

***Anti-Predatory Lending Workshop
Curriculum***

I. What is Predatory Lending?

- 1) Myths of Predatory Lending
- 2) Local Predatory Lending Activities
- 3) The Impact of Predatory Lending in the Communities

II. Identifying Predatory Lenders

- 1) High Pressure Sales and Closing Tactics
- 2) Borrowers are Discouraged from Asking Lawyers to Review Documents
- 3) Telephone Solicitations, Door-to-Door Solicitations and Direct Mail
- 4) Selling Loans Under the Guise of “rescuing” a Homeowner from Foreclosure
- 5) Forged Loan Documents and Withheld Information
- 6) Associated with Unscrupulous Home Improvement Contractors

III. Identifying Predatory Lenders Targeted Market

- 1) Homeowners with High Equity and Credit Problems Who Need Cash
- 2) Elderly Households
- 3) Low-Income Households
- 4) Prospective and Existing Homebuyers Who Lack Financial Management Skills

IV. Abusive Practices and Tactics

- 1) Steering and Broker Kickbacks
- 2) High Prepayment Penalties
- 3) High Interest Rates and Fees
- 4) Negative Amortization and Balloon Payments
- 5) Packing and Flipping

V. Predatory Lending Versus Sub-prime Lending

- 1) Credit Record and Credit Score
- 2) Risk Based Pricing
- 3) Target Customers and Practices

VI. How to Avoid Being a Victim of Predatory Lending

- 1) Be Cautious and Shop Around
- 2) Watch Out for Bad Loan terms
- 3) Never Make an Immediate Decision
- 4) Ask Questions and Read Documents Carefully Before Signing
- 5) Talk to Someone You Trust and Seek Help if You are Victimized
- 6) Seek Professional Advice

VII. Potential Remedies for Predatory Lending

- 1) Consumer Protection Laws
 - a) Home Ownership and Equity Protection Act (“HOEPA”)
 - b) Truth-In-Lending-Act (“TIL”)
 - c) Right of Recessions
- Real Estate Settlement Procedures Act (“RESPA”)