

## Beware Loan Modification Scams

by Joseph P. McCaffery

Our firm continues to receive numerous queries from individuals and families facing mortgage foreclosure. Recently, however, we are seeing a number of new clients who have come to us seeking relief after paying another party who promised to assist them with “loan modification.” In each of these instances, the client paid hundreds — or even thousands — of dollars up-front to an individual or organization who promised to renegotiate their mortgage...but didn't. Here's what we're seeing:



- A client hears a radio ad or receives a flyer in the mail inviting them to attend either a public forum or to schedule a one-on-one meeting to discuss loan modification for mortgage relief.
- The client is advised by the organization or individual that for a fee, oftentimes the equivalent of a mortgage payment, that negotiations on their behalf will be held with their lender and that they should not pay their mortgage until such negotiations are completed. What is not disclosed is that lenders are not required to modify loans, and that the best individual to negotiate with a lender is the mortgagee.
- In following this advice, the mortgage goes into default and foreclosure proceedings begin. In some instances, the individual or organization who took the clients money has disappeared with the money. In other cases, they simply indicate the negotiations were unsuccessful and keep the money as fee earned. In the worst of cases, the homeowner discovers that the agreement he or she signed actually deeded their home to the scam artist.

Furthermore, we are seeing that the advertisements for this non-existent service are targeting specific ethnic groups in their local communities, and for whom English is not their primary language. In short, it is a predatory scheme to take money from distressed and vulnerable homeowners, and in many states it is illegal to take an up-front fee for loan modification services. Our firm is working with several clients who have fallen victim to such scams to both manage the resulting foreclosure issues and, where possible, recover all or some of their investment in the fraudulent scams.

## JPMA Launches Hit & Run Investigation

On Jan. 31, four Aurora teenagers were heading home from a local Dollar Store when a speeding vehicle jumped the curb at Galena Blvd. and Hill Ave., striking three of the teens. The incident was widely reported by news media who noted the teens' injuries were not life-threatening. However, all three of the teens were hospitalized and, as of this writing, one has undergone three surgical procedures and remains hospitalized.

The driver of the vehicle that injured the teens was later arrested, after crashing into a snow plow roughly one mile away. He has been charged with driving while intoxicated, driving without a license and leaving the scene of an accident.

Upon referral from a current client, the victims' families came to JPMA for representation, hoping to recover funds from the driver to cover the teens' medical expenses which already are in the tens of thousands of dollars. Our initial investigation indicates that the proof of insurance the driver provided the police was invalid. The insurer claims that no such policy number exists or ever existed.

We are continuing our investigation into the driver's assets to determine whether pursuing a judgment against him is feasible, as well as collecting physical evidence. In the meantime, the victims' families struggle to manage the costs associated with this incident during the worst economic time in recent history.

A fund has been established to help these struggling families. Contributions can be made via PayPal to **TeenVictimsFund@jpmlaw.net** or mailed to “Client Trust Fund” c/o Joseph P. McCaffery & Associates, 2210 Sandburg Dr., Aurora, IL 60506.



Attorney Joe McCaffery and Law Clerk Lee Hauseman inspect the Ford Thunderbird that struck three Aurora teens on Jan. 31.

## JPMA Welcomes...

In our last issue we announced the additions of Attorneys Colin Carr and Micki Olawoye to our growing team. We recently have added more administrative support to the firm.

Maire Catherine “MC” Considine has joined the Chicago office as administrative assistant.

Adriana Castillo has joined the headquarters staff in Aurora as executive assistant to Joe McCaffery.

In addition to providing general office support, both MC and Adriana provide field assistance, such as filing court documents. Adriana also performs the role of the firm's Spanish-language translator.

Please join us in welcoming both MC and Adriana to the firm.

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