

# NEWS RELEASE

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**COMMISSIONER OF BANKS**

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**N.C. Commissioner of Banks, AG Roy Cooper and Partners Join Together to  
Fight Foreclosure in North Carolina**

*Public service campaign to assist and educate consumers about foreclosure prevention  
and rescue scams*

RALEIGH—The N.C. Office of the Commissioner of Banks (NCCOB), Attorney General Roy Cooper, and their partners announced today the start of a public service campaign intended to fight foreclosure in the State.

“Homeowners should take action if they fall behind on their mortgage,” said Mark Pearce, Chief Deputy Commissioner of Banks. “Our program is free and has helped nearly 2,000 homeowners avoid foreclosure in the last 10 months. Don’t wait until it’s too late.”

**State Home Foreclosure Prevention Project**

Last November, NCCOB implemented the State Home Foreclosure Prevention Project, a program involving a network of State agencies, HUD-certified counselors, legal service providers and non-profit organizations working together to help homeowners with subprime loans avoid foreclosure. To date, the program has helped prevent almost 2,000 foreclosures and provided foreclosure prevention and budgeting advice to over 5,700 homeowners. NCCOB estimates that avoiding foreclosures on these homes has prevented \$160 million in neighboring property value declines and financial system losses.

NCCOB announced today that it will make the foreclosure prevention resources available to all North Carolina homeowners who are struggling to pay their mortgage. The Center for Responsible Lending (an affiliate of Self-Help) sponsored the public awareness campaign which is funded by the N.C. Association of REALTORS®, State Employees Credit Union, and the Z. Smith Reynolds Foundation and will run on Fox 50 and WRAL.com. NCCOB is partnering with Money Management International (“MMI”), one of the nation’s largest providers of telephone-based foreclosure prevention counseling, to handle the additional calls expected under this program.

The campaign highlights a toll-free number, **1-866-234-4857** (8:00 a.m.-9:00 p.m., Mon.-Fri.; 8:00 a.m.-5:00 p.m., Sat.) for homeowners to get immediate foreclosure assistance at no cost. The campaign also includes a website and television ads that help educate homeowners about foreclosure prevention and inform them about the free resources available.

As the economy has declined, foreclosures have increasingly hit middle-class families with good credit. Almost 60% of all foreclosures in the State are now on loans to homeowners with prime rate mortgages. North Carolina’s current foreclosure rate is up 7% this year due to the impact of the economic downturn. The State and its partners hope the campaign will reach more

struggling homeowners to maximize the impact of this program.

### **Foreclosure Rescue Scams**

As part of this initiative, Attorney General Cooper also announced his ongoing campaign to fight foreclosure rescue scams.

“Foreclosures hurt families, neighborhoods, lenders and our entire economy,” said Attorney General Cooper. “It’s in all of our interest to avoid unnecessary foreclosures, and to fight back against foreclosure scams that prey on struggling homeowners.”

Under North Carolina law, it is illegal to charge an upfront fee for foreclosure assistance.

The Attorney General’s office has taken action against more than 130 foreclosure assistance scams since January of 2008, winning judgments worth close to \$1 million from foreclosure scammers and recovering more than \$100,000 in refunds for consumer victims.

Foreclosure assistance scams prey on struggling homeowners by promising to get them loan modifications in exchange for an upfront fee. However, these companies take homeowners’ money and rarely if ever contact the mortgage servicer or provide homeowners with any real help. Homeowners often learn that they have been scammed only when they receive an eviction notice.

“Do not pay anyone that claims they will help you work out your mortgage loan,” said Deputy Commissioner Pearce. “You can get better assistance for free from North Carolina’s fightNCforeclosure program.”

The campaign hopes to increase public awareness about these foreclosure rescue scams and it urges homeowners to call the toll-free number implemented by the State for free assistance from HUD-certified counselors.

Foreclosure scams can be reported to the Attorney General’s office by calling 1-877-5-NO-SCAM or filing a complaint online at [www.ncdoj.gov](http://www.ncdoj.gov).

### **Public Service Ads**

The public service ads begin airing today in the Fox 50 viewing area and will run through December 2009. They are also available online along with foreclosure prevention information for consumers at [www.fightncforeclosure.org](http://www.fightncforeclosure.org). Partners are actively seeking additional resources to expand these ads statewide.

The website also focuses on homeowners that have been helped by the program and want to share their experiences with others.

The ads are funded by State Employees Credit Union, Z. Smith Reynolds Foundation, and the N.C. Association of REALTORS®. No state funds are involved in the campaign.

### **About NCCOB**

NCCOB regulates state-chartered banks, thrifts, savings and loans, trust companies, and more than 900 mortgage lenders/servicers/brokers and 9,500 loan officers, as well as numerous consumer finance companies, check-cashers, and other financial services. NCCOB is funded by industry fees and assessments and not taxpayer dollars.

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