

## Watch out for lending scams

Most mortgage companies are good lenders who want to help you get the money you need. However, there are a few unethical companies out there that might take advantage of you. Protect yourself!

1. Say no to door-to-door salesmen.
2. Say no to deals that sound too good to be true – they probably are.
3. Say no to lenders or brokers who try to rush you or pressure you – a good lender won't be in a hurry.
4. Say no to lenders or brokers who try to intimidate you – a good lender is always happy to answer all of your questions until you're completely comfortable.

Specific unethical lending practices include:

**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.

**Failure to make required disclosures** – Some unethical lenders or brokers might try to hide unfavorable loan terms.

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

**Packing** – This means including hidden fees and expenses in a loan.

If you think a lender or broker is doing anything unethical, take your business elsewhere. If you think you have been treated unfairly, contact your state consumer protection office or the Federal Trade Commission's Consumer Response Center. Call 1-877-FTC-HELP (382-4357) or write to: Consumer Response Center, Federal Trade Commission, 600 Pennsylvania Ave, NW, Washington, DC 20580. You can also file a complaint through the Internet, using the online complaint form at [www.ftc.gov/ftc/complaint.htm](http://www.ftc.gov/ftc/complaint.htm).