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**Joint Release**

**Board of Governors of the Federal Reserve System**  
**Department of Housing and Urban Development**  
**Department of Justice**  
**Federal Deposit Insurance Corporation**  
**Federal Housing Finance Board**  
**Federal Trade Commission**  
**National Credit Union Administration**  
**Office of the Comptroller of the Currency**  
**Office of Federal Housing Enterprise Oversight**  
**Office of Thrift Supervision**

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For immediate release

October 7, 2003

### **Federal Agencies Publish Consumer Brochure on Predatory Lending**

The federal Interagency Task Force on Fair Lending has published a new brochure that alerts consumers to potential borrowing pitfalls, including high-cost home loans, and provides tips for getting the best financing deal possible. The brochure, Putting Your Home on the Loan Line is Risky Business, warns that regardless of whether a home equity loan is for a home repair, bill consolidation or some other purpose, it is important to shop around.

Borrowing from an unscrupulous lender, especially one that offers a high-cost loan using the home as security, could result in the loss of the borrower's home and their money. The brochure cautions that certain lenders--often called "predatory lenders"--target homeowners with low incomes or credit problems, including the elderly, by deceiving them about loan terms or giving them loans they cannot afford to repay. Before signing the credit contract, consumers are encouraged to

- Think about their financing options
- Do their homework
- Think twice before they sign a loan contract
- Know that they have rights under the law

The brochure notes that many consumers may have other options for meeting their financial needs besides taking out a home equity loan. Housing counseling and social service programs are available to assist people with financial problems.

If consumers decide that a loan is right for them, the brochure suggests talking with several lenders; comparison shopping for interest rates, payments, term of the loan,

points and fees, and other costs of the loan; and having a knowledgeable friend, attorney, or housing counselor review the loan documents. A shopping checklist is included with the brochure.

The publication also reminds consumers that if they are refinancing or using their home as security for a home equity loan (or for a second mortgage loan or a line of credit), federal law gives them three business days after signing the loan papers to cancel the deal. The cancellation must be submitted in writing, after which the lender is required to return any money the consumer has paid to date.

If the three-day period has already passed and consumers believe they have been misled, the brochure suggests that they contact a state or local bar association, a local consumer protection agency, or a local fair housing or housing counseling agency.

The members of the Interagency Task Force include the Department of Housing and Urban Development, Department of Justice, Federal Deposit Insurance Corporation, Federal Housing Finance Board, Federal Reserve Board, Federal Trade Commission, National Credit Union Administration, Office of the Comptroller of the Currency, Office of Federal Housing Enterprise Oversight, and Office of Thrift Supervision.

The brochure is available on the agencies' web sites listed below. A PDF (Portable Document Format) version is provided on the web site so that consumer groups, financial institutions, agencies, and other organizations can download and print copies for distribution to their clients and customers. It includes a space on the back panel for organizations to provide their own contact information. A Spanish-language version of the publication will be available in the future.

Single copies of the brochure are available free of charge from the following agencies:

Department of Housing and Urban Development: The Department's web site at <http://www.hud.gov> or U.S. Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, D.C. 20410; Customer Service Center: (202) 708-3151.

Department of Justice: The Department's web site at <http://www.usdoj.gov> or contact the U.S. Department of Justice, Civil Rights Division, 950 Pennsylvania Ave., N.W., Housing and Civil Enforcement Section, NWB, Washington, D.C. 20530; (202) 514-1116.

Federal Deposit Insurance Corporation: The FDIC's web site at <http://www.fdic.gov> or the FDIC's Public Information Center, 801 17th Street, N.W., Room 100, Washington, D.C. 20434; 1-877-275-3342 or (703) 562-2200.

Federal Housing Finance Board: The Board's web site at <http://www.fhfb.gov> and from the Federal Housing Finance Board, 1777 F Street, N.W., Washington, D.C. 20006.

Federal Reserve Board: The Board's web site at <http://www.federalreserve.gov/pubs/riskyhomeloans/default.htm> and from Publications, Stop 127, Federal Reserve Board, 20th & C Streets, N.W., Washington, D.C. 20551; (202) 452-3245.

Federal Trade Commission: The FTC's web site at <http://www.ftc.gov> and from the FTC's Consumer Response Center, 600 Pennsylvania Avenue, NW, Washington, D.C. 20580; toll free: 1-877-FTC-HELP (1-877-382-4357); TTY for the hearing impaired (866) 653-4261.

National Credit Union Administration: NCUA's web site at <http://www.ncua.gov> or contact Cliff Northup, Director of Public & Congressional Affairs, National Credit Union Administration, 1775 Duke Street, Alexandria, Va. 22134.

Office of Federal Housing Enterprise Oversight: The Office's web site at <http://www.ofheo.gov>. E-mail requests for individual copies should be sent to [ofheoinquiries@ofheo.gov](mailto:ofheoinquiries@ofheo.gov) or call (202) 414-6922.

Office of the Comptroller of the Currency: The OCC's web site at <http://www.occ.treas.gov> and from Communications, Mail Stop 3-2, Office of the Comptroller of the Currency, 250 E Street, S.W., Washington, D.C. 20219; (202) 874-4700.

Office of Thrift Supervision: The OTS's web site at <http://www.ots.treas.gov> or contact Louise Batdorf, Office of Thrift Supervision, 1700 G Street, N.W., Washington, D.C. 20552; (202) 906-7087.

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Attachment: [Putting Your Home on the Loan Line is Risky Business](#)  
[Printable rendition of the brochure in PDF format](#) 111kb ([PDF Help](#))

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**FDIC-PR-99-2003**