

COMMISSION COMMENT

Homeowners Warned Of Phony Foreclosure Prevention Hotlines

Homeownership Preservation Foundation President Affirms 888-995-HOPE™ is the only official Homeowner’s HOPE™ Hotline

{Editor’s note: The following article is reprinted with permission from the Homeownership Preservation Foundation.}

October 15, 2008 - Washington, D.C. – Homeownership Preservation Foundation (HPF) President and Executive Director, Colleen Hernandez, today warned homeowners of fraudulent foreclosure prevention services and hotlines claiming to be affiliated with or dishonestly mimicking legitimate services offered by the Homeowner’s HOPE™ Hotline, 888-995-HOPE™.

“888-995-HOPE is the only official Homeowner’s HOPE Hotline currently offering free foreclosure-prevention services to struggling homeowners,” stated Hernandez. “Any seemingly similar hotline

phone number, website, or company should be highly suspect to consumers seeking help in addressing their housing difficulties.”

The Homeowner’s HOPE™ Hotline, 888-995-HOPE (4673), a national 24/7 hotline provided by the Homeownership Preservation Foundation, is a free resource offering bilingual, personalized assistance to help homeowners struggling to avoid foreclosure. HPF is a member of the HOPE NOW Alliance, an Administration initiative established to assist homeowners at risk of foreclosure.

Recent reports have described alleged scams carried out by companies using similar 800 numbers, such as 800-995-HOPE, that charge up-front fees and claim to be able to help struggling homeowners pay off their mortgages or work with their mortgage providers to save their home. Others are promising to pay off delinquent loans with money that consumers provide as “escrow”.

“The word “hope” is easily exploited by those seeking to mislead struggling homeowners in search of real help. Some homeowners have lost thousands of dollars to these unscrupulous and fraudulent “counselors” who claim to offer foreclosure assistance but who, instead, have merely taken precious dollars from homeowners already in financial distress,” said Hernandez.

“The Homeowner’s HOPE

Hotline is a free service that provides struggling homeowners with access to HUD-approved counselors who work with callers to examine the details of their current financial situation, develop goals and a plan of action for moving forward, and recommend the best options for each individual’s situation,” Hernandez continued. “We offer consumers a place to turn to address their fears of foreclosure and to help them move forward in reaching the best solution to accomplish their homeownership goals.”

Hernandez urged homeowners seeking help to:

- Remember that the Homeowner’s HOPE™ Hotline, 888-995-HOPE™, is the only official, free and trustworthy HOPE Hotline for struggling homeowners.
- Avoid any websites, phone numbers, or companies and individuals requesting up-front payment of fees or claiming to be affiliated with the 888-995-HOPE™ or the Homeownership Preservation Foundation. Services provided by the Homeowner’s HOPE™ Hotline and our affiliates are absolutely free to consumers and accessible only by calling 888-995-HOPE.
- Never grant access to bank accounts, provide Social Secu-

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Commission Meeting Schedule

January 22-23Lincoln
February 19-20Lincoln
March 19-20Lincoln
May 21-22Lincoln

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COMMISSION COMMENT

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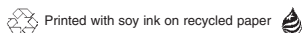
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Holiday Greetings 2008



As Chairperson of the Nebraska Real Estate Commission, I want to extend a warm season's greetings on behalf of the Commission members and our Commission staff to all of our brokers, salespeople and the dedicated office staff of every agency. You are part of a highly productive and professional industry which has served our Nebraska citizens well. Your Commission is privileged to work with you.

Primary goals of the Commission are to keep high professional standards for the real estate industry and maintain high public trust and confidence in the industry. With the help of our licensees, we are achieving those goals.

As a result of concerns expressed about licensees from other states securing licenses by reciprocity without any evidence of knowledge of Nebraska real estate law, the Commission supported the legislation that became effective on July 18, 2008, requiring out-of-state licensees to take a three hour Nebraska license law course to qualify for a Nebraska license.

In August, Kathryn Rouch of Omaha joined the Commission as a new member, filling the position of salesperson representative for a six-year term and replacing Michael Poskochil of Lincoln. Kathryn brings a high level of knowledge and experience to the position, and we welcome her to the Commission. We also extend our warmest appreciation to Mike for his outstanding and dedicated service during his six-year term.

We realize that 2008 has been a challenging and difficult year for many of you. Fortunately, Nebraska has not suffered as much as many of the high growth states. The subprime mortgage crisis has impacted our nation's economy and our own individual wealth and savings programs far beyond anyone's imagination. Although the crisis has been compared by some to 1929, the situation is not as dire and government intervention has been much swifter. Our federal government has shown a significant commitment to avoid a downward spiral. We can hope that the actions taken by the federal government will soon bring considerable stability to our national housing markets and values, and stimulate new economic growth to our nation's economy.

Nebraska bankers and real estate representatives have expressed confidence about the Midwest economy, noting that money is available to lend, and that few area banks are showing any signs of stress. Let's hope for solid improvement in the housing market in 2009.

On behalf of all the Commissioners and the Commission staff, I send our best wishes to you and your families for a joyful holiday season. We hope you have a successful and prosperous 2009!

Sincerely,

John A. Gale
Chairperson and Secretary of State

**MEET THE REAL ESTATE
COMMISSION STAFF**

The Real Estate Commission Staff is here to serve the public and the licensee population. It is our goal to be helpful and forthright in a courteous and professional manner. We hope that when you contact our office, you always receive useful, accurate information and/or are referred to the proper authority.

Following is a communication resource to assist you when contacting our office. If the indicated person is unavailable to take your call, please share the purpose for the call and your call will be routed to someone else who can help you.

We take pride in having a skilled staff, if you have comments or suggestions as to how we may better serve you, please contact our office.

COMMUNICATIONS GUIDE

Ask for person indicated if you have questions in the following areas.

- Commission Meeting Information *Monica Rut*
monica.rut@nebraska.gov
- Complaint Procedures *Terry Mayrose*
terry.mayrose@nebraska.gov
- Continuing Education History or
Inquiries *Melanie Patrick-Heather*
melanie.patrick-heather@nebraska.gov
- Curriculum Design (Education &
Instructor Approval) *Teresa Hoffman*
teresa.hoffman@nebraska.gov
- Errors and Omissions Insurance
Inquiries *Teresa Hoffman*
teresa.hoffman@nebraska.gov
- Financial Officer *Rebecca Hallgren*
rebecca.hallgren@nebraska.gov
- License Applications Packet
Requests *General Staff*
- License Applications Process *Marilyn Masters*
marilyn.masters@nebraska.gov
- Licensing and Education
Requirements *Teresa Hoffman*
teresa.hoffman@nebraska.gov
- New Licenses in Process *Marilyn Masters*
marilyn.masters@nebraska.gov
- Specialized Registrations *Monica Rut*
monica.rut@nebraska.gov
- Transfer of License *Tawny Snider*
tawny.snider@nebraska.gov
- Trust Account Matters *Terry Mayrose*
terry.mayrose@nebraska.gov
John Clark
Patricia Stehly
Ron Pierson
- Webmaster *Monica Rut*
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**Disciplinary Actions Taken by
the Real Estate Commission**

(Does Not Include Cases on Appeal)

2008-029 – Commission vs Shirley Jean Sellman, Salesperson. Stipulation and Consent Order. License censured; plus an additional three (3) hours of continuing education in the area of agency to be completed by March 25, 2009. [Violated Neb. Rev. Stat. § 76-2421 (1) Licensee offering brokerage services; duties. (1) At the earliest practicable opportunity during or following the first substantial contact with a seller, landlord, buyer, or tenant who has not entered into a written agreement for brokerage services to that person or who is providing brokerage services for that property shall: (a) Provide that person with a written copy of the current brokerage disclosure pamphlet which has been prepared and approved by the commission; and (b) Disclose in writing to that person the types of brokerage relationships the designated broker and affiliated licensees are offering to that person or disclose in writing to that person which party the licensee is representing. Respondent Sellman failed to have the buyers sign an Agency Disclosure at the earliest practicable opportunity during or following first substantial contact with the parties.]

September 26, 2008

2007-061 – Christin Pruess and R.E.L.M. Investors, LLC vs Kenneth Alan Muckey and Larry Dean Melichar, Broker. Larry Melichar: Dismissed. Kenneth Muckey: Stipulation and Consent Order. License suspended for sixty (60) days followed by one (1) year probation. The suspension period will commence on October 29, 2008, and will continue through December 28, 2008. The probationary period will commence on December 29, 2008, and will continue through December 28, 2009; plus an additional six (6) hours of continuing education with three (3) hours in the area of contracts and three (3) hours in the area of ethics to be completed by March 25, 2009. [Violated Title 299, Chapter 5-003.11, Failure of the licensee to identify in writing to the prospective purchaser-client, or to a purchaser-customer if offered pursuant to Neb. Rev. Stat. 76-

2421 (3) (b), at the time an offer is written by the purchaser or a counter offer is accepted by the purchaser, those categories of costs the purchaser will be expected to pay at closing. At the same time, the licensee shall prepare a written estimate of the costs the purchaser will be expected to pay at closing, to the extent the necessary cost information is reasonably available. Said written information shall be signed and dated by the purchaser. A copy of the signed and dated document shall be given to the purchaser and, when a transaction results, one copy shall be maintained in the transaction file in accordance with 299 NAC 3-001. This subsection shall not apply to the sale of land or a lot or lots to an entity or individual representing itself, himself or herself as a builder or developer; agricultural property; commercial property, including residential property with five or more dwelling units; or to third-party relocation companies acting as purchasers. For the purposes of this subsection, the term "agricultural property" shall mean property zoned agricultural by a county in which any part of the property is located, or, if a county does not zone land agricultural, then property any part of which is assessed as agricultural property by a county assessor; Title 299, Chapter 5-003.24, Failure by the agent of a purchaser to assure that a copy of the Seller Property Disclosure Statement is delivered to the purchaser on or before the effective date of any contract which binds the purchaser to purchase the residential real property, and to obtain the signed receipt of the purchaser; Neb. Rev. Stat. § 81-885.24 (29) Demonstrating negligence, incompetency, or unworthiness to act as a salesperson. Respondent Muckey failed to have Complainant date and sign "estimated" closing cost statements for \$18,500.00 and \$20,000.00; failed to obtain the signed receipt of Complainant on the Seller Property Condition Disclosure Statement; signed Complainant's name to the "estimated" closing cost statements for \$18,500.00 and \$20,000.00, and signed

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Protecting Personal Information: Five Steps for Business

by Lesley Fair

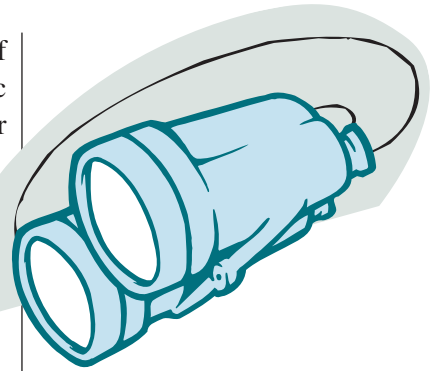
{Editor's note: The following article is reprinted with permission from the Federal Trade Commission. Readers are encouraged to utilize this information to their benefit and to visit the Federal Trade Commission's website at: www.ftc.gov to access additional beneficial materials.}

What's in your file cabinet right now? Tax records? Payroll information? And what's on your computer system? Financial data from your suppliers? Credit card numbers from your customers? To a busy marketer, those documents are an everyday part of doing business. But in the hands of an identity thief, they're tools for draining bank accounts, opening bogus lines of credit, and going on the shopping spree of a lifetime — at the expense of your company, your employees, and the customers who trust you.

Sophisticated hack attacks make the headlines, but many security breaches could be prevented by commonsense measures that cost companies next to nothing. That's why the Federal Trade Commission (FTC) has published *Protecting Personal Information: A Guide for Business*, a plain-language handbook with practical tips on securing sensitive data. The specifics depend on the size

of your company and the kind of information you have, but the basic principles remain the same. Whether you work for a multinational powerhouse with branches around the world or a start-up based in a home office, a sound information security plan is built on these five key practices:

- **Take stock.** Know what personal information you have in your files and on your computer. Understand how personal information moves into, through, and out of your business and who has access — or could have access to it.
- **Scale down.** Keep only what you need for your business. That old business practice of holding on to every scrap of paper is “so 20th century.” These days, if you don't have a legitimate business reason to have sensitive information in your files or on your computer, don't keep it.
- **Lock it.** Protect the information you keep. Be cognizant of physical security, electronic security, employee training, and the practices of your contractors and affiliates.
- **Pitch it.** Properly dispose of



what you no longer need. Make sure papers containing personal information are shredded, burned, or pulverized so they can't be reconstructed by an identity thief.

- **Plan ahead.** Draft a plan to respond to security incidents. Designate a senior member of your team to create an action plan before a breach happens.

Get your copy of *Protecting Personal Information: A Guide for Business* at www.ftc.gov/infosecurity. While you're there, download copies for your IT manager, your human resources department, your sales staff, and anyone else who comes in contact with customer or employee information.

Lesley Fair is an attorney in the FTC's Bureau of Consumer Protection who specializes in business compliance.



(Continued from page 1)

Homeowners Warned (Cont'd)

riety numbers, write a check, wire money, or otherwise pay for counseling sessions.

- Never turn over the deed to a home to people claiming to be “counselors” or sign legal agreements that you do not understand.
- Never pay money to a third party promising to bring a mortgage current or begin a repayment program. Such payments should only be made directly to a mortgage servicer.
- Contact local law enforcement or the Federal Trade Commission (FTC) if you believe you have been the victim of scam foreclosure prevention operators.

“The Homeownership Preservation Foundation has formally contacted both the FCC and FTC in terms of public interest concerns regarding these “copycat” hotlines. HPF and our Homeowner’s HOPE Hotline agency network partners call upon federal, state and local government representatives and consumer protection organizations to take the appropriate steps to ensure these fraudulent schemes do not take advantage of any more consumers,” said Hernandez.

“As we await the verdict of the FCC and FTC, in terms of shutting these scammers down, I encourage struggling homeowners to continue to call the real Homeowner’s HOPE™ Hotline, 888-995-HOPE™. We are here to help; twenty-four hours a day, seven days a week three hundred and sixty-five days a year.” ■

(Continued from page 5)

Disciplinary Action (Cont'd)

Complainant’s name to the Seller Property Condition Disclosure Statement.]

September 26, 2008

2008-008 – Commission vs Sally Joanne Beyer, Broker. Hearing held August 28, 2008. License revoked. [Violated Neb. Rev. Stat. § 81-885.24(29) demonstrating unworthiness to act as a broker for having her insurance producer’s license revoked by the Nebraska Department of Insurance based upon the following facts admitted by Beyer in a Consent Order dated January 2, 2008: (a) accepting insurance premiums in excess of \$40,000.00 from consumers as an agent for Stewart Title and failing to remit such premiums to Stewart Title; (b) accepting insurance premiums in excess of \$11,900.00 from consumers as an agent for Union General and failing to remit such premiums to Union General; and (c) charging title insurance premiums and/or fees to consumers which were not in accord with the filed rates of the insurer.]

August 28, 2008

SC2008-002 – Commission vs Jorge A Cordova, Broker. Show Cause Hearing held September 26, 2008. License revoked. [Violated Neb. Rev. Stat. § 81-885.17 (7) “. . . Within ninety days after the issuance of a license to a nonresident licensee, the licensee shall provide to the commission adequate proof of completion of a three-hour class approved by the commission specific to the Nebraska

Real Estate License Act and the law of agency relationships enumerated in sections 76-2401 to 76-2430. If the licensee fails to provide adequate proof of completion of the approved class to the commission within the ninety-day period, the director of the commission or his or her designee shall place the license on inactive status and notify the licensee that he or she must show cause why the license should not be revoked.” Cordova failed to show cause why he did not complete the three-hour class within the prescribed timeframe and, therefore, he failed to show cause why his license should not be revoked.]

October 2, 2008

2007-070 – Jeremy and Cristal Hansen vs Kerri Lea Pearson, Salesperson. Stipulation and Consent Order. License censured; plus an additional six (6) hours of continuing education with three (3) hours in the area of contracts and three (3) hours in the area of license law to be completed by April 28, 2009. [Violated Neb. Rev. Stat. § 81-885.24 (22) Making any substantial misrepresentation and Neb. Rev. Stat. § 81-885.24 (29) Demonstrating negligence, incompetency, or unworthiness to act as a salesperson by indicating in the receipt section of Offer to Purchase that she had received an earnest money deposit of \$500.00, when in fact she had not received said earnest money deposit.]

October 30, 2008

Out with the old,
 In with the new.
 May your pleasures be many,
 May your troubles be few.

Anonymous



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