



Shielding Your Home: Guarding Against Predatory Loans

Watch Out for Home Improvement Scams!

There are several “warning signs” that a loan may be abusive or predatory. While not all loans containing one or more of the “signs” listed below are predatory, these features are often associated with such loans.

- ✔ Avoid letting the home improvement company set up a loan for you; they might profit from these loans and leave your repairs unfinished.
- ✔ Steer clear of loans with high interest, fees, or closing costs. If uncertain about fair pricing, seek guidance before signing, dialing 2-1-1 or (216) 436-2000 for First Call for Help, United Way of Greater Cleveland.
- ✔ Be cautious of loans with “balloon” payments; they might seem affordable monthly but could risk foreclosure if you can’t manage the final sum.
- ✔ Skip credit insurance with your loan; it might benefit the lender more than you and add to your loan costs.
- ✔ Think twice before refinancing with the same lender; predatory lenders profit from multiple fees with each refinance.
- ✔ Beware of aggressive tactics; seek advice from a lawyer, housing counselor, or a trusted person if uncertain about loan terms. Remember, federal law allows three business days to reconsider any loan agreement.

Contact for More Information

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