



State of Nevada Department of Business & Industry

Director's Office

555 East Washington Avenue, Suite 4900
Las Vegas, Nevada 89101
Phone (702) 486-2750 | Fax (702) 486-2758
business.nv.gov

FOR IMMEDIATE RELEASE — February 5, 2009

CONTACT: Elisabeth Shurtleff, Public Information Officer

PHONE: (702) 486-2756 E-MAIL: eshurtleff@business.nv.gov

Think Twice Before Responding to Mortgage Protection Insurance Offers

Las Vegas – You’ve just bought a home. Now, you’re suddenly inundated with fliers and postcards from a range of companies offering you “death and disability” insurance that will cover your mortgage payments in the event that you are incapacitated or die. Sounds like a good deal, but beware: you may end up paying top dollar for coverage you can buy for less.

Here’s how it works. A company with an official-sounding name contacts you, usually by mail, selling insurance that will make your house payments for you in case you become unable to work, or if you die, ensuring that your family can keep the house even if they can’t afford to make the payments.

There are three potential problems with this. First, your mortgage lender will generally offer you a mortgage protection insurance policy when you enter into a mortgage with them. So, before considering a proposal from an unknown company, check your mortgage paperwork to see if you already purchased this coverage when you closed your loan.

- more -

Second, the insurance offered may be overpriced. Contact your current mortgage lender for pricing or do some research on the Internet. You'll probably discover that you can get a better deal elsewhere.

Third, the sales techniques used by these companies may be deceptive. The mail you get will likely list the particulars of your mortgage, which makes it appear that it comes from your lender. However, that data is public, and anyone can obtain it from the county courthouse or buy it from a company that collects and resells that type of information. Don't assume that the solicitation is from your lender; know who you're dealing with.

"If you really need mortgage protection insurance, do your homework, contact your lender, and get quotes online. Don't fall for a misleading ad in a direct mail piece," says Consumer Affairs Commissioner James Campos.

If you've been a victim of mortgage fraud of any type, contact Consumer Affairs at <http://www.fyiconsumer.org> or by calling (702) 486-7355 or (775) 688-1800 or the Southern Nevada Mortgage Fraud hotline at (702) 584-5555.

Consumer Campos also encourages consumers to visit the Fight Fraud Website at <http://fightfraud.nv.gov/>. *"The site includes extensive tips on how to prevent fraud and provides downloadable complaint forms to help you respond effectively if you become a victim,"* says Campos. *"Visit it regularly for the latest fraud alerts."*

-END-