



Watch Out For Lending Scams

Your home equity could make you the target of con artists posing as legitimate lenders. Be aware of unethical lending practices:

Flipping – This means repeatedly refinancing the loan so the lender or broker can charge fees again and again without any benefit to the borrower.

Withholding information – Some unethical lenders or brokers might try to hide unfavorable loan terms. A credit counselor can help you make sure you have all the information you need before you take out your loan.

Packing – This means including hidden fees and expenses in a loan. Make sure you understand exactly what every fee you're being charged includes.

Equity stripping – This is the practice of making a series of loans specifically designed to take away a borrower's equity in his or her house, and eventually to foreclose and take the house itself.

"Credit repair" – The only thing companies that want to charge you a fee to "repair" your credit rating will do for you is make you poorer. There are no quick fixes. See a credit counselor instead. For little or no fee, a credit counselor can help you put together a plan to restore your financial health.

Avoid scams by just saying **"NO"**!

- Say no to door-to-door salesmen, telemarketers and "junk mail" ads
- Say no to high-pressure salesmen
- Say no to loans through home-improvement contractors
- Say no to loans that pay money to someone else
- Say no to lenders or brokers who try to intimidate you
- Say no to lenders or brokers who try to get you to sign incomplete documents
- Say no to lenders or brokers who don't want you to get a second opinion
- Say no to deals that seem too good to be true
- Say no to loan deals and terms you don't understand
- Say no to deals that just don't feel right

DON'T BE A VICTIM!