



MORTGAGE

BEWARE OF PREDATORY LENDERS

Some brokers and lenders try to pressure borrowers into loans they cannot afford. Watch for these warning signs of predatory lending

- Higher-than-market interest rates and hidden fees.
- “Bait and switch” tactics — A broker/lender initially offers one set of terms, then tries to pressure the consumer into agreeing to different, more expensive terms.
- Door-to-door salespeople pitching unsolicited home improvement loans.
- Mail and TV ads that claim “No job? No credit? No problem! We can qualify you for a home equity loan.”
- Someone asks you to sign a document with blank spaces to be filled in later.

No matter what kind of loan you apply for, get **EVERYTHING** in writing and be sure you get copies of every document you sign. Just say “No” when anyone uses high-pressure sales tactics or urges you to sign a loan contract right away.

Visit

www.MyFloridaCFO.com for more information. For assistance with insurance or financial matters, contact the DFS Consumer Helpline toll-free at: 1-877-MY-FL-CFO (1-877-693-5236) TDD users: 1-800-640-0886



STATE OF FLORIDA

Florida Department of Financial Services
200 East Gaines Street
Tallahassee, Florida 32399-0323



Shopping For A
Home Mortgage



STATE OF FLORIDA
Florida Department of Financial Services



Be a **SMART** Borrower — Review these tips before you sign a contract or refinance your current mortgage:

Shop around. Call the Department of Financial Services' toll-free at 1-877-MY-FL-CFO (1-877-693-5236) to find out if your broker or lender is licensed and in good standing.

Manage your money. Review your budget and only borrow within your means.

Ask about all the loan terms. Make sure the terms you discuss are clearly written in the loan documents.

Read the entire mortgage contract carefully. Don't sign anything you don't fully understand.

Talk to a trusted financial professional. NEVER allow someone to pressure you into signing a contract that you are unsatisfied with or do not

UNDERSTANDING YOUR MORTGAGE CONTRACT

When you buy or refinance a home, be sure you understand the terms used in the lending industry.

Annual Percentage Rate (APR)

The interest rate you will pay for the loan each year. Compare the APR various lenders offer.

Finance Charges

The amount you will pay for the loan, based on the APR, the amount you borrow and the length of the loan. Look for hidden charges.

Points

"Points" are fees paid to the lender to cover origination costs. These finance charges are not refundable.

Collateral

The property you use to secure a loan. Your home is the collateral for a mortgage, and you could lose your house if you default on the loan.

THINGS TO KNOW

The Total Number and Exact Dollar Amount of Payments
This will help you decide whether the payment schedule for the loan fits your budget.

The Total Dollar Amount

After you have made all payments over the life of the loan, this is the total amount you will have paid.

Is There a Prepayment Penalty

Some lenders charge extra if you pay off your loan early. They must disclose this on a Truth in Lending statement.

What Type of Interest is Used

Fixed rates remain the same. Adjustable interest rates can increase or decrease periodically. Find out what conditions can change them.

What are the closing costs

You need a reasonable idea of all closing costs when you apply for a mortgage.

Whether you can lock in your interest rate

If you can do this when you first apply, your interest rate will not increase while your loan is being processed.

