

# SURPLUS FUNDS

## Scams

### HOW TO AVOID THEM

consumer *brief*

Homeowners in foreclosure should be aware of Surplus Funds scams. **Surplus Funds** are proceeds generated from the sale of your home at a sheriff's sale\*. If your home is sold for more than what you owe on your mortgage and for taxes, you may be entitled to Surplus Funds, which in some cases could total thousands of dollars.

#### WHAT IS FORECLOSURE?

Foreclosure is the equitable proceeding in which a bank or other secured creditor sells or repossesses a parcel of real property (immovable property) due to the owner's failure to comply with an agreement between the lender and borrower called a "mortgage" or "deed of trust."

#### THE SURPLUS FUNDS SCAM—BEWARE

Con artists and companies looking to capitalize on your misfortune have been approaching home owners after the sheriff's sale takes place offering to apply for Surplus Funds on your behalf. Many will send letters offering assistance, or may even knock on your door.

#### THE SURPLUS FUNDS SCAM—THE PROBLEM

These con artists and/or companies are charging exorbitant fees, sometimes up to 75% of your surplus amount, to apply for this money on your behalf. The reality is, for less than \$100 and, in many instances, without the assistance of an attorney, you can apply for Surplus Funds on your own.

#### STEPS YOU CAN TAKE TO AVOID THE SURPLUS FUNDS SCAM

- After the sheriff's sale takes place, contact the sheriff's office in your county to determine if the sale of your home resulted in Surplus Funds.

\* A sheriff's sale is an auction of property conducted by the sheriff following a court order to seize and sell a property to pay a debt after notice to the public.

- Contact the N.J. Superior Court Trust Fund Unit for assistance in applying for the Surplus Funds the sale of your home has generated. The Trust Fund Unit may be contacted by calling **609-292-3937** or by writing to:

The Trust Fund Unit  
c/o Superior Court of New Jersey  
P.O. Box 971  
Trenton, N.J. 08625

- Speak with a trusted attorney.
- Contact the Division of Consumer Affairs if you feel you have been a victim of fraud.

#### New Jersey Office of the Attorney General DIVISION OF CONSUMER AFFAIRS Office of Consumer Protection

##### NEWARK

124 Halsey Street  
P.O. Box 45025  
Newark, NJ 07101

973-504-6200

800-242-5846 (calls within New Jersey)

##### CAMDEN

2 Riverside Drive  
Suite # 403  
Camden, NJ 08103

856-614-3100

E-Mail: [AskConsumerAffairs@lps.state.nj.us](mailto:AskConsumerAffairs@lps.state.nj.us)

Web site:  
[www.NJConsumerAffairs.gov](http://www.NJConsumerAffairs.gov)

800-242-5846 • [www.NJConsumerAffairs.gov](http://www.NJConsumerAffairs.gov)

Office of the Attorney General



New Jersey Division of  
**Consumer  
Affairs**



HUDSON COUNTY ADMINISTRATION BUILDING  
595 NEWARK AVENUE  
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**JUAN M. PEREZ**  
SHERIFF

### **HUDSON COUNTY SHERIFF WARNS OF SURPLUS FUNDS SCAMS IN FORECLOSURE MATTERS**

As your Sheriff of Hudson County I am providing this information to the residents of the county as a Public Service Notice:

Homeowners in foreclosure should be aware of Surplus Funds scams. Surplus funds are proceeds generated from the sale of your home at a sheriff's sale. A sheriff's sale is an auction of property conducted by the sheriff's office following a court order to seize and sell a property to pay a debt after notice to the public. If your home is sold for more than you owe on the mortgage and for taxes, you may be entitled to Surplus Funds which in some cases could total thousands of dollars. Con artists and companies looking to capitalize on your misfortune have been approaching homeowners after the sheriff's sale takes place offering to apply for Surplus Funds on your behalf. Many of them will send letters offering assistance or may even knock on your door. These con artists and/or companies are charging exorbitant fees sometimes up to 75% of your surplus amount, to apply for this money on your behalf. The reality is, for less than \$100 and, in many instances, without the assistance of an attorney, you can apply for Surplus Funds on your own.

The following steps are recommended to avoid the Surplus Funds Scam: After the sheriff's sale takes place determine if the sale of your home resulted in Surplus Funds, contact the New Jersey Superior Court Trust Fund Unit for assistance in applying for the Surplus Funds the sale of your home generated, the Trust Fund Unit may be contacted by calling 609-292-3937 or by writing to: The Trust Fund Unit, c/o Superior Court of New Jersey, PO Box 971, Trenton, New Jersey 08625-0971 or speak to a trusted attorney.

If you feel you have been a victim of fraud contact the New Jersey Division of Consumer Affairs, 124 Halsey Street, PO Box 45025 or call 973-504-6200 or 800-242-5846.

I urge all residents to be alert of any fraud attempts in this area as there are always those individuals attempting to take advantage of people in all types of circumstances.

Respectfully,

Juan M. Perez, Sheriff of Hudson County

Date: July 29, 2008