

## Attorney General: Don't Pay to Join Lawsuits for Mortgage Relief

**SEATTLE**—If you're faced with foreclosure and thinking of paying to be part of a class-action lawsuit, please think again. According to the Washington Attorney General's Office, nobody should have to pay to join a legitimate class-action lawsuit.

The lawyers and marketers pushing these suits charge upfront fees and frequently promise results. In reality, litigation is time-consuming and even a qualified attorney can't guarantee the outcome of a case. Moreover, representatives of a legitimate class-action suit would not ask for money to join.

Homeowners should be especially skeptical of offers from out-of-state firms. They may not be familiar with state law or even licensed to provide legal services in Washington.

The Federal Trade Commission has banned mortgage relief companies from collecting fees until homeowners have received an acceptable written offer from a lender or servicer. Attorneys are not covered by the rule, but they are required to place

any fees they collect in a client trust account and abide by state laws and regulations covering such accounts.

The attorney general's office also warns that it is seeing companies pushing forensic

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mortgage loan audits and services with titles like, "pre-litigation monetary claims program." So-called loan auditors, often backed by attorneys, offer to review your loan documents to determine whether your lender complied with state and federal laws. They claim they can use the audit report to avoid foreclosure, accelerate the loan modi-

fication process or reduce your loan principal.

Beware! The Federal Trade Commission warns that there is no evidence that forensic loan audits will help a homeowner obtain a loan modification or other foreclosure relief. That's true even if the audit is conducted by a licensed, legitimate and trained auditor, mortgage professional or lawyer.

Some federal laws allow you to sue your lender based on errors in your loan documents. But even if you sue and win, your lender is not required to modify your loan simply to make your payments more affordable.

### What Can You Do?

If you are facing foreclosure or can't pay your mortgage, contact the Washington State Homeownership Information Hotline at 1-877-894-HOME (4663). The hotline can refer you to a free, state-approved housing counselor.

If you believe unlawful activity has occurred in regard to your mortgage, you

should speak with an attorney. A homeowner may file a suit to challenge a foreclosure, but they must do so prior to the foreclosure sale.

If you are unable to afford a lawyer, contact the Washington State Homeownership Information Hotline at 1-877-894-4663 (HOME) for referral to the Washington State Bar Association's Home Foreclosure Legal Aid Project.

The Attorney General's Office cannot stop a foreclosure or provide individuals with legal advice, as the office is barred by law from representing private citizens.

Homeowners should read the Washington Foreclosure Prevention Resources Guide, provided by the Seattle-King County Asset Building Collaborative Foreclosure Prevention Team and recommended by the Attorney General's Office and the Washington State Department of Financial Institutions.

More information at [www.atg.wa.gov/foreclosure](http://www.atg.wa.gov/foreclosure).

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