

# Lender trying to pull a fast one on you?

What you need to know about predatory lending and the Fair Housing Act



## Who is protected by the Fair Housing Act?

The Federal Fair Housing Act protects your right to buy a home, obtain a mortgage, purchase homeowner's insurance, or rent an apartment free from discrimination based on:

- Disability
- Race
- Color
- National Origin
- Sex
- Familial Status
- Religion

Cities and counties may have other laws to protect these and additional groups.

## What is predatory lending?

When a lender tricks or takes advantage of a borrower by offering them a loan with unfair and harmful terms these practices can lead to the borrower getting into a financial situation that's hard to escape from. Common signs of predatory lending include:

- **High interest rates:** Watch out for loans with excessive interest rates that far exceed typical market rates.
- **Hidden fees:** Be cautious of undisclosed fees that can significantly increase the overall cost of the loan.
- **Unreasonable terms:** Avoid loans with terms that are confusing, restrictive, or subject to change without clear communication.

This type of lending violates federal law if it targets or impacts members of protected classes for harsher treatment and conditions.

## **How can you protect yourself?**

- Read the fine print: Make sure you understand terms and conditions of any loan before signing. If you do not understand something, ask for help. HUD has certified counseling agencies that can assist with this. Visit [www.hud.gov/counseling](http://www.hud.gov/counseling) for more information.
- Comparison shop: Explore multiple lenders and loan options to find the most favorable terms for your situation.
- Report suspected predatory practices: If you believe you have encountered predatory lending, file a complaint with your local fair housing organization or regulatory agency.

## **What can you do if your rights have been violated?**

- Use the Disability Rights Texas Complaint Generator to help you write a Complaint to send to HUD. [www.drtx.org/HUDComplaint](http://www.drtx.org/HUDComplaint)
- File a complaint online with HUD at <https://www.hud.gov/contactus/filecomplaint>
- Call HUD at 1-800-669-9777
- People who are deaf or hard of hearing and use a TTY may call HUD through the toll-free Federal Information Relay Service at 1-800-877-8339.

## **Contact Disability Rights Texas to help you with any of the following:**

- Additional information or advice on filing HUD complaints
- Understanding your rights
- Providing rights training to your community group
- Referral to community resources

**Call the DRTx Housing team at 1-800-252-9108.**

**DRTx Sign Language Intake Lines: 1-866-362-2851 or 512-271-9391.**



To file a housing discrimination complaint with HUD, scan the QR code.



The work that provided the basis for this publication was supported by funding under a grant with the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of the Federal Government.