

Suggested Questions for Consumers to Ask of Those who Offer Real Estate and Home Loan Services: Helping You Avoid Becoming a Scam Victim



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The purpose of this brief piece is to give you some specific, detailed questions you can ask of those people who -- and entities which -- offer to assist you with real estate and/or mortgage services.

Remember that legitimate service providers will not mind the questioning and scrutiny.

Suggested Questions to Ask (please note that while *the following list is not exhaustive*, it will give you information on which you can make a reasoned decision):

1. Are you licensed by the California Bureau of Real Estate (“CalBRE”)? If not, why not? What exemption or exception from the real estate licensing laws do you claim? Remember that most real estate and some mortgage related services require a license issued by the CalBRE. There are certain exceptions for California licensed lawyers who are engaged in the practice of law. If they rely on this exception, ask for their California Bar number and verify the information at www.calbar.ca.gov. Other exceptions include mortgage loan originators licensed by the California Department of Business Oversight (www.dbo.ca.gov/) or those originators who work for a bank or credit union.

If they are licensed by CalBRE, ask them for their CalBRE Real Estate license number, and check to see if they are licensed and/or have been disciplined by CalBRE (go to www.calbre.ca.gov). If they are offering home loan services, and are using a CalBRE real estate license, a special mortgage loan originator (MLO) endorsement must be added to the real estate license, and that requires the issuance of a unique identifying number. So ask the service provider if he or she has an MLO endorsement number as well, and then verify that information with CalBRE.

If the person is a real estate salesperson, he or she must work through a real estate broker. Therefore, you will want to question the salesperson about the identity and experience of his or her broker, and then check on the broker’s license at the CalBRE website shown above. If the salesperson says that he or she can do the real estate-related work independent of a broker, do not work with or hire that person.

2. How many transactions or services of the type you are advertising or offering have you *successfully* performed? If they have offered to perform loan modification services, ask them how many “permanent” loan modifications they have negotiated. If they have offered to sell your timeshare property, ask them about their history and successes in selling timeshares. Make certain to get specifics and contacts, and do further checking.

3. Do you have a list of current and past “satisfied” clients/customers? If so, get it and call those persons. Ask them if they would use this real estate licensee or entity again. Do your own background check. And note that even if the person or company is "highly recommended" by so-called satisfied customers, the risk of a scam is not eliminated entirely.
4. Do you have a list of business and banking references? If so, get the list and check them out.
5. How long have you been providing foreclosure relief, timeshare resale, rental, mortgage, or other relevant services? Alternatively, you can ask them how long they have been in the relevant business.
6. Are you a specialist in this area? If the answer is yes, ask what specialist qualifications they have and what exactly does that mean. And ask them what course of study they undertake to become certified or specialized.
7. What are you actually going to do for me? (What specific services will you be providing?) Get that in writing, and take the time to fully understand what the document says and what the end result will be before proceeding with the services. Remember to always ask for and demand copies of all documents that you sign.
8. Where and when was your business formed? (Ask this question where there is a corporation or other form of business entity involved). You can then look at the website of the California Secretary of State to verify that information and/or to determine if the business is able to operate in the State of California. You can also check on the agent or agents for service of legal process, and the current status of that business entity. The Secretary of State's website is www.sos.ca.gov/.

As noted earlier, the questions provided above are not exhaustive. Instead, they are suggestive.

Fraudsters are good at what they do. Many are involved with sophisticated rings using fake websites and important sounding names. Others are just rogue criminals on their newest scam. They all continue to adapt and modify their schemes as soon as their last ones became ineffective.

It is really difficult to identify a “surefire” way to detect or to protect yourself from fraud in the area of real estate and mortgage relief services, so you must always (i) play defense, (ii) do your homework, (iii) not abandon common sense, and (iv) work only with legitimate, reputable, licensed and competent real estate and mortgage professionals.

