

**For Immediate Release**

## **'Mortgage Elimination' Is Too Good a Deal**

*Real Estate Fraud expert Ralph R. Roberts explains how to spot Mortgage Elimination scams*

DETROIT, Michigan March 15 -- If paying a one-time fee of a few thousand dollars to pay off a hefty, long-term mortgage sounds too good to be true--well, it is. Unfortunately, Internet con artists continue advertising this scheme and ever-hopeful homeowners still believe it.

"Dozens of companies promise to help homeowners eliminate 30-year mortgages in months for only a few thousand dollars up front," real estate and mortgage fraud expert Ralph R. Roberts says. "In less than a year, they claim, they will help you own your home free and clear, even if you're facing foreclosure. You may even qualify to cash out tens of thousands of dollars in equity!"

None of it is real, however. "Banks, mortgage companies, and other lenders offer plenty of legitimate ways to eliminate a mortgage," Roberts points out. "Homeowners can:

- borrow less,
- refinance for a shorter-term loan at a lower interest rate,
- make payments every two weeks rather than every month,
- make one additional full payment once per year,
- pay a little extra each month toward the principle, or
- sell the property.

There's no need to seek or fall for a more tempting solution that turns out to be a scam."

Roberts explains how it typically works. "Mortgage eliminators use websites, Internet pop-up ads, newspaper and online classifieds and other forms of advertising to connect with consumers," he says. "Sometimes they call it 'debt elimination,' because the company can purportedly erase the balance on car loans, credit cards, and other debts as well as mortgages.

"They sell the theory that this is perfectly legal and it works, concocting all sorts of creative arguments to prove its legitimacy," Roberts continues. "To make it sound more convincing, they often quote real politicians and federal documents out of context to prove their points. They are also careful to point out that banks, mortgage companies, and even the FBI may warn consumers that debt elimination is a scam, but this is only because the establishment is so afraid that if more people knew the truth, the big bad banks would no longer be able to cheat people out of their money."

Roberts says gullible consumers send these companies a few thousand dollars to guide them through the debt-elimination process and represent them in legal proceedings. "Some companies just pocket the money, and you never hear from them again," he explains. "Others take the scam even further. They direct the homeowner to the county clerk's office to file a 'discharge of debt,' stating that the original loan has been released. While in reality the original mortgage remains in place and the homeowner is still

responsible for it, if the county clerk records this discharge form, the homeowner may believe he owns the property free and clear.”

Some mortgage eliminators will then urge the homeowner to apply for additional loans on the property--with the assistance of the company, of course. “If the loan or loans are approved, the mortgage eliminator and the homeowner split the proceeds, with the mortgage eliminator often walking away with the lion’s share,” Roberts continues. “By the time the county clerk, the original lender, or the lenders that made the subsequent loans spot the scam and confront the homeowner, the mortgage eliminator is long gone. The homeowner can be left with one or more unpaid mortgages, a legal morass, and possible criminal charges.”

Mortgage elimination schemes are often most appealing to the most vulnerable homeowners, those facing bankruptcy or foreclosure. “Homeowners in such situations should immediately contact their lender and discuss their options,” Roberts advises. “The lender may be willing to restructure the payments or suggest other legitimate solutions. In almost 90 percent of foreclosures, homeowners can benefit most by selling the property and paying off the mortgage to salvage their credit and start fresh.”

Roberts, who *Time* magazine has dubbed “*the best-selling REALTOR® in America*,” is a recognized authority on Real Estate Fraud. Author of the forthcoming *Flipping Houses For Dummies* (John Wiley & Sons, November 2006) and other books about real estate sales and investing, Roberts has helped thousands of consumers realize the dream of homeownership and educated law enforcement agencies, regulators, and financial institutions about real estate and mortgage fraud.

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