



## SIGTARP, CFPB, and Treasury Form Joint Task Force to Combat HAMP Mortgage Modification Scams; Release a Consumer Fraud Alert to Protect Homeowners

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**WASHINGTON, DC** - The Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP), the Consumer Financial Protection Bureau (CFPB), and the U.S. Department of the Treasury today announced the creation of a joint task force to combat scams targeted at homeowners seeking to apply for the Home Affordable Modification Program (HAMP). SIGTARP, the CFPB, and Treasury have partnered to protect taxpayers by investigating and shutting down these scams and by providing education programs to vulnerable homeowners. The joint task force today issued a consumer fraud alert to protect homeowners from HAMP-related mortgage modification scams. The fraud alert will also be provided directly to homeowners eligible for HAMP.

The consumer fraud alert is available below and online at [www.SIGTARP.gov/pdf/Consumer\\_Fraud\\_Alert.pdf](http://www.SIGTARP.gov/pdf/Consumer_Fraud_Alert.pdf) .

"The goal of our consumer fraud alert is to empower homeowners with the knowledge of how to recognize and avoid these scams," said Christy Romero, Deputy Special Inspector General for SIGTARP. "These scams prey upon the most vulnerable homeowners as they desperately hold out hope of saving their homes. SIGTARP, the CFPB, and Treasury want to make sure that homeowners know a scam when they see one and know where to turn for help. SIGTARP will work with the CFPB and Treasury in this joint task force and with other law enforcement partners to shut down these scams and to ensure that the perpetrators pay for their crimes."

"Mortgage scams harm not only homeowners but legitimate businesses and the market as a whole," said Richard Cordray, Chief of Enforcement for the CFPB. "By joining forces with SIGTARP and Treasury, the CFPB hopes to protect Americans and the integrity of one of the largest consumer financial markets in the U.S."

"Treasury is fully committed to working with SIGTARP and the CFPB to shut down mortgage scams that falsely represent themselves as government programs," said Treasury Assistant Secretary for Financial Stability Tim Massad. "This new initiative builds on the work we have done with SIGTARP to date and other collaborative efforts throughout the federal government to educate homeowners about scams so they can protect themselves and their homes."

SIGTARP, the CFPB, and Treasury investigate mortgage modification schemes, among other things, in which companies charge struggling homeowners a fee in exchange for false promises of lowering the homeowner's mortgage debt or payments through HAMP, a foreclosure prevention program funded by the Troubled Asset Relief Program (TARP) and administered by the U.S. Department of the Treasury.

### Consumer Fraud Alert

Homeowners struggling to make their mortgage payments should beware of con artists and scams that promise to save their homes and lower their mortgage debt or payments.

If you are struggling to pay your mortgage and are seeking a mortgage modification, keep the following tips in mind:

- You can apply to the federal Home Affordable Modification Program (HAMP) on your own or with free help from a housing counselor approved by the U.S. Department of Housing and Urban Development (HUD). Applying to the program is always **FREE**. For more information on how to apply, call the Homeowner's HOPE™ Hotline at 1-888-995-HOPE (1-888-995-4673) or visit [www.MakingHomeAffordable.gov](http://www.MakingHomeAffordable.gov).
- Only your mortgage servicer has discretion to grant a loan modification. Therefore, no third party can guarantee or pre-approve your HAMP mortgage modification application.
- Beware of anyone seeking to charge you in advance for mortgage modification services – in most cases, charging fees in advance for a mortgage modification is illegal.
- Paying a third party to assist with your HAMP application does not improve your likelihood of receiving a mortgage modification. Accordingly, beware of individuals or companies that ask you for payment and tout success rates or claim to be "experts" in HAMP.
- If an individual or company claims to be affiliated with HAMP or displays a seal or logo representing the U.S. government in correspondence or on the Web, you should check the connection by calling the Homeowner's HOPE™ Hotline.
- Beware of individuals or companies that offer money-back guarantees.
- Beware of individuals or companies that advise you as a homeowner to stop making your mortgage payments or to not contact your mortgage servicer.

Financially troubled homeowners can avoid scams by working with a HUD-approved housing counselor to understand their options and to apply for assistance. Assistance from HUD-approved housing counselors is free, and homeowners can reach them by calling the Homeowner's HOPE™ Hotline at 1-888-995-HOPE (1-888-995-4673) or by visiting [www.MakingHomeAffordable.gov](http://www.MakingHomeAffordable.gov).

### About SIGTARP

The Office of the Special Inspector General for the Troubled Asset Relief Program investigates fraud, waste, and abuse in connection with TARP.

If you suspect that you may have been a victim of a mortgage modification scam related to HAMP or to report other suspected illicit activity involving TARP, dial the SIGTARP Hotline: 1-877-SIG-2009 (1-877-744-2009).

To receive alerts about quarterly reports, new audits, and media releases issued by SIGTARP, sign up at [www.SIGTARP.gov/press.shtml](http://www.SIGTARP.gov/press.shtml).

### About CFPB

The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit the CFPB Web site at [www.ConsumerFinance.gov](http://www.ConsumerFinance.gov).

**About Treasury**

The U.S. Department of the Treasury's mission is to maintain a strong economy and create economic and job opportunities by promoting the conditions that enable economic growth and stability at home and abroad, strengthen national security by combating threats and protecting the integrity of the financial system, and manage the U.S. Government's finances and resources effectively. Treasury administers the Home Affordable Modification Program (HAMP) which is designed to help homeowners prevent avoidable foreclosures.