

# 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 **609-421-6100** 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

##### Consumer Service Center

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

**973-504-6200**

**800-242-5846**

(toll free within N.J.)

E-Mail: [AskConsumerAffairs@dca.njoag.gov](mailto:AskConsumerAffairs@dca.njoag.gov)

website:

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



**800-242-5846** • New Jersey Division of Consumer Affairs  
**[www.NJConsumerAffairs.gov](http://www.NJConsumerAffairs.gov)**