



# ATTORNEY GENERAL BILL SCHUETTE

*Helping Michigan Homeowners*

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## 2012 Joint State-Federal Mortgage Servicing Settlement Consumer Alert

The Attorney General provides Consumer Alerts to inform the public of unfair, misleading, or deceptive business practices, and to provide information and guidance on other issues of concern. Consumer alerts are not legal advice, legal authority, or a binding legal opinion from the Department of Attorney General.

### NATIONAL MORTGAGE SETTLEMENT SCAMS

#### **Don't Pay to get Relief under the Settlement**

Michigan Attorney General Bill Schuette and other participating state Attorneys General entered into a settlement with the five leading bank mortgage servicers: Bank of America, Citi, Chase, Wells Fargo, and GMAC/Ally. Under the settlement, the servicers will spend at least \$19 billion to provide different forms of consumer relief, including principal balance reductions, interest rate reductions, short sales, and deeds in lieu of foreclosure.

Borrowers will not immediately know if they are eligible for relief. The settlement was entered on April 4, 2012 in the United States District Court for the District of Columbia.

- Over the first 30 to 60 days after the settlement is entered (April 4, 2012), negotiators will be selecting an administrator to handle the logistics of the settlement and monitor compliance.
- Over the six to nine months after the settlement is entered (April 4, 2012), the settlement administrator, attorneys general, and the mortgage servicers will work to identify homeowners eligible for the immediate cash payments, principal reductions, and refinancing. Those eligible will receive letters.
- This settlement will be executed over the next three years.

Scammers are already trying to use the national mortgage settlement to swindle consumers. The Attorneys General have received reports of thieves calling borrowers claiming to be one of the major banks involved in this settlement and offering a cash payment to consumers if they simply provide the bank routing number to access their bank account. Other scams have offered to get people money under the settlement quickly if the consumer pays an up-front fee.

Remember these important points if you are contacted:

- **DO NOT PROVIDE PERSONAL OR FINANCIAL INFORMATION TO SOMEONE WHO CALLS OR E-MAILS YOU.** Regardless of whom they claim to be, people who call or e-mail you seeking personal or financial information should be treated as potential thieves who may be trying to steal your identity. Do NOT provide people who call or e-mail you with any personal information.
- **HELP IS FREE.** Don't pay anyone for this assistance.
- The banks will be contacting consumers who are eligible for relief. To be sure it's really the bank that is calling you, consider the following:
  1. Does the caller identify themselves as representing your loan servicer? Or do they ask you to provide the name of your loan servicer? If they ask you for the name of your servicer, they may be a scammer.
  2. Does the caller offer to provide your personal information to assist you in identifying your account? Or do they ask you to provide that? If the caller is from your loan servicer, they will be able to tell YOU your personal information because they will have it. You should never provide your personal information (including bank account numbers, social security numbers, etc.) to an unsolicited caller.
  3. Does the caller offer to speed your settlement relief for a fee? They are definitely a scammer! Neither the banks nor the Attorneys General will charge a fee to speed up payments or other relief.
  4. If you think the caller may be legitimate, ask for their contact information, tell them you are going to call your bank's hotline and confirm, then call them back. Chances are if they're a scammer, they won't want you to check on them and they won't provide their contact information.
  5. If you want to check with the participating banks, the contact information is:
    - Ally/GMAC: 800-766-4622
    - Bank of America: 877-488-7814 (M-F 7am-9pm CT and Saturdays 8am-5pm CT)
    - Citi: 866-272-4749
    - JPMorgan Chase: 866-372-6901
    - Wells Fargo: 800-288-3212 (M-F 7am- 7pm CT)

If you are a Michigan resident and are solicited by someone offering to help you get relief under this settlement for a fee, go to our website at [Michigan.gov/ag](http://Michigan.gov/ag), click on the "Complaints" tab, and file a complaint. Additional information about the National Mortgage Settlement is available on our website – [www.michigan.gov/mortgagesettlement](http://www.michigan.gov/mortgagesettlement) and at [www.nationalmortgagesettlement.com](http://www.nationalmortgagesettlement.com).

Attorney General Schuette also encourages citizens to contact a **FREE, state-certified housing counselor** through the Michigan State Housing Development Authority to determine whether they are eligible for additional assistance. See [www.michigan.gov/mshda](http://www.michigan.gov/mshda) or call their toll-free hotline, 1-866-946-7432.