I guess it’s inevitable that real estate would attract unethical, illegal and fraudulent activities — after all, the dollar amounts are so high. The longer I’m in this business, the more I learn about how some have chosen to cheat and steal their way to financial wealth, and, frankly, it disgusts me. I only hope, dear reader, that you yourself have not been victimized.

Among the bottom-feeders who most disgust me are those who exploit homeowners facing foreclosure. A Realty Times article published this Monday has the following headline and lead: “Fake Foreclosure Fixers Smell Red Ink: Frauds promising to help you escape foreclosure are zeroing in on markets with growing foreclosure rates. Here’s how to see them coming and send them packing.”

The article is so important and so useful, that I have put a link to it on my website, JimSmithColumns.com.

There’s an old adage that is as true in real estate and mortgage lending as it is anywhere else: “If it sounds too good to be true, it probably is.” What appalls me most is that law enforcement appears to ignore the scams and schemes that you are I are exposed to every time we open our inbox. I’d like to see a roomful of investigators responding to the obvious scammers and entrapping them. I’d like to see NBC’s Dateline program responding to scammers’ come-ons with the same diligence they’ve pursued sexual predators.

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At least we Realtors® (and now mortgage brokers in Colorado) have to be fingerprinted, and Realtors (but not mortgage brokers) are required to take ethics refreshers every three years. However, even Realtors (i.e., agents who are members of the National Association of Realtors) can disappoint their clients and betray their agency relationship in important ways. For example, since a buyer’s agent’s commission is based on the purchase price, there’s a financial disincentive to get the lowest possible price for that buyer on a home purchase. One warning sign is if your agent urges you to make a full-price offer because, she says, there’s another offer on the table. (If that happened to you, as it did to me, ask the seller if it’s true and, if it isn’t, file a complaint with the Division of Real Estate.)

Do you have a bad experience from which other readers could learn, either in real estate or lending? Call or email me about it.

Sellers: Check Your Listing!

If your house is listed with an agent, it’s a good idea to see how it looks to buyers. Go to REColo.com and see how it reads. Also look for it on realtor.com. See if all the information has been filled in and if a good description has been written. Have additional pictures been uploaded? If you see a way the listing could be enhanced, contact your agent.

Some Home Builders Lock Buyers to Telecom Providers

Not content with making money on a one-time sale, many builders are obligating buyers to use captive telecom providers, removing any freedom of choice by buyers as to where they buy telephone, Internet and television service. An example of this is the Millstone development in downtown Golden, where two of my clients purchased units. Buyers may not use Qwest for their phone service or Comcast for television — or either for broadband. They are required to use a builder-affiliated company which provides broadband Internet service and resells DirectTV satellite television service. And buyers must use their Internet-based telephone service, similar to Vonage.