

# Predators Make Matters Worse

## Scammers go after troubled mortgages

By JAKE THOMAS  
THE PORTLAND OBSERVER

When Josephina Casillas received a phone call last fall, she thought she had found a way to prevent losing her home to foreclosure.

Her husband, Marco Casillas had lost his job as a mechanic, throwing his family, like thousands of other Oregonians, into turmoil. The couple, who have three children and a poodle-cocker spaniel mix, fell behind on their mortgage, and worried that they'd lose their house.

Last fall, Josephina Casillas said she received a phone call from someone speaking in Spanish, her first language, offering to modify their mortgage so they could stay in their house. There was only one catch, she said, they needed to pay \$2,700 up front. Feeling desperate, Casillas said she paid the money.

They thought everything was fine, until they received a notice late last month that they were being evicted and had three days to clear out, according to Casillas, who said they haven't been able to recover the money.

In Oregon, unemployment has stayed at a stubbornly high level, causing an increase in foreclosures. According to a recent report by the Mortgage Banker's Association, nearly 1 in 10 of Oregon's 628,000 mortgages was either behind or in foreclosure. As the ranks of desperate people swell, so have those of people hoping to make a quick buck.

During the 2008 legislative session, Oregon lawmakers passed the Mortgage Rescue Fraud Protection Act, which aimed to crackdown on companies trying to squeeze cash out of people behind on their home payments. However, despite the law, these companies are still eyeing struggling homeowners.

According to a recent report from the Federal Reserve Bank of San Francisco, Oregon is seeing a proliferation of scams that prey on people



With Oregon's unemployment rate stubbornly high, more homeowners are finding themselves on shaky ground with their mortgages. Some companies hope to make a buck off their plight.

behind on their mortgages. Some counties have even started sending out fliers to delinquent borrowers warning them to watch out.

The Oregon Attorney General's office didn't respond to a request for the number of complaints it received by press time.

"Oregon is virgin territory for these scam artists," said Richard Castro, communications and public affairs specialist for NeighborWorks America, a network of community development organizations.

Companies that seek to make a profit off of people behind on their mortgages have been contacting victims directly by checking local foreclosure listings. They've also begun putting up fliers in residential areas and placing ads on the radio and in newspapers.

"Our major concern is that they're guaranteeing that there's a solution for these folks," said Fernando Velez, a consumer information specialist with the Oregon Department

of Consumer and Business Services. Velez said that many companies will approach homeowners citing unrealistic success rates—sometimes

at 80 percent. They will then often request somewhere between \$1,500 and \$4,000 up front in exchange for a promise that they will keep the

victim in their homes, said Velez. But when the dust settles, the homeowner loses their home and the fees paid to the company.

Some companies offer to negotiate with the lender, but others are more complex. Recently the Attorney General of California advised struggling homeowners to avoid "forensic audit loans," which promises to review loans looking for malfeasance that would release them from their mortgages.

Other mortgage scammers will put homeowners in debt to the company that seizes their home.

Last month, the Oregon Consumer and Business Services office issued a cease-and-desist and assessed \$250,000 in fines against Anthony Schwartz, whom the OCBS alleges was using a complex set of legal documents to lend money to struggling homeowners who handed over their deeds in exchange for the money. When the homeowners were unable to pay back the loan, according to the OCBS, Schwartz seized their home, making a tidy profit.

Castro said his organization is stepping up an advertising campaign to warn homeowners. He also said that it's possible to get the money back by talking to a certified mortgage relief counselor.

After the Casillas received their eviction notice, they panicked. They shacked up temporarily in a hotel that they struggled to pay for.

The family owned another house that they rented out to another family that had a new-born living with them. With nowhere else to turn, they reluctantly evicted them.

Marco Casillas, got his job back and things seem to have stabilized for the family. But Josephina remains resentful.

"It's not about the money that she wants back," said Jessica Casillas, Josephina's daughter translating for her. "I mean everyone needs money, obviously; it's just sad that they're doing this to people. Luckily we found somewhere to go. Other people aren't as lucky."

## Mortgage Options

If you're behind on your mortgage, the best way to avoid getting conned is information.

Consumer advocates recommend trying to work something out with your bank. Under Oregon law, if you're facing foreclosure you are entitled to a meeting with your lender to discuss your options.

If you do decide to use a third party, check them out first. See if they're licensed with the Oregon Department of Consumer and Business Services; and make sure that they are accredited with the U.S. Department of Housing and Urban Development. Also check

Better Business Bureau to see if there are any complaints lodged against them.

For more information, check the following websites: The Oregon Department of Consumer and Business Services at [foreclosurehelp.oregon.gov](http://foreclosurehelp.oregon.gov); the Oregon Attorney General at [doj.state.or.us/finfraud/mortgage\\_fraud](http://doj.state.or.us/finfraud/mortgage_fraud); and NeighborWorks at [loanscamalert.org](http://loanscamalert.org). You can also get free advice from a Housing and Urban Development-certified counselor at [makinghomeaffordable.gov/counselor](http://makinghomeaffordable.gov/counselor).

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## Legacy Unmatched

continued **▲** from Front

sic for local papers, as well as DownBeat magazine where he served as a contributor covering Portland.

"Dick was a great, kind guy," said Frank Alkyer, the publisher of DownBeat magazine. "He was an old-school journalist who knew his jazz and loved the Portland scene."

In 2008, Bogle saw a newspaper article about how the Police Bureau's cold case unit was backed up, and quickly offered his services. He had hoped to work as an investigator, but the bureau hoped to put his skills to use in the public affairs arena.

Bogle used his contacts to help launch a new initiative that put photos and information from cold case files on playing cards dis-

tributed in local jails, in hopes that they would spur an inmate who knew something to come forward.

Bogle died at Legacy Salmon Creek Hospital in Vancouver of congestive heart failure. He is survived by four daughters, one son, and his wife Nola Bogle. A celebration of Bogle's life is planned for sometime last this month.