



# SHARK TALK

THE LAW FIRM OF ANN SHAW, PA  
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## IN THIS ISSUE

- 1** Mortgage Modification Scams
- 2** Debt Freedom – Where does your money really go?
- 3** Future SHARK

A Businessman, a Banker, and a Lawyer were stranded in a small boat out in the ocean. But nearby they could see an island. The sharks began to circle.

The Businessman said, “We have to get to that island, but how can we get through these sharks?”

The Banker said, “I’m not going to risk swimming through those sharks.”

The Lawyer said, “Just follow me.”

The Lawyer jumped into the water. And the sharks all formed a respectful line to let him swim through.

The Businessman and the Banker called out, amazed, “How did you do that?”

“No problem,” the Lawyer answered. “Professional courtesy.”

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*Are you swimming with sharks?*

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*If you have to swim with sharks, you need a good lawyer.*



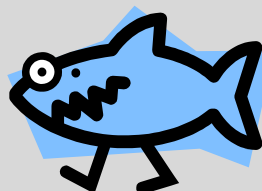
Who protects you?

## MODIFY YOUR MORTGAGE? SCAMS!

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*“Non-lawyer mortgage modification companies have no legal power to stop a foreclosure.”*

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Not all the sharks are swimming in the sea.

It's common shark-knowledge that sharks can smell blood in the water. Many homeowners feel their high adjusted-rate mortgage payments are bleeding them dry. And the land sharks are swarming.

Homeowners who find themselves behind in their mortgage payments or facing foreclosure too often also find themselves the victims of mortgage modification scams. According to the Federal Trade Commission, there are typical warning signs of mortgage-related scams.

These companies make promises they do not or cannot keep. They use terms such as “97% success rate” and “guarantee” to mislead homeowners about the mortgage modification services or foreclosure relief they can provide. They use copycat names or websites to appear to be non-profit or government entities.

Mortgage modification scam companies almost always charge up-front fees, sometimes thousands of dollars. Or they require monthly payment debited directly and automatically from the homeowner's bank account.

All too often, after collecting large fees, these companies do little or nothing for the homeowner. These companies may be able to negotiate with the lender, if the lender is willing to negotiate. But non-lawyer mortgage modification companies have no legal power to stop a foreclosure.

Under new 2009 law, Maryland homeowners may seek a foreclosure “stay” in the Circuit Court. Or the filing of a Bankruptcy can stop a foreclosure. For either process, obtaining competent local legal help is the best alternative. The Law Firm of Ann Shaw, P A, through its local lawyers, has been assisting homeowners facing foreclosure since 1993. But, homeowners who wait until *after* the foreclosure sale to contact an attorney are almost always too late.

There is also other bona fide help available, and at no cost. The Maryland Department of Labor, Licensing & Regulation suggests that homeowners call the Maryland HOPE Hotline at 1-877-462-7555 or visit MD HOPE. HUD also provides a list of housing counseling agencies.



*Is your home worth the price of local legal professional advice?*

## DEBT FREEDOM

Where does your money really go?

You see it on TV or find it online. So it has to be true.

“Settle your credit card debt for pennies on the dollar.” “Be debt free!” If it sounds too good to be true - it probably is.

There are many credible non-profit agencies that provide honest credit counseling and debt consolidation services that can truly help the consumer. The Office of the US Trustee provides its approved list on its website.

But there are also countless companies that only extract money from the desperate consumer, while providing no real help. These “services” often convince consumers overwhelmed with debt to **stop** making their monthly credit card payments and send the money to the bogus credit relief agency instead.

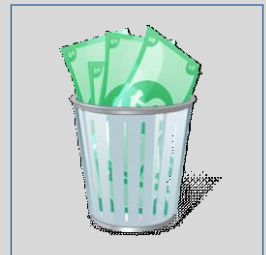
The plan is that money, often debited directly from the consumer’s bank account, is paid to the debt relief agency. The debt relief agency holds the funds in an escrow account - out of which it pays itself a huge fee first. When enough money has been paid into the escrow account, the debt relief company will then negotiate with the creditors to settle claims for pennies on the dollar.

Sure. And meantime interest and late fees keep climbing. And meantime nothing stops the creditor from suing the hapless consumer, garnishing wages, or taking other legal action. Rarely do the illegitimate companies actually settle the consumer’s debts. And sometimes these companies simply evaporate, along with the consumer’s money.

This is not a good plan.



The Consumer Protection Division of the Maryland Attorney General’s Office provides these recommendations to consumers: Carefully read contracts before signing up for any credit counseling, debt management, or debt settlement service. Ask if the fees are refundable and avoid companies that charge large up-front non-refundable fees. Only work with licensed credit counselors or debt management companies. Check with the Maryland Consumer Protection Division and the Department of Labor, Licensing and Regulation to find out whether complaints have been lodged against the company. Questions? Call the Consumer Protection Division at 410 528-8862 or e-mail [consumer@oag.state.md.us](mailto:consumer@oag.state.md.us)



*Will you throw your money away?*

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*Debt consolidators are not lawyers.*

*Will your debt consolidation plan keep your creditors from suing you or garnishing your wages?*

*Is talking to a lawyer to find out your creditors’ legal limits and your legal rights your best plan?*

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## Future SHARK



What is the wave of the future?

Consumers struggling with the now economy face debt problems, foreclosures, even bankruptcy. But what about tomorrow?

Attorney Ann Shaw relates that one of the most common questions she hears from financially distressed clients is, "How will this affect my credit?"

Credit scores, called "FICO" scores have been the magic numbers that lenders and other credit providers have relied on in deciding whether to loan and on what terms.

According to Joyce Brent, Credit Life Coach ([joyce@creditlifecoach.com](mailto:joyce@creditlifecoach.com)), FICO scores are based solely upon the information that is reported to credit bureaus. A complicated mathematical formula calculated from five credit categories results in a FICO score from over 750 (excellent) to less than 620 (risky).



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Ms Brent emphasizes, "FICO scoring is so important that we must work to keep our scores as high as possible."

Past history, there were known ways to increase and decrease FICO scores. Both overusing credit cards and not using them at all lowered a consumer's score. Closing a credit card account affected the score adversely. A bankruptcy or a foreclosure would wreck havoc with the FICO for years.

But that was before this now economy. Things are happening very different from ever before.

For instance, many banks are lowering credit card limits, raising interest rates, and changing credit terms even for consumers who have never had one late payment or over limit charge. Many small business owners, whose lines of credit are personal debts, are having these lines of credit reduced, or recalled not because of any default, but just because. And foreclosures and bankruptcies are virtually epidemic.

The realistic conclusion: If the FICO is not reevaluated to reflect the new economic realities, the Fico may cease to have any reality at all.



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