



## SMALL BUSINESS LOANS

Beware of any loan that seems too good to be true. Anyone seeking a personal or business loan may unknowingly become victims of predatory lending. Predatory lenders deceive unsuspecting borrowers into unaffordable loans with hidden costs and unclear terms.

### HOW TO RECOGNIZE A PREDATORY LENDER

- Promises fast, pre-approved loans right away to get you out of debt quickly and easily.
- Guarantees a loan before you apply.
- Does not provide you with loan disclosures or documents to read.
- Debits automatically from your check account and/or credit card.
- Claims to have checked your credit report and promises a pre-approval.
- Unsolicited loan offers via phone, e-mail, door-to-door, or online advertisements.
- Pressures you to apply for more than one loan or more money than you need.
- Only gives an email as their contact information and refuses to give the lender's physical address and location.

### LENDER MAY USE THE FOLLOWING PREDATORY LANGUAGE

- Frequently talks about "affordable" payment plans.
- Rolls fees (to process or release loan) and high interest rate into your loan and discloses only an "affordable" daily or weekly payment.
- Promises one set of terms, but presents agreements with different terms that may include a large "one time" payment.

### WHERE TO FIND A REPUTABLE BUSINESS LENDER

- U.S. Small Business Administration: [www.sba.gov/lendermatch](http://www.sba.gov/lendermatch)