

## INTRODUCTION

### THE TRUTH ABOUT LOANS

There are a lot of honest, good loans out there. But there are also dozens of dishonest lenders in every city. They spend all day looking for people with money or credit troubles.

They offer a loan that sounds really good, but has hidden fees, bad rates, or other tricks that can cost you everything.

These crooks are clever. But you can protect yourself. If you don't, it can cost you thousands of dollars... or even your home.

### HOW TO SPOT AND BEAT BAD LOANS:

There are good lenders. But there are also tricky, dishonest people who will act like they want to help you.

### HOW DO YOU BEAT BAD LENDERS?

1. Find out if you're at risk.
2. Learn simple ways to spot bad loans.
3. Know who to call when you think it's happening to you.

### HOUSING OPPORTUNITIES MADE EQUAL, INC.

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### HOME's MISSION:

*"Ensuring equal access to housing for all people through counseling, education, and advocacy"*



**SOMEONE WILL  
OFFER YOU  
A BAD HOME LOAN  
(AND LIE TO MAKE IT SOUND GOOD).**



**Don't be rushed into signing anything.**

## STEP 1: HOW TO KNOW IF YOU'RE AT RISK

Bad lenders are sneaky and they look for any of the following to take advantage of:

- ▼ Anyone with immediate money troubles
- ▼ Minorities
- ▼ People with spotty or bad credit
- ▼ People without much experience with loans
- ▼ Non-native English speakers
- ▼ Older or elderly homeowners
- ▼ People with a lot of equity in their home
- ▼ People with lower incomes
- ▼ Anyone who doesn't think they can get a good loan

If you fit one or more of these categories, watch out. These people will probably get your name and there's a very good chance you'll be offered a bad loan.

## STEP 2: HOW TO SPOT A BAD LOAN

Sometimes with loans it's hard to tell good from bad. There are new angles all the time.

If you hear any of these, watch out and call for help:

**"This is just for you..."** Someone making a loan is NOT doing you a favor - they are making money. Sweet talk with a "special deal just for you" for any reason means watch out and get help! They can sound very sweet and convincing, saying you remind them of a family member or other such things.

**"You don't need anyone to look at this for you..."** or **"It's a standard contract..."** If a lender says you don't need anyone to look at the paperwork with you, or **"don't worry about the fine print"**, watch out and get help!

**"I need an answer now..."** Good loans do NOT have a one day only special deal for any reason. If a lender won't give you time to consider the deal, walk away and call HOME right away or you could lose a lot of money!

**"I can find financing for you..."** If someone comes to your house and recommends repairs, then says they can help you finance it, watch out! Call HOME.

**"You can't qualify for anything else"** or something like **"No one else will give you a deal like this."** If no one else will give you the deal, then they shouldn't either unless they are lying or hiding something. Call HOME.

**Finally, don't feel embarrassed or stupid.**

Bad lenders look for people who are unsure or in trouble. If you feel uneasy at all, or it sounds too good to be true, no matter what they say to you, step back and call HOME for help and advice.

## STEP 3: KNOW WHO TO CALL

Housing Opportunities Made Equal (HOME) has been fighting for fair housing and equal access for 35 years.

We're on a mission to stop bad loans from hurting people.

Call us at (804) 354-0641, and we'll find you the help you need.

*This brochure is part of a free public education campaign to stop abusive lending. Brought to you by HOME with a grant from the Richmond Community Housing Resources Board.*

## OTHER TRICKS

- ▼ Letters in the mail with checks for a lot of cash at very low monthly payments.
- ▼ Any unexpected fees at closing. If you paid more than you expected, you may still have time. The law says you have three days to cancel any second mortgage or refinanced loan for any reason without penalty and get your money back.
- ▼ If anything about your loan was not the same as you were originally quoted, call HOME. You are not alone.