

Recognizing and Avoiding Home Sale Scams

Are you a homeowner? Do you live in an area that has undergone significant development? Are you being pressured to sell your home, flooded with offers by mail, or annoying phone calls? Have you been approached about selling your home?

Beware: Investors who buy homes fast, as-is, will pay you far less than your home is worth!

DON'T SIGN ANYTHING WITHOUT GETTING LEGAL ADVICE FROM YOUR OWN LAWYER! GET ADVICE BEFORE YOU SIGN ANYTHING!

As the price of housing continues to skyrocket in Metro Atlanta, scammer investors continue to prey on unsuspecting home owners with the goal of stealing their homes.

Who do the scammer investors typically target?

homeowners who are elderly or disabled;
homeowners facing foreclosure or otherwise financially struggling; and
homeowners of color, especially in gentrifying neighborhoods.

Which homes do investors target?

homes that have no mortgage or carry only a low mortgage balance;
older homes in need of repair; and
homes in areas that are gentrifying.

Quick, AS IS Sales scams: Scam artist investors research properties they wish to target, and send multiple letters offering to buy your home “quick” and “as is.” They may also try calling you or coming to your home in order to ensnare you in their traps. They use aggressive tactics, such as repeated phone calls and unannounced visits to the home.

Beware: these scammers never want to pay fair market value for your home. Their goal is to buy your home low, and flip it for a hefty profit.

Foreclosure Rescue scams: Scammers target people who are facing foreclosure, making false promises of saving the home or its equity. They learn about the foreclosure sale in the local legal newspaper, and send solicitation letters, call and come to the home seeking making false promises to “stop the foreclosure.”

The false savior promises to save your home by stopping the foreclosure and lending you funds to pay up the mortgage arrears. You sign papers you have been told are loan papers, when in fact you have been tricked into signing a deed transferring title to the crook. The ‘savior’ stops the foreclosure by paying up the arrears.

End result: You no longer own your home. The ‘savior’ files an eviction action and you are thrown out on the street.

The false foreclosure savior promises to save your equity and pay you a set amount (say \$10,000) out of your equity. The scammer has you sign a deed transferring title to the crook. The crook stops the foreclosure by paying up the mortgage arrears. You move out but never receive any money. You later receive letters and calls from your mortgage company demanding payment, because the crook got title to your home but never got his own financing to pay off your mortgage. The crook then rents the property out to unsuspecting tenants, receives rental payments, and may or may not use them to pay your mortgage.

End result: You no longer own your home, have never gotten paid for it, and have lost all its equity. Your mortgage remains in your name and if the scammer doesn't pay your mortgage on time or at all, the default shows up on your credit report, making it difficult for you to rent an apartment, obtain a car loan, buy a home in the future, or possibly get a job.

Protect yourself

1. If you really want to sell your home, hire a licensed and reputable real estate agent.
2. Talk with different real estate agents before deciding whom you will hire.
3. Research the sales prices of similar homes in your neighborhood and surrounding community.
4. Obtain comparables from your real estate agent before agreeing to a listing price.
5. Do not hesitate to seek advice from a lawyer before signing any documents.

Have you or someone you know been targeted for a home sale scam or foreclosure rescue scam? Need legal assistance?

Call the Home Defense Program of Atlanta Legal Aid at (770) 648-4290.