

When Times are Tough, Beware of Scams

When people are struggling financially, there are few things they can count on. One thing that will probably never change is that there will be a few companies that try to make money off of their misfortune. It's a sad but true reality of the world we live in. To me, it seems incomprehensible to kick people when they're down. But that's exactly what happens every single day. The best defense is knowledge and knowing when you may be dealing with a scammer. Beware of these situations ...

Foreclosure Prevention : There aren't too many situations more stressful than being delinquent on your mortgage and facing foreclosure. While there are plenty of legitimate agencies to help you avoid foreclosure, finding them isn't always easy. Just today, I read about a complaint filed by the Federal Trade Commission against two companies that were claiming to be a part of the legitimate Hope Now Alliance. They even put the word "Hope" in the name of their company in order to further confuse people. Most of these companies charge hefty fees to help save your home or modify your loan, sometimes more than \$1200 and they may not even contact your mortgage company.

Truth : The truth is that a legitimate company won't charge you for Foreclosure Prevention counseling. The rules established by the government called the Making Home Affordable plan allows consumers to either refinance or modify their loan terms with a legitimate company. To find out more about this legitimate initiative visit www.makinghomeaffordable.gov. If you need help dealing with foreclosure, Consumer Credit Counseling Service of Central Oklahoma offers this counseling for free.



Debt Settlement : If you are in debt and someone tells you that you can get out for 50% of what you owe, they would get your attention, right? While there may be a few situations where settling your debt for less than you owe is the best option, this should be weighed very carefully. **Debt settlement is seriously damaging to your credit.** Furthermore, it's the way that many debt settlement companies work that raises some serious red flags. Many

of them name themselves something similar to "Consumer Credit Counseling" so that you will be confused and think you are dealing with the legitimate local Consumer Credit Counseling Service. They are NOT the same thing! Most debt settlement companies charge upfront fees and don't pay anything to your creditors for 9 months or longer. In that time, creditors may get a judgment, and garnish your wages.

Truth : If you fully understand that debt settlement will damage your credit but you want to do it anyway, save the thousands of dollars in fees (around \$5500 or more) you would pay to a debt settlement company and call your creditors directly. Most of the major credit card companies have told me that they will give a consumer the same deal they would give a debt settlement company. If you decide to use a debt settlement company anyway, check them out with the Better Business Bureau and Attorney General's office in the state where they are located. If you are looking for a legitimate credit counseling agency (that will negotiate payments and lower interest with your creditors on a plan that your creditors agree to) contact CCCS at (405)789-2227.



"Honestly, no one is going to be as concerned about your safety and financial security as you are. Take it very seriously to check out every company that you do business with."



CCCS of Central OK is a non-profit credit counseling agency that has been serving Oklahomans since 1967 with financial counseling and education. We are working with the Oklahoma Department of Consumer Credit to provide ongoing education to payday loan borrowers, as well as the general public. For more information about CCCS call us at (405) 789-2227 or 1-800-364-2227 www.ccsok.org.

Beware of Scams continued...

Work from Home Opportunities : I think most of us occasionally wake up in the morning and wish we could be our own boss. Work from home opportunities can be a great way to make extra money, spend more time with the family and have a lot of freedom. Unfortunately, claims made by some work from home firms are not always legitimate. If a firm is making promises of big bucks, it may be too good to be true. If they require you to pay them, you should probably run. A legitimate company won't make you pay to work for them.

Truth : If you are considering working from home, read all of the fine print. Also, check out the company with the Federal Trade Commission www.ftc.gov and the Better Business Bureau www.bbb.org. There is also a website called www.scam.com that hosts bulletin boards from people who have researched or been scammed in the past. Basically, do your homework before you consider working from home.

Investment Scams : The fact is that people that run investment scams are usually very smart, convincing people.

Truth : Even if the deal seems legitimate, check it out. Your state securities regulator should be able to advise you of how to best check out the legitimacy of any organization before you invest. Investor Protection Trust also has some great resources on their site at www.investorprotection.org.

Phishing and ID Theft : I received a frantic call last week from the daughter of one of our local community leaders. She had received a call on her cell phone saying that she owed \$300 for a loan she had never taken out. The person even had her old bank account number and was pushing her to give her current one so that they could draft the money out. He was saying she HAD to pay



this money or they would sue her and garnish her wages. He would not give her a phone number to call back, the name of the company or provide proof of the loan. She didn't fall for it. Unfortunately, many others are not so lucky. Nearly every day, I receive one or two e-mails from purported banks asking me to log in to their website (never the real company's website but some may look similar) to update my account information. This is called phishing. They create a false sense of urgency by threatening to close my account if I don't comply.

Truth : Real banks don't operate this way. If you are concerned about your account, don't click on the link they provide. Go to the legitimate bank's website and log in to your account that way. If there are any issues, a secure message will be

waiting. As far as the collection calls from people you don't owe, there are ways to check those out, too. Ask for proof of the amount you owe. Often, this will be on your credit report, too. Pull a FREE copy of your credit report at www.annualcreditreport.com. Don't be afraid to ask for proof in writing and NEVER give out your bank or credit card information to anyone you aren't sure about. Honestly, no one is going to be as concerned about your safety and financial security as you are. Take it very seriously to check out every company that you do business with. If you have questions, ask a trusted friend or community resource to help you. Always ask questions until you are satisfied that you are dealing with a legitimate company. In this day of so much information at our fingertips via the Internet, you can find a lot of information online. People that are burned by scams often post information online to warn others. Try googling the name of the company to see the information that appears. If they claim to be members of an organization that lends legitimacy, go directly to that organization to confirm it. In order to keep from being a victim, you are your own best advocate. Don't be afraid to check it out.



Personal Money Power Workshop

2011 Schedule

In this workshop you will learn:

How to identify where your money is being spent, how to spend less, how to build a budget and stay on track, how to organize your bill paying, and how your ideas and feelings about money affect your habits.

East Metro Workshop

Del City 1st Church of the Nazarene
(Radley Memorial Building on SE 26th and Vickie Drive)
4701 SE 26th
Del City OK, 73115
October 11 & 18

West Metro OKC Workshop

CCCS Main Office
3230 N. Rockwell
Bethany, OK 73008
September 13 & 20
November 8 & 15