

Loan Locators/Tracers for HUD/FHA

Some advertisements soliciting people to be third party locators or tracers claim you can make thousands of dollars by locating individuals who are due reimbursements on federal loans administered by H.U.D./F.H.A. These ads do not always disclose all the expenses and work involved. According to some advertisers, all that may be required is to buy their plan and mail letters to people advising them that you have found money owed them by the HUD/FHA. The locator makes money by receiving a percentage of the monies involved, only if the claimant agrees to sign a notarized affidavit agreeing to pay the "finder's fee". The advertised plans, which may range from \$10 to \$100, may provide only information on obtaining HUD lists and tips on notifying people about their federal money reimbursements. HUD lists are not included in the advertised plan. Lists, by state, are available from HUD through the Freedom of Information Act of 1986. There is a fee, ranging from \$20 to \$99, to obtain these lists depending on which state the locator is requesting. A magnetic tape for all 50 states is available through HUD for \$150. Anyone considering purchasing a plan to be an unclaimed funds locator should consider the following before making their initial investment:

- 1) Costs of lists from HUD, long distance calls, postage, locating individuals that have moved, and fees to notarize documents;
- 2) The claimant, if found, may not agree to pay the "finders fee";
- 3) Thousands of people may have answered the same ad and be working from the same list you are.

In summary, HUD/FHA loan locator plans generally have other costs involved such as the cost of purchasing lists from HUD, long distance phone calls, postage and notarizing documents. There is also no guarantee that the claimant, if found, will accept your offer of locating money for a percentage of the reimbursement.