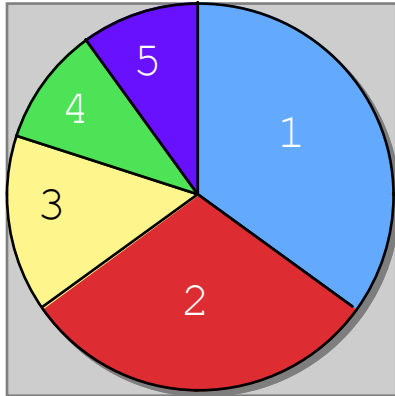




BUILD STRONG CREDIT!

Consumer Credit
Counseling Service
www.cccservices.com
1-800-355-2227



1. Your payment history – about 35% of your score. Paying your bills on time can help build your score. Late payments, bankruptcies and other negative information pull your score down.
2. Amounts owed – about 30% of your score. Owing a high amount close to your credit limit can affect your score negatively.
3. The length of credit history – about 15%. A longer history can help your score.
4. New credit – about 10% of your score. The score takes into account whether you have opened new accounts recently. Too many new accounts can impact your score negatively.
5. Your credit mix – about 10% of your score. A credit score considers your credit mix of credit cards, installment loans, and mortgage loans.

HUMAN RELATIONS COMMISSION
City of Oberlin
85 South Main Street
Oberlin, Ohio 44074
Address Correction Requested

**City of Oberlin
Human Relations
Commission**



PREDATORY LENDING AND FORECLOSURE PREVENTION



There is no place like home.

**85 South Main Street
Oberlin, Ohio 44074
Tel: (440) 775-7217**

Revised 3/15/07

What is Predatory Lending?

Predatory Lending occurs when a mortgage loan with unwarranted high interest rates or fees is set up mainly to benefit the lender or broker. The loan is not made in the best interest of the borrower, often locks the borrower into unfair terms and tends to cause financial hardship or default.

Who is being targeted by Predatory Lenders?

Subprime loans are offered to families who suffer from credit problems (or simply don't know they could qualify for better, less expensive, conforming loans). A subprime loan is a loan offered to people with bad credit at an interest rate that is above the "prime" interest rate.

Not all subprime loans are fraudulent or predatory. However, only deal with licensed mortgage lenders and brokers operating under and subject to federal and state regulations. Check by calling (866) 278-0003 or online at www.com.state.oh.us/dfi.



Ask lots of questions

- Find out if you qualify for a prime or subprime loan.
- Discuss your options with several lenders.
- Ask each lender to present you with a written statement of the interest rate, fees, and the APR (Annual Percentage Rate).
- Are your taxes and insurance included in the loan payment?
- What is the monthly payment?

Call for your free credit report

Get copies from all three credit agencies and read, then send for your credit score (FICO). FICO is an acronym for Fair Isaac and Company. This firm uses a formula which calculates a three digit number, between 300 and 850, which lenders review when you apply for credit. This number then lets lenders gauge whether you would be a good risk in a credit situation.

Call (877) 322-8228 or Visit
www.freecreditreport.com

This is a central source for the Equifax, Experian, and TransUnion credit reporting agencies, and for information on purchasing your credit score.

STOP!

Your home is at risk when you consolidate credit card debt into a home equity loan.

[If you miss a credit card payment, you may get a bad credit record, but if you miss a home equity loan payment you could lose your home.]

This material presented by the:

City of Oberlin

Human Relations Commission

85 South Main Street
Oberlin, Ohio 44074
Tel: (440) 775-7217

The more prepared you are, the more likely you are to avoid a predatory loan.

- Be sure you get and read carefully copies of everything you sign in connection with your mortgage.
- Never sign blank forms.
- Know what kind of interest rate you are offered, fixed or variable. Is this the best possible for you based on your credit score?

Three days to change your mind

- If you are taking out a home equity loan or refinancing, you have three (3) days after you sign the loan document to change your mind.



Foreclosure Prevention

- If you get behind in your mortgage payment **DO NOT IGNORE THE LETTERS FROM YOUR LENDER.**
- **DO NOT BE EMBARRASSED OR ASHAMED.** There are many reasons that can cause us to get behind, illness, death of a spouse, loss of job, etc. It is not time to hide, it is time to seek help.
- Call your lender to discuss your situation, there may be options.
- If you get a foreclosure notice call your lender **IMMEDIATELY.** It is not too late to save your home.
- Seek help and seek it early.
- Call Foreclosure Hotline operating 24x7 at (888) 995-4673
- OR call Oberlin City Hall for additional Information, 775-7217.