

WIDER WORLD OF SPORTS

Immigrants want towns to make room for their activities. L-1

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Betting the house

Those foreclosure rescue schemes can backfire badly



PETER MONSEES/STAFF PHOTOGRAPHER

Kevin and Jean Petterson studying legal papers for the Rutherford home where they live with their sons, from left, Kevin Jr., Dave and Dylan. Faced with foreclosure, they sold the house, intending to buy it back, and stayed as tenants. But now foreclosure looms again.

"They're swimming around here like crazy right now. They make all sorts of crazy deals with people and they take their homes."

FERNANDO SEMIAO, REAL ESTATE BROKER, SPEAKING ABOUT FORECLOSURE RESCUE COMPANIES

By KATHLEEN LYNN
STAFF WRITER

Kevin and Jean Petterson of Rutherford fell behind on their mortgage payments in mid-2005 after Kevin, a truck driver, broke his ankle and was unable to work for several months.

In 2006, facing foreclosure, the couple got a letter from a Scotch Plains company, Elite Financial Solutions, that offered to help "stop the foreclosure process!" It promised "No gimmicks or tricks."

But Kevin Petterson, 41, says the company left his family worse off than before — in deep-

er debt and in danger of losing their small Cape Cod.

"I'm going to have to go Chapter 7 [bankruptcy]," Petterson said.

The Pettersons' story spotlights a new player in the housing bust — foreclosure "rescue" companies, which find distressed homeowners through public records. Some of these companies have been accused of "equity stripping" — taking whatever equity these desperate people have in their homes.

"Homes are literally being stolen from their owners all over the country," said a June 2005 See **HOUSE** Page A-6

How you can help yourself

If you can't make your mortgage payments:

- Contact your lender. You may be able to work out a payment plan.
- If your lender cannot help you, contact the Homeownership Preservation Foundation at 888-995-HOPE.
- Seek legal advice from an independent attorney.
- Do not sign away ownership of the house without consulting a trusted attorney, and be suspicious of offers to lease back the house.
- Never make mortgage payments to anyone other than the lender.
- Never sign any document with blank lines or spaces.
- Be wary of individuals or companies that want you to turn over title to your home.

■ Consider selling your home through a licensed real estate agency.

Source: state Division of Consumer Affairs; state Department of Banking and Insurance; National Consumer Law Center