

Title:

How Fair Lending Protects Us

Word Count:

411

Summary:

Fair lending is an extremely important issue in the protection of consumers and their interests. There is a variety of legislation, both state and federal, that will be in place to make sure that lenders do not take advantage of consumers when they are borrowing money.

Keywords:

Personal loans,uk,secured,loans,debt,consolidation,compare,apr

Article Body:

Fair lending is an extremely important issue in the protection of consumers and their interests. There is a variety of legislation, both state and federal, that will be in place to make sure that lenders do not take advantage of consumers when they are borrowing money. One of the most important is that they explain the terms of the loan to you properly.

The annual percentage rate, or APR of the loan, which is the total cost of loan including all extra charges and arrangement fees must be clearly disclosed to consumers. They must also tell you of all other charges, penalties and fees that may be due under the loan. They must tell you how often you must make loan repayments, for example if they are monthly, or weekly or on another timescale. They must also tell you for how long the loan will last; this is the lifetime or term of the loan. Then they must tell you how much each repayment will be.

As well as all of these vital details, the lender must also make you aware of any amount that must be paid down, at the beginning of the loan, or at the end of the loan. You must be informed of the ways in which you can repay the loan early and whether such early repayments will incur additional charges. You must also be told how to cancel the loan within a set cancellation period.

It is illegal for any lender to force or coerce you into taking a loan, and your bank, a car dealer, a home lease or any other company cannot force you to take on credit from their company if you think you can get a better deal from someone else. For example, if a car dealer offers you credit to buy a car in his lot, then you can always go to your bank or any other lender and see if you can get a

better deal or more favourable terms from them.

If you are thinking of getting short-term loans such as a payday loan then you will have different rights and you should be given a leaflet or brochure explaining your rights. This is the same if you are pawning something in a pawnshop. If you are not given a list of such rights you should go online immediately and find out these rights from federal trade commission and make sure you have not been taken advantage of.