

When faced with foreclosure, a call to your bank is the best bet for help.

In the midst of a recession, and with home foreclosures on the rise, many homeowners are looking for ways to refinance or modify the terms of their mortgage.

While talking to your local banker is always the best approach, there are some legitimate federal programs available, such as Hope for Homeowners, tasked with assisting struggling homeowners to stay in their homes and avoid foreclosure.

However, there are also businesses with an entirely different motive that are taking advantage of unsuspecting homeowners with slick commercials, websites and official-sounding names. Some of these companies may even have names that sound like government agencies, but they are NOT affiliated with the US Government.

“We now have the ability to stop foreclosure proceedings, forgive late payments and penalties, take your adjustable rate mortgage to a fixed rate, and reduce your mortgage payment to as low as 2 percent,” some radio ads will claim.

It sounds like a fantastic deal, but what they’re not telling you is that **they charge a significant fee to help you out.** And what kind of help are they offering in exchange for this required fee? *They will contact your bank and try to work out a loan modification for you.*

Homeowners need to be aware that they do not need an intermediary to help them avoid foreclosure, and they certainly don’t need to pay someone to contact the bank. The first call – and only call – from a homeowner struggling to pay their mortgage should be to their local banker, or the company that holds their mortgage.

The call won’t cost you hundreds, or thousands, of dollars in “filing fees,” but it could help you avoid foreclosure and being the target of a scam.

This consumer information is brought to you by Blackhawk Bank and the Wisconsin Banker’s Association. To learn about help that may be available to you, contact a Mortgage Specialist by calling 800.547.0521, or visit a Blackhawk banking center near you.

