

## Fraud Warning for Homeowners in Financial Distress

Protect yourself from loan modification or foreclosure rescue scams with the help of the California Department of Real Estate (DRE).

Beware of loan modification and foreclosure rescue scams run by dishonest people who demand the payment of upfront fees.

## Home Loan Modifications

### What is a Loan Modification?

A loan modification is an agreement between you and your lender to modify one or more of the terms of your home loan. The modified terms may include a lower interest rate, an extension of the length of the loan (like converting a 30-year loan into a 40-year loan), changing an adjustable-rate loan (called an ARM) to a fixed rate, a rate freeze, the deferring of some of your payments, or some other restructuring of loan terms.

Loan modifications are designed to help you keep your home by making meaningful, sustainable, and long-term adjustment to your current home loan that works for your financial situation. Not everyone will qualify for a loan modification. If your lender denied your loan modification application, seek counseling services from licensed professionals for advice on other options available to you.



### DEPARTMENT OF REAL ESTATE

651 Bannan Street, STE 500

Sacramento, CA 95811

Public Information Line: (877) 373-4542

Fax: (916) 263-8943

[www.dre.ca.gov](http://www.dre.ca.gov)

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## Don't Become a Victim

### Free and Safe Options

The **U.S. Department of Housing and Urban Development** (HUD) offers foreclosure avoidance counseling through nonprofit agencies in California. Go to HUD's website at [www.hud.gov](http://www.hud.gov) or call (800) 569-4287 to find counselors. HUD also offers information to homeowners facing foreclosure.

If you are considering obtaining assistance from a person or company that is not a HUD-approved nonprofit housing counselor, always "Log on, look 'em up, and check 'em out" at [www.dre.ca.gov](http://www.dre.ca.gov) to ensure the company or person is properly licensed. And remember, never pay an upfront fee for loan modification or forbearance services.



### If You Have Already Been Scammed

If you are the victim of a scam by a disreputable company, or are aware of a loan modification scam, please report fraud to DRE at (877) 373-4542.

For more information, advice, and safeguards, visit DRE's Consumer Alerts section:

<http://www.dre.ca.gov/Consumers/ConsumerAlerts.html>.

### Contact DRE

To contact the California Department of Real Estate, call (877) 373-4542 toll-free for assistance in English or Spanish.

### Department of Real Estate District Offices

**Sacramento** (Principal office)  
651 Bannon Street, STE 500  
Sacramento, CA 95811

**Fresno**  
2550 Mariposa Mall, Suite 3070  
Fresno, CA 93721-2273

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320 W. 4th Street, Suite 350  
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