

Predatory Lending

Contributed by Phoenix Rentals Manager
Tuesday, 03 July 2007

Over the last several years, our nation has made enormous progress in expanding access to capital for previously under served borrowers. Despite this progress, however, too many families are suffering today because of a growing incidence of abusive practices in a segment of the mortgage lending market. Predatory mortgage lending practices strip borrowers of home equity and threaten families with foreclosure, destabilizing the very communities that are beginning to enjoy the fruits of our nation's economic success.

Since the Spring of 1999, HUD has been actively involved in combating predatory lending through research, regulation, consumer education and enforcement actions against lenders, appraisers, real estate brokers, and other companies and individuals that have victimized homebuyers. Read HUD-Treasury Joint Report on predatory lending.

If you believe you have been a victim of predatory lending practices there are Federal agencies that can help. Please refer to the list of agencies below and contact the organization or agency that you think can help address your specific problem.

Protect yourself from predatory lenders: For information about loan fraud and advice about preventing it, see Don't Be A Victim of Loan Fraud.

Local information on predatory lending: Here are some Local Resources by state, that can help you avoid being a victim of predatory lending.

For FHA loans: For problems relating to origination, underwriting, or appraisals contact the FHA Resource Center at (800) 225-5342 (800-CALLFHA).

Avoiding foreclosure on an FHA loan: Visit the HUD National Servicing Center web page or contact them toll-free at (888) 297-8685.

Non-FHA mortgage loans: For complaints concerning practices which include disclosure of interest rates and finance charges (APR), prepayment penalties, credit life insurance, fraud, deception, etc. contact the appropriate agency from this list to complain about the mortgage lender or mortgage broker.

Lender threatening to foreclose or mortgage in default: HUD funds housing counseling agencies throughout the country. To find a housing counseling agency near you, call toll-free (800) 569-4287 immediately for free guidance or visit the web page. Settlement Procedures: (FHA and non-FHA mortgages). Visit the RESPA web page for information on RESPA disclosure requirements such as the Good Faith Estimate, HUD-1 and escrow account statements, and how to file a complaint with your lender concerning the servicing of your loan.

If you are still unsure who can best help you, please let us know.

File a housing discrimination complaint: Discrimination in mortgage lending is prohibited by the federal Fair Housing Act and HUD's Office of Fair Housing and Equal Opportunity actively enforces those provisions of the law. Learn how the Fair Housing Act can help you fight predatory lending.