If you have questions about your housing rights, HRC can help.

The Housing Rights Center (HRC) is the nation's largest local, nonprofit organization dedicated to fighting housing discrimination.

Since 1986, HRC has identified and addressed the challenges of housing discrimination, and continues to expand and diversify its services and programs to meet the residents' evolving Fair Housing needs.

State & federal fair housing laws protect all of us from discrimination based on race, color, religion, gender, sexual orientation, national origin, familial status, marital status, disability, ancestry, age, source of income, and other characteristics protected by law.

HRC provides residents within the **Los Angeles and Ventura Counties** with services including:

(1) **Housing Counseling** (free)

(2) **Outreach & Education** (free)

(3) **Fair Housing Certification Trainings** for housing providers and professionals.

Contact Us

During the COVID-19 pandemic, HRC is providing all services online and by phone.

Toll Free: (800) 477-5977
TTY: (213) 201-0867

Email HRC:
info@housingrightscenter.org

Los Angeles Office
3255 Wilshire Blvd., Suite 1150
Los Angeles CA 90010
(213) 387-8400

Van Nuys Office
6320 Van Nuys Blvd., Suite 311
Van Nuys, CA 91401

Pasadena Office
1020 N. Fair Oaks Ave.
Pasadena CA 91103

Office locations are handicap accessible.

EQUAL HOUSING OPPORTUNITY

www.housingrightscenter.org

Predatory Lending & Fair Housing

Learn about pretadory lending schemes and protect yourself and your future.

HRC
HOUSING RIGHTS CENTER
WORKING FOR JUSTICE AND EQUALITY IN HOUSING

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What is Predatory Lending?

Predatory lending, or **loan fraud**, is when lenders give borrowers unfair loan terms or manipulate them into taking on loans they can't afford.

In housing, predatory lending can occur at any point in the process of purchasing or refinancing a home. A predatory or discriminatory lender can be any bank officer, real estate or mortgage broker, appraiser, loan servicer, or other financial actor---from a big bank to a one-person firm.

Predatory lenders may use high-pressure sales tactics, hide behind complicated financial terms, or even forge documents to deceive borrowers into accepting unfair loans.

Predatory lenders often target people with low incomes or limited credit options. **African Americans, Latinos, women, and older adults** are disproportionately impacted. But anyone can be a victim of illegal lending practices, and predatory lenders often share personal characteristics with their victims.

Predatory lending is unfair, unethical and illegal. In addition, federal fair housing laws make it illegal for lenders to **discriminate** by considering borrowers' personal characteristics—such as race, religion, sex, familial status, or disability—when applying for residential mortgage loans.



Examples of Predatory Lending

- Imposing excessive rates and fees on a borrower who may qualify for lower rates.
- Pressuring a borrower to accept higher-risk loans.
- Packing a loan with unnecessary products and services.
- Knowingly loaning more money than a borrower can afford to repay.
- Stripping homes of equity by convincing homeowners to refinance their loans repeatedly within a short period of time.
- Persuading borrowers to lie about their income in order to qualify for a loan.
- Charging low monthly payments at first, but charging a large balloon payment at the end of the loan period.
- Requiring that women, but not men, provide a cosigner for a loan.
- Applying harsher collection or foreclosure practices based on the borrower's race or the demographics of their neighborhood.

Consumer Tips

- Shop around. Compare loans from different lenders to better understand what is reasonable .
- Borrow only the amount you need and can afford to pay back in time.
- Ask about any additional fees and prepayment penalties, and ensure those fees are reasonable.
- Avoid any loans with low monthly payments and a "balloon" payment at the end.
- Do not sign any documents containing blank spaces that could be filled in later without your knowledge.
- Read everything carefully and ask questions about any terms you don't understand.
- Keep copies of all loan documents.
- Contact HRC for assistance in finding a government agency that can help you.

Contact Us

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