

# 10 Warning Signs of Predatory Lending.

To make sure the loan is the best solution for your mortgage needs, ask yourself these questions:

1. Were you encouraged to include false information on your loan application?
2. Were you asked to leave signature lines or any other important line-item of any form blank? Did the lender or broker alter any information you entered on your loan application?
3. Check your loan file. Are any of the following disclosures missing?
  - Good Faith Estimate
  - Special Information Booklet
  - Truth in Lending
  - HUD-1 Settlement Statement
4. Have you refinanced your loan several times and in each instance increased either your monthly payment and/or the total amount you owe on your home?
5. Do your documents reveal that your interest rate calculation will change to require you to pay "daily interest" in instances when your payments are late?
6. Is your loan amount on the loan you obtained higher than the value of the home?
7. Did you incur any unexpected costs at settlement that were not explained to you prior to the settlement?
8. After settlement, were you surprised to find that the monthly payments on your mortgage loan were higher than you anticipated based on the initial disclosures?
9. If you have a balloon loan (one in which after a series of low payments the entire loan balance is due in a large lump sum), will you need to obtain another loan to finance that final lump-sum amount?
10. Were you required to buy credit insurance, insurance that will repay the debt if you die or become disabled? (Note: Credit insurance is optional and will not affect your loan decision if you decline to buy it. It can, however, add considerable cost to the loan transaction. You should decide whether you are going to purchase credit insurance carefully.)

If you believe you have been subjected to predatory lending practices, please seek legal advice from an attorney who specializes in consumer protection. You can also contact the Nebraska Department of Banking and Finance at (877) 471-3445 or visit [www.ndbf.com](http://www.ndbf.com).