

Consumer Alert: Scam warranty letters target MN homeowners

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The Department of Commerce is warning Minnesotans about a scam that relies on bogus warnings about home warranties. Homeowners in Minnesota and several other states have received letters in recent months urging recipients to purchase warranties and falsely implying a relationship with the homeowners' mortgage companies or with county deeds offices.

The letters carry company names like Home Warranty Direct or Home Warranty Solutions. They use the same language describing warranties that, "may be expiring or may have already expired" even if you have never had a warranty. The letters appear to be official documents but are simply fraudulent attempts, likely by criminals outside the United States, to collect your credit card or bank account information.

Promotions that use threatening language or unnecessary urgency are almost always fraudulent. In this case, the scam letters use bold type and exclamation points and urge recipients to respond immediately or risk financial liability. To appear legitimate, they also cite names of specific mortgage lenders or servicers – information that is often public record and available online.

The Department of Commerce encourages Minnesota homeowners who are interested in purchasing a home warranty with a legitimate company to do research. "We recommend asking for referrals, checking the warranty company's website and understanding the coverage you need and possible warranty exclusions," said Jacqueline Olson, Commerce's Assistant Commissioner for Enforcement. "If you receive an unsolicited offer, definitely don't give out your credit card or bank account information until you're sure the offer is legitimate."

A home warranty is a contract covering repairs and replacements on systems and appliances in your home, usually for a period of one year.

If you receive a letter from Home Warranty Direct or Home Warranty Solutions and wish to file a complaint, contact the Department of Commerce at consumer.protection@state.mn.us or 651-539-1600 or 800-657-3602. Otherwise the letters can simply be discarded. To report any type of suspected mail fraud, contact the [U.S. Postal Inspection Service](#).