

Scams, scams and more scams

How not to get REO Listings – beware of Scams
A Warning from the NRBA



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Scams, scams and more scams coming with the next wave of REO.

Why it's happening:

- As the REO market turns for the next wave – we expect more scams from more scums.
- After reading some of the “open” REO message boards – I am amazed at how many people have fallen for them.
- Some seem to be the same individuals or groups – over and over again - simply rebranding – new name and address and new cheap website.
- We have to be careful naming them for legal and liability reasons – god forbid one of these scam companies actually does get someone an actual “real assignment” – (granted unlikely) - and we buy a lawsuit – or even if they don't – anyone can file a lawsuit anytime – for anything (shakedown) so we are being very careful as per our attorney's instructions and we can't specifically name names...



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How to recognize scams:

- Money up front!
- Most legitimate companies do not charge to be in their database
- Possibly required to join a platform (Technology Fee – buy we all know what the legitimate (real) platforms are and most of us already belong to them.
- Google the company!
- Check NRBA Facebook and Forum (members only)
- Check blogs and message boards
- You will be amazed at some of the comments and experiences from others. Almost always extremely negative.



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How to recognize scams:

Look at their website – best tell! (Real companies have “REAL” websites)

Website “tells” that it’s a scam:

- Usually a cheap site.
- Check the domain name registration – usually very recent (<http://whois.org>)
- No real information – no listing of clients, no list of employees with bios.
- Any legitimate company usually has an about us page with staff and bios listed with individual emails addresses and photos, etc.
- Contact forms – that go nowhere or to a basic address
- Generic email addresses – no individuals or departments listed



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How to recognize scams:

- Google and map the address – sometimes it's a residential house. Sometimes it doesn't even actually exist or a PO Box
- I have had NRBA members check the building address and go see if they could visit the company – it usually doesn't exist at the address listed – or if it does it is an executive suite (instant office)
- Answering service or voicemail – real companies answer their phones!
- Could be a cell phone – even worse – try sending a text message and see if it bounces.



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How to recognize scams:

- Look at the company name:
- If it has “REO” right in the name – that should raise suspicions – Remember “REO/ Foreclosure/Bank-owned” are still somewhat negative terms and most companies will not use them – especially in their name.
- Also if too similar to others in the industry or to a previous scam.
- If any staff at all is even listed – look at the names – are they familiar names from the industry? It’s a very small and incestuous industry and most of the actual folks don’t change. (they just move around a lot)



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How to recognize scams:

Listen carefully to what they say:

- Careful here – some of these folks definitely have done their homework or have some experience in the REO field as they know the right terminology and “patter”. – Hence they can be very convincing on the phone.
- Obviously they keep pulling enough suckers to make this worthwhile or they would not keep doing it...
- Money back Guarantee – Seriously – what asset manager can ever guarantee you anything? They have no idea what they are getting next themselves.



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How to recognize scams:

Variations – may even be legal ones:

Guaranteed assignment with money back guarantee:

- Ex: they charge you \$300 for “membership” - Then send you a \$50 BPO order (probably a random address or the sneakier ones pick a property that is actually in default or has a lis pendence filed against it...)
- Did they meet their guarantee? – probably. Try getting your money back from one of them....



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How to recognize scams:

If you are unsure – ASK the NRBA

We maintain and constantly update our “approved” client list – all members have access to it - when contacted by someone claiming to be a client – check there first.

NRBA video and information are as a rule just for NRBA members but I am so sick of these scam artists out there taking advantage of people that I am making this public and posting it on the internet for all to see. Hopefully with better awareness – these scam artists will be stopped.



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Why? Because they CAN!

Cheap to set up & Cheap to run

\$100 or less for the website

Email blast less than \$1k for 1.3 million (realtors)

Calling – one can easily make 100 calls per day – ever if you only get 1 out of 20 that is still \$2500 per day (lists are cheap to buy as well)

Sad thing is anyone of us has the skills and resources to do this.

So that means a lot of others do as well

– very profitable – easy to set up – anyone can do it -all you have to be is a scumbag and god knows the world is full of those
– so keep your eyes open and please report anyone suspicious

Sadly with everyone knowing that another wave of REO is coming – we expect to see a lot more of these scams as well...

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Want to be in the know?

Consider joining the NRBA – National REO Brokers Association

Member benefits include:

Access to current client list

Access to resources for members only, including forums, 1 on 1 sessions with Mike Krein, education seminars

<http://nrba.com> to join today.



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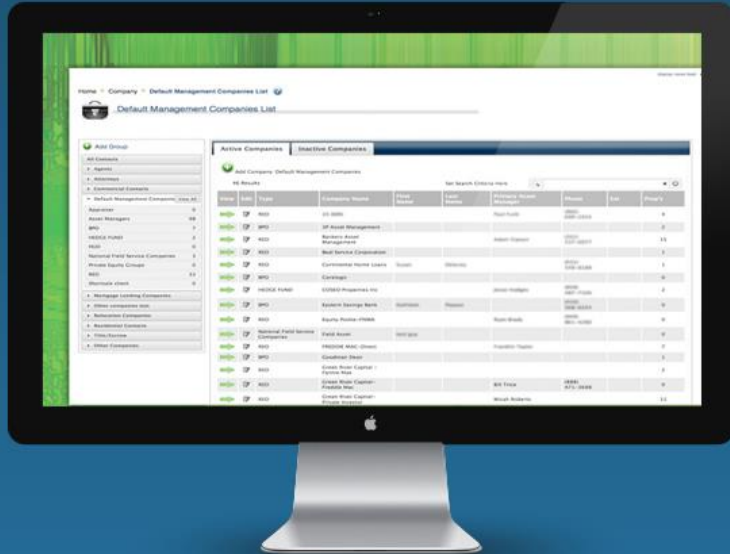


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