

Not a Valid Check

ONE THOUSAND AND 00/100 DOLLARS

AMOUNT

\$1000.00

PAY
TO THE
ORDER OF

Don't Fall for Predatory Lending Schemes Such as These!

If It Sounds Too Good To Be True - It Usually Is!

What is Predatory Lending?

Predatory Lending is when lenders and brokers secure loans which are unsuitable to the borrower's particular financial situation.

Who are Predatory Lenders?

They can be large banks, mortgage companies, small lending companies, finance companies, credit card companies, and mortgage brokers. All of these can have recognized names.

Lenders target the elderly, African Americans, Hispanics, people with equity in their homes, and low and middle-income households.

How to Recognize Predatory Loan Practices

1. **FRAUD:** Some lenders forge loan documents or hide key information.
2. **STEERING:** Lenders and brokers may falsely claim that you do not qualify for lower cost loans.
3. **BALLOON PAYMENTS:** These are large and unaffordable lump sum amounts that are due at the end of the loan.
4. **CREDIT INSURANCE:** High cost credit life and credit disability insurance is a bad deal that drives up the cost of the loan.
5. **PREPAYMENT PENALTIES:** Many lenders charge big fees if you want to get out of the loan early. You then pay a steep penalty when you can obtain lower cost refinancing.
6. **FLIPPING:** A lender that is charging high fees or points will often recommend successive repeated refinancing so that they can gouge you over and over again.

How Do You Protect Yourself from being a Victim of Predatory Lending?

DON'T

- DON'T** agree to a loan that is more than what you believe your house is worth.
- DON'T** sign documents you have not read, don't understand or that have blank spaces to be filled in after you sign.
- DON'T** take the first loan you are offered unless you have checked with other lenders to find out if they offer better rates and terms.
- DON'T** let a lender sell you a loan you don't want or need.
- DON'T** let the promise of extra cash or lower monthly payments get in the way of your good judgement.
- DON'T** let a lender promise you good terms only to change them at the last minute. If that happens, walk away.
- DON'T** let a home improvement contractor or a bill collector arrange a loan for you.

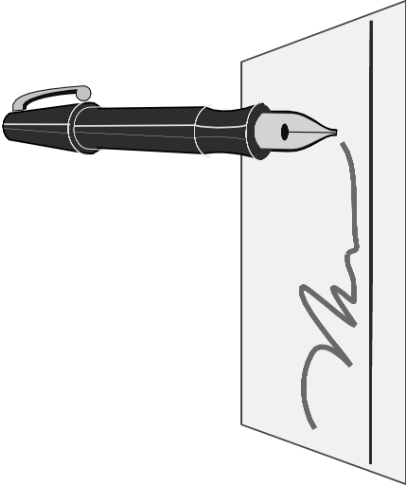
DO:

- ✓ Contact the Fair Housing Center if you feel you are being pursued or have been victimized.
- ✓ Keep careful records of what you have paid including billing statements and canceled checks. Challenge any charge you think is inaccurate.
- ✓ Shop around for your loan.
- ✓ Shop for lower fees as well as a lower rate. Refuse a loan if the fees seem too high!
- ✓ Read all your loan documents before you sign. If you need an explanation of any terms or conditions, contact someone you can trust such as a family member, attorney or the Fair Housing Center.
- ✓ Consider all the costs of financing before you agree to a loan.
- ✓ Cancel the loan within three days if you become uncomfortable after signing the papers. You may do so without giving a reason and without a penalty.
- ✓ Get an attorney you trust to go with you to your closing.



If You Encounter Predatory Lending Practices, Contact The Fair Housing Center

419/243-6163



**DON'T BE TOO QUICK
TO SIGN ON THE
DOTTED LINE.**

**In Predatory Lending, you
have more to lose
than gain.**

**Contact a Fair Housing
Representative if you have
questions about a loan.**

***“The lure of quick fixes
and easy credit
are everywhere.”***

PREDATORY DANGER SIGNS!

- Home improvement contractors offering to arrange financing.
- Lenders offering loans under the guise of “rescuing” a homeowner from foreclosure.
- Lenders referring rejected loans to subprime lenders that may be their affiliates.
- Misrepresentations, either verbal or written.
- Telephone solicitations, door-to-door solicitations, direct mail, fliers, the Internet and TV commercials offering “Bad Credit, No Credit - No Problem” loan programs.
- Repeated offers to refinance.
- Loans that require balloon payments.
- High-pressure tactics to get you to sign the loan before reading and understanding the fine print.
- Signing incomplete or blank loan documents.
- Failure to provide a “good faith estimate.”
- Loans with excessive fees or inflated appraisals.
- Changing promised terms at the last minute.



If You Feel You've Been a Victim of Predatory Lending...
Contact the Fair Housing Center



419/243-6163

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