



What is CAFHC?

The Central Alabama Fair Housing Center (CAFHC), a non-profit agency, works to ensure equal housing opportunity for all people regardless of race, color, national origin, religion, gender, familial status (having or expecting children), or disability.

Fair Housing Opens Doors...

but only with your help. Learn to recognize the signs of discrimination in rentals, sales, lending and insurance.

- **Keep records of any meetings and phone calls** with the landlord, property manager, real estate agent, loan officer, or insurance agent.
- **Write down everything that happened.** Save all receipts, applications, business cards and other documents relating to your housing, financing or lending search.
- **Contact the Central Alabama Fair Housing Center.** Telephone **334-263-4663**, fax **334-263-4664** or visit our website **www.centralalabamafairhousing.org**.



Central Alabama Fair Housing Center

2867 Zelda Road • Montgomery, AL 36106

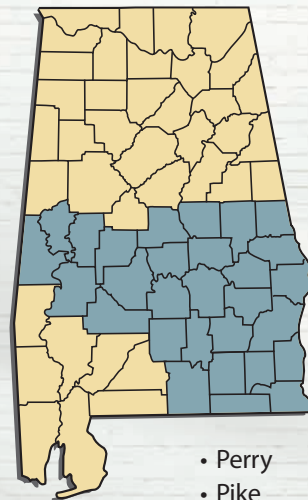
Telephone 334-263-4663

Fax 334-263-4664

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Serving 29 Counties in Central Alabama:

- Autauga
- Barbour
- Bullock
- Butler
- Chambers
- Chilton
- Coffee
- Coosa
- Covington
- Crenshaw
- Dale
- Dallas
- Elmore
- Geneva
- Greene
- Hale
- Henry
- Houston
- Lee
- Lowndes
- Macon
- Marengo
- Montgomery
- Perry
- Pike
- Russell
- Sumter
- Tallapoosa
- Wilcox



Mural photos by Bernard Kleina.

PREDATORY LENDING. BUYER BEWARE.



“It is not possible to be in favor of justice for some people and not be in favor of justice for all people.”

— Dr. Martin Luther King Jr.



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Tips on Being a Smart Borrower

- 1. Interview several real estate professionals** and check their references before you select one to help you buy or sell a home.
- 2. Research prices of other homes** in the neighborhood. Do not be fooled into paying too much.
- 3. Hire a licensed home inspector** to carefully inspect the property before you buy. Determine whether you or the seller will pay for repairs. If you have to pay for repairs, make sure you can afford them.
- 4. Shop for a lender and compare costs.** Be suspicious if anyone tries to steer you to just one lender.
- 5. DO NOT** let anyone persuade you to **make ANY false statement** on your loan application. *Lying on a mortgage application is a crime.*
- 6. DO NOT** let anyone convince you to **borrow more money** than you can afford to repay.
- 7. NEVER sign a blank document or a document containing blanks.** If information is inserted by someone else after you have signed, you may still be obligated to the contract. Insert "N/A" or cross through any blanks.
- 8. Read everything carefully and ask questions.** Do not sign anything that you don't understand. Before signing, have your contract and loan agreement reviewed by an attorney.

What is Predatory Lending?

Predatory lending is an unfair and abusive practice that strips a home's value and forces borrowers into foreclosure.

Predatory lenders often target people based on their race, country of origin or ancestry, or age.

Predatory Lenders:

- **Sell homes** for more than they are worth.
- **Tell borrowers to lie** about their income and expenses in order to get a loan.
- **Lend borrowers more money** than the borrower can afford to repay.
- **Charge high interest rates** and fees to borrowers.
- **Target vulnerable borrowers** when they know the borrower needs cash.
- **Convince homeowners** to repeatedly take out loans when there is no benefit to the owner.
- **Use high-pressure tactics** to sell home improvements and make loans to pay for the improvements at high interest rates.

What Do Predatory Lenders Do?

- **Tell you they are your only chance** of getting a loan or owning a home.
- **Ask you to sign a sales contract or loan document** that contains blanks or false information.
- **Tell you that insurance protects you** against property defects or loan fraud. It does not.
- **Change the terms** of the loan at time of closing.
- **Tell you that additional loans** can solve your credit or money problems.
- **Tell you that you can only get a good deal** on a home improvement loan if you finance it through a particular lender.

