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Foreclosure Rescue Scams: How to Protect Yourself

When you fall behind on your mortgage, you may feel desperate and scared. That's exactly when scammers strike. They promise quick fixes, guaranteed results, or inside connections with lenders — but in reality, they're looking to take your money, steal your home, or trick you into signing away your rights.

The truth is straightforward: no one can guarantee they will stop your foreclosure. Legitimate help never starts with pressure or upfront fees. And you always have options — but you need to work with your lender, a HUD-approved housing counselor, or a licensed real estate professional, not strangers who found your name in public records.

I've worked in default real estate across Minnesota for years, and I've seen these scams damage families who were already in a hard spot. The best protection is knowing what to look for before someone shows up at your door.

How These Scams Work

Foreclosure filings in Minnesota are public record. That means the moment you fall behind, your name, address, and loan situation are visible to anyone who knows where to look — and scammers look constantly.

They reach out by mail, phone, email, or in person. Their materials often look official, sometimes copying government agency logos or using names like "Federal Mortgage Relief Center" or "Minnesota Homeowner Assistance Bureau" to sound legitimate. They aren't.

Common tactics include making promises no one can legally make — stopping your foreclosure overnight, cutting your payment in half, or claiming a special government program requires you to pay them directly. They pressure you to sign quickly and often tell you not to contact your lender or an attorney. That instruction alone should end the conversation.

One of the most damaging scams in Minnesota involves deed transfer schemes. A company tells you they'll "take over" your mortgage temporarily while you rent your own home back from them. What actually happens is you sign over your deed, lose all ownership rights, and eventually get evicted — often while still believing help was on the way. Minnesota has seen a significant rise in this type of scheme, particularly in the Twin Cities metro and surrounding suburban counties where equity values have made properties attractive targets.

Red Flags — Stop and Get Help If You See Any of These

Guaranteed promises
No one can legally guarantee foreclosure relief. "We will stop your foreclosure" is a lie, not a service.

Upfront fees
Legitimate professionals do not collect large fees before doing any work. Be especially cautious if payment is requested by cash, wire transfer, or gift cards.

Pressure to sign immediately
Real solutions don't require you to decide today. Anyone insisting you sign before consulting an attorney or your lender is not working in your interest.

"Don't talk to your bank"
This is one of the clearest warning signs. Your lender is actually one of your best

resources. Anyone telling you to avoid them is trying to isolate you. But call a number you find when you login to your bank. Do not rely on the scammer to give you a correct number.

Deed or title transfer
Never sign over your deed or title as part of a "relief" arrangement. There is no legitimate scenario where a foreclosure rescue requires you to give up ownership of your home — temporarily or otherwise.

Fake legal help
If someone claims to be an attorney, ask for their Minnesota bar number and verify it at mnbboard.org. Providing legal advice without a license is illegal, and scammers do it regularly.

Government impersonators
No federal or state agency will contact you and ask for payment. If someone claims to represent HUD, the CFPB, or a state program and asks for money, report it immediately.

"Insider" connections
No one has a special relationship with your lender or the foreclosure courts. Claims of inside access are fabricated to make you feel they can do something no one else can.

What to Do Instead

Talk to your lender directly. Most people avoid this call out of fear, but lenders generally prefer resolution over foreclosure. Communication keeps your options open.

Contact a HUD-approved housing counselor. Free help is available through the Minnesota Homeownership Center at 651-659-9336. These counselors are licensed, free to you, and have no incentive to steer you wrong.

Know your Minnesota rights. Minnesota has a longer redemption period than most states — typically six months after a foreclosure sale for homesteaded properties. You may have more time than you think, and a licensed professional can help you understand exactly where you stand.

Report scams. File complaints with the Minnesota Attorney General's office at https://ag.state.mn.us, the Federal Trade Commission at https://ftc.gov, or the Consumer Financial Protection Bureau at consumerfinance.gov. Reporting protects the next family.

The Bottom Line

Scammers want you to panic, because panic makes their pitch sound reasonable. Real solutions don't require secrecy, upfront fees, or giving away your deed. If something feels wrong, it probably is.

Stay alert. Ask questions. Get everything in writing. And remember — you have rights, but you have to protect them.

If you'd like an honest, no-pressure conversation about your situation and what options are actually available to you, I'm happy to help.

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