



A Program with the
Colorado Attorney General
and the AARP Foundation



Colorado Attorney General
John W. Suthers



Better Business Bureaus®
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Avoiding Home Equity Scams

If you're thinking about using your home as collateral for a loan, be careful. Unless you can make the loan payments out of current income, you could lose your home as well as the equity. The FTC offers these tips to consider:

- The lure of extra money or the chance to reduce monthly credit payments can be very costly in the long run. High interest rates and other credit costs could put you at serious financial risk.
- Credit insurance may not be a good deal from a lender. If you want the added security of credit insurance, shop around.
- Don't sign a loan agreement if the terms are not what you the same as when you applied.
- Ask for an explanation of any dollar amount, term, or condition that you don't understand. Federal law is very clear about what credit and loan term information *must be provided in writing* when you apply for a loan and before you sign any agreement.

In addition, shop around for the best loan terms and interest rates. Contact lending institutions, such as banks and credit unions, and consult a legal or financial advisor, or someone knowledgeable who you can trust before you make any loan decisions.

For additional information call AARP ElderWatch or the Colorado Attorney General.

Prevent Financial Elder Abuse!

1-800-222-4444

Denver Metro Area
303-222-4444

www.aarpelderwatch.org