



Ohio Attorney General's
**Consumer Advocate
Newsletter**

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Want to Lower Your Mortgage? Don't Stop Making Payments

If you want to lower your monthly mortgage payments, don't trust businesses that tell you to stop making your payments.

In May, Ohio Attorney General Mike DeWine filed a lawsuit against a Toledo loan modification business called NMMSR Inc., which operated as Making Home Affordable USA.

The business told consumers to stop making their mortgage payments (even if they were current on their payments) and said banks and lenders would not negotiate with them unless they were behind on their payments. Consumers paid 60 to 65 percent of their current mortgage payment to the business, thinking the funds would be held in escrow and submitted to their lenders once a modification was reached. But consumers' lenders never received any of the funds placed into the accounts.

Plus, although the business' name — Making Home Affordable USA — and website closely resemble that of the federal government's Making Home Affordable program, the business is not associated with the federal government.

About 30 consumers filed complaints against the business with the Ohio Attorney General's Office, the Better Business Bureau, or the Federal Trade Commission. Their losses total around \$75,000. Many additional victims likely have been affected.

The lawsuit charges the business and its owner with violations of Ohio's Consumer Sales Practices Act and Telephone Solicitation Sales Act. Specific counts include failure to deliver, encouraging consumers to default on their mortgages, and failing to register as a telephone solicitor. The Attorney General seeks consumer restitution, permanent injunctive relief, and civil penalties.

If you want to lower your mortgage payments or get help avoiding foreclosure, beware of foreclosure rescue scams.

Specifically, watch out for businesses that:

- Guarantee to save your home, no matter your circumstances
- Insist you do not contact your lender, lawyer, or housing counselor
- Insist you stop paying your mortgage
- Collect a fee before providing services
- Encourage you to lease your home and buy it back over time
- Want you to make your mortgage payments to them instead of your servicer
- Ask you to transfer your property deed or title to them
- Pressure you to sign paperwork you have not read thoroughly or don't understand

For free foreclosure assistance, contact Save the Dream Ohio at www.savethedream.ohio.gov or 888-404-4674. If you believe that you or someone you know has been a victim of a loan modification scam, report it to www.OhioAttorneyGeneral.gov or 800-282-0515.

Beware of Job Opportunity Scams

If you are in the market for summer work or a full-time position, you may have noticed job postings that sound too good to be true. What you may not know is that scammers who want to steal your money — and maybe even your identity — create many of these postings. Learn to recognize the signs of job opportunity scams and how to avoid falling for them.

Never assume a job offer is real just because you find it on a legitimate website or in a newspaper. Job opportunity scams often promise good money and professional experience, but in reality, the jobs are either nonexistent or very low-paying. Some scammers ask job seekers to pay high fees for information, training sessions, or promotional materials that turn out to be useless. They fail to deliver on their promises, and victims end up losing hundreds or even thousands of dollars.

Other scammers offer mystery shopping jobs that turn out to be bogus. In May, Ohio Attorney General Mike DeWine and The Ohio State University Wexner Medical Center warned that scammers were perpetrating a mystery shopping scam using counterfeit checks that appeared to be from The Ohio State University Medical Center.

In the scam, consumers receive a letter from the “Income Booster Mystery Shopper Group,” which the letter falsely claims to be a subdivision of The Ohio State University Medical Center. The letter congratulates the consumer on being selected to participate in its mystery shopper program. Enclosed with the letter is a \$1,490 check. Consumers are instructed to take \$350 of the funds as their salary, to wire transfer \$990, and to use the remaining \$150 as a shopping fund. In reality, the check is counterfeit and consumers will lose any money they send.

Proceed with caution any time you receive an unexpected job offer or complete an online job application. Scammers often create phony job postings and applications in order to obtain personal information from unsuspecting jobseekers.

When applying online, make sure the site is secure before entering your personal information. The web address should read “https” rather than “http.” The “s” stands for secure, meaning that the information is encrypted and less likely to be hacked by scammers. Also, apply for a job directly through the hiring organization’s website rather than submitting your information to a third-party job search site.

Signs of a job opportunity scam include:

- Demands for upfront payment via prepaid credit card or wire transfer
- Requests for personal information
- Unrealistic salaries, benefits, or incentives
- Vague job descriptions
- Claims such as “No Experience Necessary!” or “Guaranteed Placement!”
- High-pressure sales tactics
- No written information provided
- Being selected for a mystery shopping job you never applied for

If you suspect a job opportunity scam or an unfair business practice, report it to the Ohio Attorney General's Office at www.OhioAttorneyGeneral.gov or by calling 800-282-0515.

Car-title Loans and What You Can Lose

When short on cash or looking for a way to supplement income, car-title loans may seem like a good option. But beware: Car-title loans may cost more than you expect.

Car-title loans are short-term loans that you secure with the title to your vehicle. In order to receive a car-title loan, you must own your car outright. The company puts a lien on the title and asks for the hard copy of the car title to secure the loan. Once you repay the loan, the lien is lifted and you receive the title back.

Car-title loans have high interest rates, and many consumers are unable to pay them back on time and must renew the loan. However, if a consumer cannot pay back the loan, the lender can repossess the car.

According to a joint study by the Consumer Federation of America and the Center for Responsible Lending, the average consumer takes out a car-title loan for \$951 and renews the loan eight times. With the annual percentage rate (APR) about 300 percent, consumers end up paying about \$2,142 in interest alone. One out of six loans end in repossession of a car, which has an additional fee, typically between \$350 and \$400. When loans end in repossession, not only do consumers have high debt, they also have lost their cars.

To avoid the high cost of car-title loans, consider alternatives such as:

- Cutting back on expenses
- Going to a bank or credit union for a short-term loan
- Borrowing from friends or family members
- Contacting your creditors to create an alternative payment plan

These alternatives may not be ideal, but they could cost you much less in the end. If you decide you need a car-title loan, make sure you read and understand the terms and conditions, including interest rates, payback dates, extension fees, and repossession costs.

More information is available in [a report on car-title loans](#) from the Consumer Federation of America and the Center for Responsible Lending. As always, if you believe you have been treated unfairly in a consumer transaction, file a complaint with the Ohio Attorney General's Office at www.OhioAttorneyGeneral.gov or 800-282-0515.

Selling your Timeshare? Watch for Scams

If you own a timeshare and are thinking of selling it, use caution before agreeing to do so through a real estate broker or agent. Since January 2012, the Ohio Attorney General's Office has received almost 160 complaints regarding timeshares. Most of these complaints are from shareowners who are attempting to sell their timeshare through resale companies.

In their complaints, consumers say they encountered issues such as high-pressure sales tactics, misrepresentation of the sale, cancellation problems, billing issues, and failure to deliver. For example, one Cincinnati consumer paid a company \$3,700 to sell his timeshare. After more than two years, the timeshare did not sell and the company refused to reimburse his money.

If you are attempting to sell a timeshare property, follow these tips:

- Get all verbal promises in writing, especially any guarantees to resell your timeshare. If the company will not put a promise in writing, don't sign the contract.
- Research the company's reputation. Check complaints filed against the company with the Attorney General's Office and the Better Business Bureau.
- Don't give in to high-pressure sales tactics. Take your time to read the contract.
- Ask if the reseller's agents are licensed to sell real estate where your timeshare is located. If so, verify the license with the state Real Estate Commission within the Ohio Department of Commerce. Deal only with licensed real estate brokers and agents, and ask for references from satisfied clients.
- Ask how the reseller will advertise and promote the timeshare unit. Will you get progress reports? How often?
- Ask about fees and timing. It's preferable to do business with a reseller that takes its fee after the timeshare is sold. If you must pay a fee in advance, ask about refunds. Get refund policies and promises in writing.
- Don't assume you'll recoup the purchase price for your timeshare, especially if you've owned it for less than five years and the location is less than well-known.
- Check the contract or the timeshare company's bylaws for specific terms regarding the resale of your timeshare. Some require using specific resale companies.

Consumers who believe they have been treated unfairly should file a complaint with Ohio Attorney General Mike DeWine's Office at www.OhioAttorneyGeneral.gov or 800-282-0515.



For more information, contact Ohio Attorney General Mike DeWine's Consumer Protection Section at **800-282-0515** or **www.OhioAttorneyGeneral.gov**.