

# Predatory Lending



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## ***An Important Message from Arizona Attorney General Terry Goddard***

Deceptive lending is an all too common problem for Arizona residents. Three segments of our population are especially hard hit by predatory lenders: older Arizonans who have worked hard and built up, over time, the equity in their homes; minority consumers who tend not to use traditional banking services and do business with finance companies; and lower income families with less than perfect credit.

Whether you are getting a home equity loan, buying a house, refinancing your home or making home improvements, predatory lenders are ready to take your money and may end up taking your home. Predatory lending practices mean big bucks for the lender and a never-ending treadmill of debt for the borrower.

Consumers who are victims of predatory lenders may be entitled to help. My office investigates allegations of predatory lending practices and, if necessary, will take legal action to enforce the law.

Even the best-educated consumer can have trouble understanding all the numbers and loan application forms, so my office has prepared this consumer education booklet to provide information on predatory lending and help you avoid becoming a victim. If you feel you have already become a victim of predatory lenders, please contact my office at 602.542.5763 or 1.800.352.8431 (outside Phoenix and Tucson metro areas).

## ***What Do Predatory Lenders Do?***

- Predatory lenders charge excessive fees, points, interest rates, and single premiums for credit life insurance (although some of these practices are also found in non-predatory loans).
- Predatory lenders use prepayment penalties and adjustable rate mortgages that increase without regard to market conditions.
- Predatory lenders use aggressive or deceptive practices to sell their loans, often in targeted neighborhoods.
- Predatory lenders trap borrowers in unfair loan arrangements that rob people of their homes and savings.
- Predatory lenders strip equity from homes and lend without considering the borrower's ability to repay the loan, sometimes resulting in foreclosures.
- Predatory lenders may mail you an offer to consolidate your bills or call you on the telephone or come to your door.
- Predatory lenders may use Spanish speakers to gain the trust and confidence of Hispanic homeowners.

## ***Who do Predatory Lenders Target?***

- Predatory lenders target homeowners who have equity in their homes and may also have credit problems or need cash.
- Predatory lenders advertise their services to people in financial need - people who may have fallen behind paying their bills, or need money for medical bills, cars or costly home repairs.
- Predatory lenders often target the elderly, low wage earners and minority homeowners.

## ***What are the Signs of a Predatory Lender?***

There are several “warning signs” of a predatory lender. Knowing those signs will help you avoid becoming a victim. Although loans with the following signs are not always predatory, they often appear in predatory loans.

***High Interest Rate:*** National figures show that predatory lenders charge much higher interest than other lenders.

***Excessive Points, Late Charges and Prepayment Penalties:*** Loan origination fees and other charges can cost thousands of dollars. Predatory lenders often charge these in the documents you sign even though they tell you that you are not paying any. Pre-payment penalties may make it very costly or impossible for the borrower to re-finance or sell their home.

***Credit Insurance Packing:*** The lender adds credit life insurance or credit accident or disability insurance to your loan, which you may not need. Such insurance premiums may cost thousands of dollars and you may be charged interest if they are added to the amount of your loan. The lender may tell you that this insurance comes with the loan, making you think you aren’t paying for it or that you have to buy it. This insurance often has limitations and time restrictions but is still sold to people who don’t qualify for the coverage because lenders make a lot of money on the policies.

***Asset-Based Lending:*** The predatory lender gives you a loan based on the equity in your home, not on your ability to repay or on your income. The lender may encourage you to “pad” your income to give the impression that you can afford the new loan or may get inflated appraisals on your home. They may lend you more money than you can possibly afford to repay because there is a large amount of equity in the home. When they foreclose on your home, predatory lenders may get the full amount of equity even if their loan was small.

***Misrepresentations:*** The loan officer or lender may offer you one set of loan terms and then change them at the closing. They may also misrepresent the terms of the agreements you signed.

**Loan Flipping or Multiple Refinancing:** The loan officer or lender may tell you it is time to let the equity in your home start “working” for you. They may encourage you to refinance the loan repeatedly and often to borrow more money. Each time you refinance, you pay additional fees and points and if the loan has a prepayment penalty, you may have to pay that penalty each time you take out a new loan. That only serves to increase your debt, and, if you get in over your head and can’t pay, you could lose your home.

**Balloon Payment:** A large sum of money that is beyond your ability to pay is due at the end of the loan. If you can’t make the balloon payment or get a new loan to pay it, you face foreclosure and the loss of your home.

**High Closing Costs:** Unusually high closing costs such as appraisal fees or document preparation fees are included in the loan, and you must pay interest on these costs.

**Deceptive Loan Servicing:** The lender doesn’t provide you with accurate or complete account statements and payoff figures. That makes it almost impossible for you to determine how much you have paid or how much you owe.

**The “Home Improvement” Loan:** A contractor calls you or comes to your door and offers to do repairs you need at a reasonable price. When you tell him you can’t afford it, he tells you he can arrange a loan through a lender he knows. The work begins and you are asked to sign a lot of papers. Even though you are rushed and there are blank places on the papers, you sign because the contractor threatens to leave and not come back. Later, you realize that the papers you signed were a home equity loan with a high interest rate, points and fees. You may even be left with repairs or work that has not been done properly or was never completed.

**Loan Broker Fees:** Often people contact a loan broker thinking the broker works for a mortgage company. The loan broker arranges the loan with a mortgage company and charges a large commission fee that comes out of the loan proceeds, often without the homeowner knowing anything about it.

**Signing Over Your Deed:** You are having trouble paying your mortgage and have been threatened with foreclosure. Another "lender" contacts you and offers to help you get a new loan.

Before he can help you, he asks you to sign over your deed to him, telling you it is a temporary measure to stop the foreclosure. The lender doesn't come through with the new loan but now has the deed to your home. He may borrow against it or even sell it to someone else. Because you don't own the home anymore, you won't get any money when the property is sold.

**Stop Payment Advice:** The lender or broker tells a consumer not to bother making payments on existing loans before the new loan closes. At the closing of the new loan, the terms are not as promised and the consumer may have difficulty finding another lender because his existing loans are in default.

**Discrimination:** The lender charges a woman, older adult or minority consumer more than a similar consumer who is not a member of that group.

## ***Early Warning Signs***

Avoid **any** lender who:

- Promises one set of terms when you apply but gives you another set of terms to sign, with no adequate explanation.
- Tells you to sign incomplete or blank forms—the lender says it will fill them in later.
- Falsifies information on the loan application. For example, the lender tells you to say that your income is greater than it is.
- Pressures you into applying for a loan or for more money than you need.
- Pressures you into accepting monthly payments you can't make.
- Tells you it's not important to read all the fine print in the loan papers or hurries you to sign the papers.
- Misrepresents the kind of credit you're getting. For example, calling a one-time loan a line of credit.
- Says you can't have copies of documents that you have signed.



## ***What you can do***

***Compare loan terms.*** If you have a relationship with a bank or credit union, consult it first regarding the best mortgage and loan rates. Then check with at least three lenders and compare their rates. Look at the annual percentage rate (APR), fees, points, and closing costs associated with the loan. Examine the terms of the loan and the monthly payment. Look for prepayment penalties. Don't trust ads promising "No Credit? No Problem." Interest rates and fees vary widely. Don't assume you will not qualify for a loan from a traditional lender. Those loans are less expensive than predatory loans. Up to half of the people who borrow money from predatory lenders could have qualified for a lower cost loan from a bank or other lender.

***Study the paperwork.*** There are several important papers that are the keys to understanding your loan. Three days before your loan closing, your lender must give you a written "**Good Faith Estimate.**" Study that document carefully. It explains how much your loan officer thinks you will pay for the loan, and where he/she thinks all of the money you borrow will go. At your closing, compare it to the document referred to as a "**Settlement Statement**" or "**HUD-1.**" It tells you where all of the money you borrow will actually go. If there are major changes between that document and your Good Faith Estimate, be sure you understand and agree with them.

You should also study the "**Truth in Lending**" disclosure statement that explains how much you are paying for your loan, what your annual percentage rate is, and whether you will owe a lot of money (often called a "balloon payment") at the end of your loan. Finally, you will need to study the actual contract to learn if there is a prepayment penalty. They often lock you into a particular loan and keep you from getting a better loan if you are the victim of a predatory loan, want to refinance or want to sell your home.

**Get a copy of your credit report and make sure it is accurate** before applying for a loan or mortgage. Lenders use your credit report to decide if you are a good credit risk. It is important to make sure all the information on your credit report is accurate before you apply for a loan. If the report is wrong, ask the agency to change its records. You can get a copy of your credit report from the three major credit reporting agencies:

Equifax 1-800-685-1111

[www.equifax.com/](http://www.equifax.com/)

Experian 1-888-397-3742

[www.experian.com/](http://www.experian.com/)

TransUnion 1-800-916-8800

[www.transunion.com/](http://www.transunion.com/)

These agencies will charge you for your credit report.

**Get references.** Check with the local Better Business Bureau® before doing business with a lender or mortgage broker. Make sure the lender and broker you are dealing with are licensed by the State Banking Department. Numbers you need to check out a lender or contractor are listed at the end of this booklet.

**Do not borrow more money than you can pay back.** If you get a loan, make sure you see in writing how much your monthly payments will be every month of the loan, and carefully consider if you can make the payments. Responsible lenders look to see if you can make the payments. Don't depend on extra money built into a home improvement loan for "quick cash." Borrow only the amount you need and can afford to repay.

**Take your time.** Don't let anyone rush you.

**Do not be pressured by lenders.** If the lender calls you or comes to your door uninvited, don't agree to anything. Don't sign anything or give out your social security number. Watch out for lenders who say they can give you next-day approval or low-interest rates as long as you apply over the telephone or pay them money today. Do not be pressured into signing for a loan you can't afford. Ask about the cancellation period and what you have to do if you change your mind about the loan. Be wary of high-pressure sales pitches, such as claims that an offer is good only for a limited time.

***If you're thinking about consolidating your debts*** into a home-equity loan, talk to a local non-profit housing or consumer credit counseling agency first. Think very carefully before rolling unsecured debt like credit card balances into a secured debt with your home as collateral. If you can't make the payments, you may lose your home.

***No life or disability insurance is required*** as a condition of the loan. If it is, and a charge is included for it, ask that it be removed. The lender may not require that you buy insurance from a particular company. Stay away from premiums that you have to pay all at once.

***Get advice:*** Predatory lenders are ready to take your money and even your home. You need someone on your side. Talk to a HUD-certified loan counseling agency, an accountant, your banker, an attorney or a trusted friend. Talk to a non-profit credit-counseling agency for help in deciding if you can afford your loan. Contact information is listed in the back of this brochure.

***Call several home repair contractors*** rather than buying a service from a door-to-door contractor who offers to arrange financing for you. There usually is a high built-in fee. Also, beware of home improvements suggested by an unsolicited contractor who offers to arrange financing for you through a home-equity loan or second mortgage. If you do need home repairs, find the contractor yourself after checking the references of several.

***Fill in all blank spaces.*** Read the entire loan application carefully before signing. Do not sign a document until you have completed every space.

## ***Ask the Right Questions***

If you decide to apply for a loan, ask the lender the following questions and check your written Truth in Lending disclosure, your Good Faith estimate and HUD 1 form for answers to the questions.

- What is the total amount I am borrowing?
- In addition to that amount, what do I have to pay in points?
- What do I have to pay in fees?
- Are the application fees refundable if I don't get the loan?
- What is the interest rate?
- What is the Annual Percentage Rate (APR)?
- Is the interest rate fixed over the length of the loan or does it change?
- If the interest rate will change, when, how often, by how much, how high can it go?
- What is the total monthly payment?
- How many years do I have to repay the loan?
- Are there any prepayment penalties? If so, what are they?
- Does the interest rate go up if I am late on a loan payment or miss a payment?
- Do I have to pay a late fee if my payment is late? How much is the fee? When is it charged?
- Do I have to pay interest on late fees?
- Do monthly payments cover property taxes and homeowners insurance?
- Can I refinance the loan with another lender?

Ask the lender for a blank copy of the form(s) you'll sign at closing. While they don't have to give you blank forms, most legitimate lenders will. Take them home and study them with someone you trust.

## ***Ask Yourself the Right Questions Too***

- Have I shopped around for the best deal?
- Do I feel pressured to make a decision before I am ready?
- Is it too good to be true?
- Can I trust the lender? Have I checked the lender out?
- Do I have all the facts? Do I understand everything about the loan?
- Does the loan require prepayment for credit life and disability insurance? If so, do I really want this loan? How much does it add to my loan?
- Should I think about considering looking for life and disability insurance on my own rather than a condition of the loan?
- Is there a large amount due at the end of the loan? Will I have the money (or will I be able to borrow the money) to pay it?
- Did I get a copy of my credit score?
- Did I get copies of all the forms I signed?
- Can I afford the loan?
- Did I get advice from an independent third party who can explain things about the loan I can't understand?

## ***Remember the Predatory Lending Warning Signs***

- Loans offered through mail solicitations, telephone solicitations, or door-to-door sales.
- Lenders who promise your loan will be approved regardless of your credit rating or credit history.
- Lenders who rush you to sign right away or before you are ready.
- Offers by construction companies or contractors to help you get a high cost loan so they can do work for you.
- Additional, unwanted and unneeded services, like credit life and health insurance, are added to the loan.

### ***Watch out for:***

- High interest rates and fees
- Payments you cannot afford
- Adjustable interest rates
- Promises to change the loan at a later date
- Ads with official looking checks made out to you for thousands of dollars

Remember...You can change your mind. If anything is different at the time of closing-don't sign it. Don't be threatened or intimidated. Depending on the type of loan, you also may have three days after closing to change your mind for any reason, or for no reason at all.

- Don't give in to high-pressure sales tactics.
- Don't take the first loan you are offered.
- Don't sign a blank document or anything the lender promises to fill in later.
- Don't sign anything you don't agree with, you can't read or you don't understand.

***Remember, if it seems too good to be true  
it probably is.***

## ***What Are Your Rights?***

The **Home Ownership and Equity Protection Act (HOEPA)** protects consumers from excessive fees and interest rates. Under this law, you have a high cost mortgage if the annual percentage rate (APR) is 8 points (8 percent) for first mortgages and 10 points for subsequent loans above the rate on Treasury securities for the same length of time, or if the total fees and points at or before closing are 8% of the total loan amount.

Arizona consumer fraud laws prohibit lenders from misleading you about the terms of your contract. If you think you are a victim of consumer fraud call the Office of the Attorney General.

The Arizona and Federal housing laws protect people from discrimination based on race, color, national origin, religion, gender, familial status and disability in the sale or financing of a home.

The **Equal Credit Opportunity Act (ECOA)** ensures that everyone has an equal chance to obtain credit. This doesn't mean that everyone who applies for credit will get it. Factors such as income, expenses, debt, and credit history are considerations for creditworthiness. It does mean that a creditor may not discourage you from applying because of your sex, marital status, age, race, national origin, or because you receive public assistance income.

Many consumers mistakenly believe that they have three days to back out of any purchase they make. However, there are very few cases in which this right applies. After certain home solicitation sales under the **Arizona Home Solicitation Sales Act**, people have three business days to cancel certain sales if the seller personally solicited the sale and the buyer agreed to buy a good or service at the buyers' home.

## **The Three-Day Cancellation Rule Federal Trade Commission**

Depending on the type of loan, a federal law may give you three days to reconsider a signed credit agreement and cancel the deal without penalty. Your “right to rescind” or “right to cancel” is guaranteed by the Truth In Lending Act. You can cancel for any reason but only if you are using your principal residence-whether it is a condo, mobile home or house boat-as collateral, not a second or vacation home.

Under the right to cancel, you have until midnight of the third business day to cancel the credit transaction.

Day one begins after all three of the following occur:

1. You sign the credit contract.
2. You receive a Truth in Lending disclosure form containing certain key information about the credit contract, including the annual percentage rate, finance charge, amount financed and payment schedule.
3. You receive two copies of a Truth in Lending notice explaining your right to rescind or cancel.

**Business days include Saturdays  
but not Sundays or Federal holidays.**

You must notify the lender in writing that you are canceling. You can't do it over the phone or in a face-to-face conversation. The written cancellation notice must be mailed, wired or delivered before midnight of the third business day.

It is best to send your mail by registered or certified mail, return receipt requested to prove you mailed the letter in time and your lender got it.

For more information on the Three-Day Cancellation Rule, contact the Federal Trade Commission at 1-877-FTC-HELP

[www.ftc.gov/bcp/online/pubs/alerts/3dayalrt.htm](http://www.ftc.gov/bcp/online/pubs/alerts/3dayalrt.htm)



For more information on the Home Ownership and Equity Protection Law (HOEPA) and the Equal Credit Opportunity Act (ECOA), contact the Federal Trade Commission at 1-877-FTC-HELP. You can also use the online complaint form at [www.ftc.gov](http://www.ftc.gov)

The United States Department of Justice has useful information on looking for the best mortgage on their web site:  
[www.usdoj.gov/crt/housing/booklet.html](http://www.usdoj.gov/crt/housing/booklet.html)

***Get help if you think you have been a victim of a predatory lender.  
Let others know if you have been a victim.  
You can help stop someone else from being a victim of predatory lenders.***

## ***Where to Get Help***

### ***Office of Attorney General Terry Goddard***

You may file a complaint with the Arizona Attorney General's Office. You can print a complaint form from our Web site [www.azag.gov](http://www.azag.gov), fill it out and mail it to us with photocopies of your supporting documents, or you may contact us by phone or mail for information and/or a complaint form.

Phoenix-Consumer Information and Complaints  
1275 W. Washington  
Phoenix, Arizona 85007-2926  
602.542.5763  
outside of the Phoenix Metro Area 1.800.352.8431

Phoenix-Civil Rights Division Intake Officer  
1275 West Washington  
Phoenix, Arizona 85007  
602.542.5263  
602.542.5002 (TDD)  
Outside of the Phoenix Metro Area 1.877.491.5742

Tucson-Consumer Information and Complaints  
400 W. Congress  
South Building, Suite 315  
Tucson, Arizona 85701-1367  
520.628.6504  
or 1.800.352.8431

Tucson-Civil Rights Division Intake Officer  
400 W. Congress, # S-215  
Tucson, Arizona 85710-1367  
520.628.6500  
Or 1-877-491-5740  
520.628-6872 (TDD)

Because the Office of the Attorney General receives thousands of complaints per year, not all of them can be fully investigated. However, you should receive a response to your complaint within 2-3 weeks. Many complaints result in Attorney General enforcement actions against companies or merchants. An enforcement action may sometimes result in civil penalties, attorney's fees and refunds to affected consumers. The complaint process, by law, is confidential; therefore this office cannot reveal complaints or discuss investigations against a particular company or merchant.

In addition to filing a complaint with the Attorney General, you may also file a complaint with the following government and private agencies:

***Arizona State Banking Department***

2910 North 44<sup>th</sup> Street #310

Phoenix, Arizona 85018

602.255.4421

[www.azbanking.gov](http://www.azbanking.gov)

The Arizona State Banking Department supervises mortgage bankers and mortgage brokers. The Consumer Affairs Division is also responsible for reviewing complaints against those entities licensed by the Banking Department. Before filing a complaint, make sure that your complaint is for a bank, credit union or credit card company the Arizona State Banking Department regulates.

The Arizona State Banking Department does not regulate federally chartered banks, credit unions and savings banks. If your complaint is against any of these institutions, please send your complaint to the appropriate agency listed below.

If your complaint is against a **National Bank** call toll-free 1-800-613-6743 or mail complaint to:  
The Office of the Comptroller  
1301 McKinney Street-Suite 3710  
Houston, Texas 77010

If your complaint is against a **Federal Credit Union** direct dial 1-512-342-5600 or mail complaint to:  
The National Credit Union Administration  
4807 Spicewood Springs Road  
Austin, Texas 78759

If your complaint is against a **Federal Savings Bank** call toll-free 1-800-842-6929 or mail complaint to:  
The Office of Thrift Supervision  
1 Montgomery Street, Suite 400  
Austin Texas 78759

**The Better Business Bureau (BBB)** reports on business firms to help consumers before they make a purchase. The BBB helps resolve consumers' disputes with businesses through telephone conciliation, mediation and arbitration.  
Better Business Bureau-Phoenix (602) 264-1721  
[www.phoenixbbb.org](http://www.phoenixbbb.org)  
Better Business Bureau-Tucson (520) 888-5353  
[www.tucson.bbb.org](http://www.tucson.bbb.org)

**The Arizona Registrar of Contractors** uses a licensing and regulatory system designed to protect the health, safety and welfare of the public.

**(602) 542-1525 or toll free at 1-888-271-9286.**

Call one of these numbers during business hours to get information on a licensed contractor or ask for a complaint form.

[www.rc.state.az.us/](http://www.rc.state.az.us/)

### **Non-Profit Consumer Credit Counselors**

American Consumer Credit Counseling, Inc. 1-800-769-3571

[www.consumercredit.com/](http://www.consumercredit.com/)

American Credit Assistance, Inc. (305) 238-1393

[www.creditassistance.org/](http://www.creditassistance.org/)

American Family Credit Counseling, Inc. (480) 946—6203

[www.fordebt.org](http://www.fordebt.org) 1-877-367-3328

Chicanos por la Causa, Inc. (602) 257-0700

Concord Credit- Hispanic Credit Foundation 1-877-486-4924

[www.concordcredit.org/](http://www.concordcredit.org/)

Consumer Credit Counseling Services Southwest, Inc.

English and Spanish 1-800-308-2227

Flagstaff (928) 774-1484

Glendale (623) 878-5499

Luke Air Force Base (623) 856-3089

Mesa (480) 821-9100

Phoenix (602) 246-2227

Prescott (928) 778-0360

Scottsdale (480) 246-2227

Tucson (520) 795-2227

Yuma (928) 344-5508

[www.cccssouthwest.org](http://www.cccssouthwest.org)

### **Center for Community Change**

The Center provides comprehensive assistance to all types of community organizations, across all ethnic lines.

Western Regional Office (415) 982-0346

Washington D.C. Office (202) 342-0567

[www.communitychange.org/](http://www.communitychange.org/)

**HUD Approved Housing Counseling Agencies**

Adm. of Resources & Choices-Phoenix	1-888-264-2258
Adm. of Resources & Choices-Tucson	(520) 623-9577
Arizona Federation of Housing Counseling	(602) 257-1715
Association of Community Organizations for Reform Now	(602) 253-7501
Chicanos por la Causa-Phoenix	(602) 253-4203
Chicanos por la Causa-Tucson	(520) 884-9007
City of Phoenix Housing Services	(602) 534-1555
Community Housing Resources of Arizona	(602) 631-9757
Community Services of Arizona	(480) 786-4173
Consumer Credit Counseling Services SW	1-800-308-2227
Family Housing Resources-Tucson	(520) 318-0993
Housing America Corporation-Somerton	(928) 627-4213
Housing for Mesa, Inc.	(480) 649-1020
Labor’s Community Service Agency	(602) 263-5741
Neighborhood Housing Services of Phoenix	(602) 258-1659
SE Arizona Governments Organization	(520) 432-5301
Tucson Urban League Incorporated	(520) 882-4872

**For More Information**

**American Association of Retired Persons** “Predatory Mortgage Lending: There Ought to Be a Law.” 1-800-424-3410  
[www.aarp.org/connections/april2001/lending.html](http://www.aarp.org/connections/april2001/lending.html)

**American Bankers Association** has a video and brochure on predatory lending in English and Spanish 1-800-BANKERS  
[www.aba.com/industry+issues/predatorylendingmenu.htm](http://www.aba.com/industry+issues/predatorylendingmenu.htm)

**Arizona Department of Housing** (602) 280-1300  
[www.commerce.state.az.us/new\\_housing.htm](http://www.commerce.state.az.us/new_housing.htm)

**Association of Community Organizations for Reform Now**

“Separate and Unequal-Predatory Lending in American”

1-877-55-ACORN

[www.acorn.org/acorn10/predatorylending/plreports/separate.htm](http://www.acorn.org/acorn10/predatorylending/plreports/separate.htm)

The **Community Reinvestment Association of North Carolina** has an online handbook that uses a true story of how a homeowner ended up a victim of predatory lending.

[www.cra-nc.org/predatory\\_policy.htm](http://www.cra-nc.org/predatory_policy.htm)

The **Federal Trade Commission** also has special alerts to caution homeowners to be on the lookout for home equity scams.

1-877-FTC-HELP

[www.ftc.gov/bcp/online/pubs/alerts/](http://www.ftc.gov/bcp/online/pubs/alerts/)

**Fannie Mae KnowledgePlex Predatory Lending**

(202) 752-7000

[www.knowledgeplex.org/](http://www.knowledgeplex.org/)

**Freddie Mac Homebuyer Education: Predatory Lending**

[www.freddie.com/homebuyers/bank/pred\\_lending.html](http://www.freddie.com/homebuyers/bank/pred_lending.html)

**The Home Ownership Center**, Neighborhood Housing Services of Santa Fe, Inc., Santa Fe, New Mexico has materials on predatory lending and can make referrals in Arizona 1-800-429-5499

**National Consumer Law Center** has detailed information on how to spot predatory lenders and home loan scams on their website at

[www.consumerlaw.org/consumer/foreclose.html](http://www.consumerlaw.org/consumer/foreclose.html)

**Neighborhood Reinvestment Corporation** [www.nw.org/](http://www.nw.org/)

The **U.S. Department of Housing and Urban Development** and **The Treasury Department** have released a report describing predatory lending entitled, "Curbing Predatory Home Mortgage Lending." It is available on the internet at

[/www.huduser.org/publications/hsgfin/curbing.html](http://www.huduser.org/publications/hsgfin/curbing.html).

The Office of the Attorney General does not endorse external web sites, commercial products or services. The Office of the Attorney General does not accept responsibility for the information contained within the web sites nor do they monitor the sites listed above.

***Office of Attorney General Terry Goddard***

1275 West Washington  
Phoenix, Arizona 85007

[www.ag.state.az.us](http://www.ag.state.az.us)

The information in this book was current as of July 1, 2002. Phone numbers and information may change. Consult the phone book, internet search engines or other information sources to find the information you need.

The following brochure was created using information from the Federal Trade Commission, Fannie Mae, The U.S. Department of Housing and Urban Development, The Treasury Department, the National Association of Attorneys General, the Neighborhood Reinvestment Corporation, the Association of Community Organizations for Reform Now (ACORN) and the Home Ownership Center. Contact information for these resources is included in this brochure.