

# THE LYTLE LETTER

## Lytle Lesson: RESCUE SCAMS

The economic climate has given rise to a cottage industry known as "loan auditors" or "foreclosure rescue firms." All essentially promise to stop a foreclosure. I want you to be aware of new Virginia law regulating these practices.

Typically, the foreclosure scammer will tell the homeowner that he can negotiate a deal with the lender to save the house, or evaluate the situation to look for loopholes, but the scam artist requires an upfront fee, and then often requires a more substantial fee when things "look promising."

Another variation of the scam involves "loan rescue money." In exchange for short-term money ostensibly for the purpose of bringing the mortgage current and avoiding foreclosure, the scammers will have the homeowner sign documents transferring title, legal or beneficial, and if legal title transfers then they promise the homeowner a right to buy the house back while they 'rent'

it. But whether the scammer is trying to flip the house or just "renting" it, the scammer rarely makes the house payment (simply pocketing the money) and so the house is lost to foreclosure anyway.

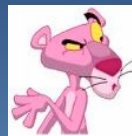
Under the new Virginia legislation, it is now unlawful to charge a fee to someone to avoid or prevent foreclosure prior to closing on a sale of the house (i.e. no upfront fees). Now, there is an affirmative obligation on the person providing the "rescue" money to make the underlying house payments and to apply any rents received to the house payments. In addition, if the rescue provider makes a representation that the homeowner has an option to repurchase the property then that option must be in writing.

Please be aware of these scams, not only to protect your clients, friends and family, but also not to inadvertently get drawn into assisting someone who engages in any unlawful practices (there are legal ways to do this though).

## NOVEMBER, 2008



**November 18: 4:30 p.m.**  
Williamsburg Lodge. WAAR Installation and Awards Ceremony



**November 20: 4:00** Kiln Creek theater. *Quantum of Solace* followed by dinner for the Retreat's winning Pink Panthers



**November 20: 9:00 a.m. to noon.** Williamsburg Library. LMA has Mr. Internet on Online Dominance.



**CONGRATULATIONS!**  
**MR. BRIAN SKLUTE**  
**ROOKIE OF THE YEAR**

### Joke of the Week

*A beggar walks up to a well-dressed woman who is shopping on Rodeo Drive and says, "I haven't eaten anything in four days."*

*She looked at him and said, "God, I wish I had your willpower."*



## It Depends

*random thoughts, observations, and more ...*

**Notary Stuff:** okay agents-as-notaries: when you fill the City or County part of the notarial acknowledgment you put the jurisdiction where you are notarizing, not the place where you got commissioned or live. **Riddle Me This:** Until I am measured I am not known. Yet how you miss me, when I have flown! What am I? **A Special Smiley** to Vic & Diana:

they always remember me on Veteran's Day. **Read This Article** about an important new (begins 12/15) program for homeowners about to lose their house to foreclosure. **Get Well Soon** to Lytle Title's Ronda Narron who was hospitalized recently and **Our Condolences** to Lytle Law's Cindy Upright, whose father recently passed away -- Go Skins!