

# ASSEMBLY DEMOCRATS NEWS RELEASE



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**FOR RELEASE:**

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## **\*\*\*MULTIMEDIA PACKAGE\*\*\***

### **SCHAER ON ASSEMBLY PASSAGE OF 'FORECLOSURE RESCUE FRAUD PREVENTION ACT'**

*Measure Would Help Protect Distressed Homeowners  
From Unscrupulous Foreclosure Consultants*

(TRENTON) – Assemblyman Gary S. Schaer today released a multimedia package on his legislation to protect homeowners in jeopardy of foreclosure from ‘foreclosure rescue’ scams perpetrated by unscrupulous lenders and consultants, following its passage by the General Assembly.

The measure (A-281), entitled the “Foreclosure Rescue Fraud Prevention Act,” would establish specific practices that foreclosure consultants and other purchasers of distressed property would have to adhere to when contracting with New Jersey homeowners on the brink of foreclosure.

Under the bill, foreclosure rescue firms would be required to post a bond with the Division of Consumer Affairs before conducting business in the state. The firms also would be prohibited from collecting any payment prior to the completion of all contracted services.

The measure would set forth contract rights for property owners who utilize foreclosure rescue agents, giving residents broad rights to cancel the contract. It also would require foreclosure rescue agents to verify the property owner has a reasonable ability to repurchase the title on their property and fully disclose all costs the owner would incur in connection with the rescue contract.

Schaer (D-Passaic) said the measure stemmed from legal action initiated by the state Office of the Attorney General against numerous foreclosure rescue companies, mortgage loan providers, industry employees and lawyers for violating the state’s Consumer Fraud and RICO acts.

The measure, which also is sponsored by Assemblyman John J. Burzichelli (D-Gloucester) and Majority Leader Bonnie Watson Coleman (D-Mercer), unanimously passed the Assembly. It now heads to the Senate for further consideration.

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The multimedia package consists of a video press release on the measure, audio of same and a copy of the script, as delivered.

The video can be accessed directly via our Web site – [www.assemblydems.com](http://www.assemblydems.com) – or by pasting the following link into a Web browser: [http://www.youtube.com/watch?v=gQzt1z\\_fWWc](http://www.youtube.com/watch?v=gQzt1z_fWWc)

The audio file has been included in the e-mail as an attachment.

A copy of the script is appended below:

*“The global economic crisis has some of its roots in the meltdown of the subprime mortgage market and the collapse of a national housing bubble.*

*“As President Obama works in Washington to implement a \$75 billion plan to help 9 million distressed homeowners across the nation keep their homes, we must do what we can here in New Jersey to protect homeowners on the brink of foreclosure.*

*“Faced with the prospect of becoming homeless, many New Jersey homeowners are turning to foreclosure consultants and foreclosure rescue firms in a last-ditch effort to stay in their homes.*

*“These firms offer the promise of helping residents facing foreclosure with refinancing and restructuring their mortgage debt so that they can avoid becoming homeless.*

*“Unfortunately, some of the firms are nothing more than fronts for elaborate schemes to rob troubled homeowners of their hard-bought equity.*

*“To prevent unscrupulous individuals from preying on distressed homeowners, I have introduced ‘The Foreclosure Rescue Fraud Prevention Act’ – A-281 – which would regulate these rescue firms while clearly outlining the rights of homeowners under the law.*

*“The act also would contain stiff penalties for any predatory lenders intent on profiting on homeowners teetering on the brink of bankruptcy.*

*“Because the last thing we need are individuals working to turn the American dream of homeownership into a nightmare.*

*“For more information on ‘The Foreclosure Rescue Fraud Prevention Act’ or for help with any other questions you may have, please feel free to contact my district office by phone or e-mail.”*

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