

TIPS TO PROTECT YOUR HOME

Get help! There are scores of housing and credit counselors who can help you decide whether a loan is right for you. They don't charge you. Look on the back of this brochure for contact numbers.

Trust your instincts. If it sounds too good, it probably isn't true. Many predatory lenders are slick salesmen. They know how to talk. They don't always tell you the whole truth. If a deal doesn't sound right to you, then don't do it.

Ask questions; demand answers. Predatory lenders will try to fool you by making your loan confusing. If you don't understand anything, ask. Demand an answer.

Read everything. Get all the loan documents before closing. Don't sign anything until you have read it. If the forms are blank, fill them in. If there is something incorrect, fix it. If you're confused about something, ask.

Learn about your loan. There are many organizations that produce publications that can be helpful. We have listed some of them in this brochure.

MORE TIPS . . .

Shop around. There are lots of people who may be willing to give you a loan. Most of them are honest, responsible people. Find them. Call as many banks as you can. Look in your newspaper's real estate section for advertisements. Go to the library and search the internet.

Take your time. A predatory lender will try to rush you so you can't ask questions. Take all the time you need to understand what your deal is.

Say "No." Don't let someone talk you into something you really don't want or need. Also, it's okay to change your mind. If you are re-financing your loan, you have three days to rescind the loan, even after you signed all the paper work.

Talk to your lender first. If you are falling behind on your loan, go to your lender first. There are programs in place to help you modify your loan.

Don't lie. No matter what anyone else may tell you, it's not okay to lie on a form, even a little. If you get a loan based on false documents, you may be getting in over your head. You won't be able to afford the loan.

RED FLAGS

Aggressive solicitations. Whose idea was it to get this loan? Did someone sell it to you? Be wary of anyone who came to you trying to sell you a loan.

Sale-Leaseback deals. There are people who will try to convince you to save your house from foreclosure by entering a sale-leaseback deal. In such a deal, you sell your house to someone and pay rent to that person until you can buy the house back. Many of these deals are scams. Before you enter one, have someone you trust review it with you.

High fees. Look at your Good Faith Estimate of Costs and your settlement sheet. Do you know what each fee is for? If your total fees are more than 5% of your loan, that's probably too much.

Fees for counseling. Before you pay anyone for help, make sure you know exactly what they are doing for you. Often, they are aren't doing anything that you couldn't do yourself. And, there are scores of housing counselors who will help you for free.

"Bait and switch." If what you read in your loan papers is not what you wanted, expected, or agreed to, don't sign. Be prepared to walk out.

CONSUMER PUBLICATIONS

Many government organizations publish consumer materials about predatory lending. If you do some research on your own on the internet or at the public library, you will likely find more information.

Federal Trade Commission
Bureau of Consumer Protection
877-FTC-HELP (382-4357)
www.ftc.gov

Federal Consumer Information
Center
800-688-9889
www.pueblo.gsa.gov

U.S. Department of Housing and
Urban Development
202-708-1112
www.hud.gov/foreclosure/index.cfm

The Federal Reserve Bank
202-452-3245
[www.federalreserve.gov/consumers.
htm](http://www.federalreserve.gov/consumers.htm)

CONTACTS

Save Your Home Philly Hotline
(for Philadelphia residents)
215-523-9520

Northampton Mortgage Foreclosure
Diversion Hotline
(for Lehigh Valley residents)
800-755-1563

Don't Borrow Trouble Hotline
Suburban Philadelphia
888-275-8843
www.dontborrowtroublesepa.org

Counselors approved by the U.S.
Department of Housing and Urban
Development
800-569-4287
[www.hud.gov/offices/hsg/sfh/hcc/hc
cprof14.cfm](http://www.hud.gov/offices/hsg/sfh/hcc/hc
cprof14.cfm)

Counselors approved by the
Pennsylvania Housing Finance
Agency
800-342-2397
[www.phfa.org/applications/counseli
ng_agencies.aspx](http://www.phfa.org/applications/counseli
ng_agencies.aspx)

AVOID FORECLOSURE!

SAVE YOUR HOUSE!



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