

# Protecting Yourself From Predatory Lending

**Credit  
Advisors**  
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## What is predatory lending?

- Lending practices that take unfair advantage of consumers (intentionally or unintentionally)
- Focus on people with less than perfect credit or easily victimized
- Carry much higher interest rates

## Don't List

- Do business with lenders you haven't checked out
- Let anyone pressure you into signing any document
- Sign any document you haven't read or that has blank spaces to be filled after you sign
- Lie on your loan application
- Pay upfront fees without an explanation
- Agree to a loan if you don't have enough income to make monthly payments
- Let them base your loan on your before tax income - only after tax
- Agree to a loan that includes credit insurance or extra products you don't want
- Let the promises of extra cash or lower monthly payments get in the way of good judgment about whether the cost to pay the loan is worth it
- Deed your property to anyone.
  - First consult an attorney, knowledgeable family member or someone else you trust

## Do List

- Check reliability of the company
- Shop around for the best loan for your situation - consider ALL costs before you agree
- Borrow only the amount you need AND can afford to pay back
- Ask specifically if credit insurance is required as a condition of the loan
- Review all documents (read all items carefully)
- Make sure the terms and conditions are the same as you were promised
- Know that you generally have three day to cancel loans signed on your house
- Keep careful records of what you've paid
- File a complaint if you think you are a victim of predatory lending

If you need to file a complaint contact the Better Business Bureau, your state attorney general office, the Federal Trade Commission and/or your local Department of Consumer Affairs.

# www.creditadvisors.org