

How to Avoid Predatory Loans:

1. Know what you *can* afford and shop around for loans. Calculate your debt-to-income ratio (monthly debt payments divided by your income). Your new loan should not push your DTI over 36%. Make sure all the lenders you are considering are licensed.
2. Ask lenders lots of questions. Ask whether your monthly payments will change at any point, whether there are payment penalties or fees, etc.
3. Identify any red flags, such as signing a waiver or contracts with blank spaces, and back out of the loan.

How to Fight Back Against Predatory Lenders:

1. Report the lender. File a complaint with the Consumer Financial Protection Bureau (CFPB) and your State's banking office.
2. Use your Right to Recession, which allows you to cancel your loan within 3 days of signing it. If you never received a Notice of Recession from your lender, the entire loan may be invalid and you may be able to rescind the agreement within 3 years of signing it.
3. Sue the predatory lender. If your loan agreement violates federal or state law, you may have the option to file a civil lawsuit.
4. Refinance the loan. To escape the predatory loan, you can refinance it with another lender.
5. For more information and resources, visit:

<https://www.moneycrashers.com/spot-avoid-predatory-lending-victim/>

“Money often costs too much.”

Ralph Waldo Emerson