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Don't Borrow TroubleSM

Are you considering refinancing your home to consolidate your current debts, such as credit cards and car payments? **WATCH OUT** for the following:

- 🏠 **High Interest Rates** Interest rates that are far above market rates.
- 🏠 **Excessive Fees** Example: fees charged up-front without lowering the interest rate; costs and fees above normal.
- 🏠 **Negative Amortization** Repayment schedules set up so that the monthly payment fails to pay off accrued interest and actually **increases** the original amount you borrowed.
- 🏠 **Balloon Payments** In this payment structure, the balance due on the mortgage must be paid at the end of the loan, usually 15 years. At the end of the loan, the balloon payment that is suddenly due will be a huge sum of money, probably beyond your ability to pay. This may force you to borrow more money to pay back the loan.
- 🏠 **High Loan-to-Value (LTV) Loans** Loans that are more than 100% LTV may lock you into additional debt.
- 🏠 **Credit Insurance** Credit life or credit accident and health insurance should not be included as a condition of a loan. It will increase the total amount you owe.
- 🏠 **Mandatory Arbitration** Loan contracts requiring mandatory, binding-arbitration instead of the court system – lenders feel this forum will be more favorable to them, and less favorable to you, the consumer.
- 🏠 **High Pressure Sales Tactics** Calls and letters asking you to refinance when you already did so in the last year or two.

Make sure you understand the terms and conditions of any loan. **Don't Borrow Trouble.** Get free advice first. Call 1-800-477-5977.