

Home Rescue or big rip-off? – Fair Go, 7 October 2009

Home Rescue is a Hamilton based outfit which claims to prevent mortgagee sale. It can't - even its spokesman admits "it doesn't work". In return for a service which doesn't work, some people have paid thousands of dollars. No homes have been rescued. Home Rescue can't or won't produce a single case where a mortgagee sale has actually been prevented.

Thousands of dollars for nothing

The most disturbing thing about this story is the money which has gone for nothing. Clients are persuaded to sign up, stop paying their mortgage, and start paying Home Rescue. They claim the money went on "office expenses". It certainly didn't go toward paying mortgages.

The Home Rescue website - now down - used to say "for a small fee, your obligation to pay the Mortgage is then nullified". It wasn't small fee, and the obligation wasn't nullified.

Barbara Charnley from Auckland's North Shore is 86 years old. She got in money trouble after a loan for which she was guarantor went sour. But instead of talking to her family and her bank, she was advised to talk to Home Rescue. She joined up, stopped paying the mortgage, and started paying Home Rescue \$200 per week. In all, her family say she paid out \$4600. Unsurprisingly, her bank was going to sell her up, but by chance her daughter found out, and the family was able to save the house.

Mrs Charnley is the lucky one. A Manurewa couple told me they paid out about \$8000. They lost their home. A Coromandel woman told me Home Rescue contacted her, persuaded her to sign up, and she paid them \$17,000! She now accepts that was a very stupid thing to do, but it's too late. She is going to lose SIX homes, and will probably be bankrupted.

"Mortgages fraudulent"

Home Rescue argue that "mortgages are fraudulent", using everything from the Foreshore and Seabed Act to the Magna Carta. When it was running, the Home Rescue website was full of legalese nonsense. What they argue might have some interest for academic lawyers, but when it comes to preventing mortgagee sales, it is complete rubbish. It just doesn't work - I've talked to the lawyers, the banks, the people who lost their homes. And I've seen it fail in court.

Arguments have "no legal weight"

A couple of weeks back I got a tipoff Home Rescue would be appearing in the High Court at Auckland. I went along, but Home Rescue didn't. Instead, I witnessed the pathetic spectacle of a couple trying to save their South Auckland lifestyle block, by arguing the matter should be heard under Maori customary law. Home Rescue didn't turn up, and they didn't file legal documents as promised, but it would have made no difference. The judge would have blown them out of the water. Here's a taste of what

he said about their arguments, had they been there to make them: "Hopeless ... will not be recognised ... not a defence that's going to run ... tilting at windmills ... these legal grounds have absolutely no weight at all."

The couple will likely lose their home.

Commerce Commission warning

The Commission has been investigating Home Rescue, and in June it sent a warning letter, saying:

- it cannot prevent mortgagee sales or foreclosures
- it risks breaching the Fair Trading Act with its claims
- its claims "may further exacerbate the vulnerable financial and emotional position of people facing mortgagee auction"

Brendon Holmes

The bloke who has been fronting for Home Rescue is Brendon James Holmes. He's a failed internet entrepreneur and current bankrupt. He lives at the same address which Home Rescue lists as its base. It's a semi rural property just north of Hamilton, and is, or was, also the base for the United Tribes of New Zealand, a Maori sovereignty organisation.

I'd had a couple of phone conversations with him, but he stopped taking my calls, so eventually I went to Hamilton to try and meet him.

He wasn't at home when I first visited, so I went back. Soon after I arrived, so did he in a sporty Subaru. He clearly wasn't keen to see me, because he drove across his sloping wet lawn, then sped off up the road at considerable speed.

But as I drove away, my phone rang. It was Brendon.

He claims to have left Home Rescue, and that he was just "piggy in the middle". Unfortunately, the many documents I have strongly indicate that is not true.

He was dismissive when I asked where all the money went, claiming it was for "office expenses". However, under pressure he admitted that "it doesn't work", though he claims that is because "they" - the legal system - refuse to pay it proper attention.

The only thing he could claim is "a hell of a lot of stalling".

DO NOT USE HOME RESCUE

Our advice is obvious. Don't use Home Rescue. Don't pay them any money. Don't let them put a caveat on your house. Don't sign any of their documents. It's only going to make things worse. It will add legal costs, it might scare off possible buyers, and that means a lower sale price and more debt for the person who got sold up.

Talk to your lender, and fast

Talk to your family, but most importantly talk to your lender. And do it as early as possible. It might not seem like it, but mortgagee sale is a last resort. Banks and lenders don't want to do it, because it's likely to cost them money. They'd much rather have someone who is still paying them money, and they will negotiate.

Free, confidential, expert advice

And if you're in trouble with the mortgage, there is a great source of free advice and help. Call the [Family Budgeting](#) people.

If you are in trouble paying a mortgage or even think there may be trouble around the corner you must talk to your mortgage provider straight away. It is best to do this before you get behind. The bank doesn't want to take your house they want to help you find a solution that is good for everyone.

If you need assistance you can contact a budget adviser who will help you assess your overall situation and negotiate with creditors on your behalf to reach a manageable plan. Call 0508 BUDGET (0508 283438) to access free, totally confidential budgeting advice.

Police investigation

The Commerce Commission has now closed its investigation, and handed the file to the police. We understand an investigation is under way. Fair Go wants to hear from you if you have any information about Home Rescue.