

6 December 2015

Dear Friends and colleagues,

I am writing to enlist your help in an effort that the New York Press Association (NYPA) and the Office of the New York State Attorney General Eric T. Schneiderman are jointly undertaking to combat foreclosure rescue scams which are on the rise across New York State.

Attorney General Schneiderman has been a leader on the issue of foreclosure prevention and has launched a number of programs to assist families who are at risk of foreclosure across New York State. In 2012, Attorney General Schneiderman launched the Homeowner Protection Program (HOPP), a network of more than 85 housing counseling and legal services providers who provide free, high-quality representation to families who need help with their mortgage and who are at risk of foreclosure. To date this network of direct service providers have assisted more than 50,000 New Yorkers as they struggle to remain in their homes.

Unfortunately, this same population has now become a major target by scam companies who prey on desperate homeowners when they are their most vulnerable. Foreclosure rescue scammers take advantage of homeowners in several different ways. Many offer homeowners a much-needed loan modification, in exchange for a fee, but fail to provide any services. Others attempt to trick homeowners into signing over the title to their home or into making monthly payments to the scammer rather than the actual mortgage holder. The frequency of these scams has risen to a crisis level in New York. According to a 2014 Report from The Center for New York City Neighborhoods, homeowners in New York State are more likely to encounter loan modification scams than residents of nearly every other state and from March 2010 to September 2014, New York homeowners have submitted over 2,700 foreclosure rescue scam complaints, documenting at least \$8.25 million in losses.

As part of a comprehensive effort to combat these scams, the Office of the Attorney General has launched a consumer education web-based app; <http://www.AgScamHelp.com>. In addition to educating consumers about how to avoid these types of scams, the app directs families to the HOPP network of direct service providers, where they can connect to legitimate free-cost help. The Attorney General also sponsors a direct hotline which will connect any homeowner to a HOPP direct service provider within 48 hours (1-855-HOME-456).

The Attorney General's efforts are vital to protecting New York homeowners, but they alone cannot prevent spread of these scams, and that is where NYPA and our newspapers can play a critical role. One of the most pervasive methods that these scammers use to target homeowners is placing advertisements in newspapers and on radio. In many cases, the originators of these ads are in violation of state and federal laws which require individuals who advertise foreclosure prevention or loan modification services to include specific disclosures in their advertisements.



We are asking newspapers to ensure that all ads placed by foreclosure rescue companies comply with state law as relates to required disclosures (a copy of the New York statute is enclosed with this letter and the section regarding disclosures is highlighted.) While it is clear that the duty to comply with this law is placed squarely on the producers of these ads, and not the media outlets, we have an important opportunity to help curtail the spread of foreclosure rescue scams by refusing to place ads that do not comply with this New York State statute.

Among our industry's greatest strengths is the trust that readers place in our publications. We have an opportunity to use that trust to help protect and empower the communities we serve. I ask you to join NYPA and Attorney General Schneiderman in this joint effort which we believe will have a significant impact on curbing this growing crisis.

Thank you in advance for your cooperation in this matter. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Michelle K. Rea". The signature is written in a cursive, flowing style.

Michelle K. Rea  
Executive Director

