



# Predatory Lending

## Protect yourself and your home:

- **Beware** of home improvement contractors who finance the work
- Avoid loans with high interest rates, fees, or closing costs
- Avoid loans with "balloon" (*where a large sum of money is due at the end of the term of the loan*) payments
- Do not purchase credit insurance with your loan

## Know your rights:

- Have **all** your questions answered about the loan
- Read and understand each and every document. Do **not** be pressured into signing anything
- Say **no** to any loan you do not want or understand (even if you are at closing).
- Ask questions more than once

## Get help:

- Talk to someone you trust. This may be your attorney, financial adviser, or local non-profit housing organization.
- If you are a victim of a scam lender, find an attorney or advocate who is knowledgeable about lending laws. Gather the following documents:
  - Mortgage application
  - Letters you received from the bank
  - Copies of letters you mailed to the bank
  - Closing documents



### **After you sign:**

- Illegal loans can be rescinded if predatory conditions can be proven
- Get help if you think you have an unfair loan. Contact your County Office of Consumer Affairs or your state Attorney General's office (these numbers are listed in the blue government pages of the phone book.

### **For More Information:**

AARP – Consumer Affairs Division

(800) 424-3410

<http://www.aarp.org>.

Federal Trade Commission – Office of Consumer/Business Education

1-877-FTC-HELP

[www.ftc.gov/bcp/menu-lending.htm](http://www.ftc.gov/bcp/menu-lending.htm)

The Community Reinvestment Association of North Carolina

(919) 667-1557

[www.cra-nc.org/consumer ed.htm](http://www.cra-nc.org/consumer_ed.htm).