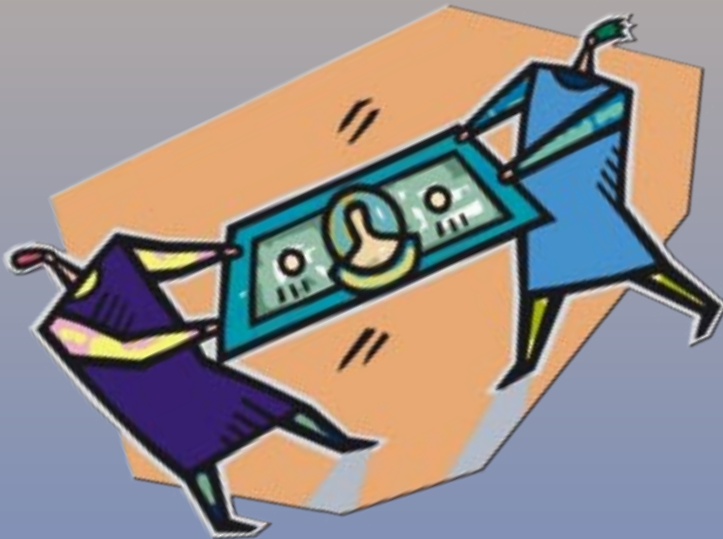


No matter what kind of loan you apply for - auto, business, student, home (mortgage), retail installment, etc. - never rely on verbal promises; get it in writing! Be sure you get copies of every document you sign immediately. Just say "No" when anyone uses high-pressure sales tactics or urges you to sign a loan contract right away.

Visit www.fldfs.com for more information. For assistance with insurance or financial matters, contact one of our Service Offices or call the Department of Financial Services toll-free Consumer Helpline:

1-800-342-2762

TDD users: 1-800-640-0886



DFS SERVICE OFFICES

Daytona Beach
955 Orange Ave., Suite E
Daytona Beach, FL 32114-4674
(386) 323-0900

Fort Lauderdale
499 N.W. 70th Ave., Suite 301-B
Plantation, FL 33317-7574
(954) 321-2900

Fort Myers
2295 Victoria Ave., Suite 163
Fort Myers, FL 33901-3867
(239) 461-4000

Jacksonville
9000 Regency Square Blvd., Suite 201
Jacksonville, FL 32211-8100
(904) 798-5800

After Spring 2004:
921 N. Davis, Building B., Suite 260
Jacksonville, FL 32209

Miami
401 N.W. Second Ave., Suite N-307
Miami, FL 33128-1700
(305) 536-0300

Orlando
400 W. Robinson St., Suite N-401
Orlando, FL 32801-1751
(407) 835-4400

Pensacola
610 E. Burgess Road
Pensacola, FL 32504-5736
(850) 453-7800

St. Petersburg/Largo
11351 Ulmerton Rd., Suite 240
Largo, FL 33778-1636
(727) 587-7260

Tallahassee
200 E. Gaines St.
Tallahassee, FL 32399-0323
(850) 413-3132
1-800-342-2762 - DFS Consumer Helpline

Tampa
5309 E. Fowler Ave.
Tampa, FL 33617-2221
(813) 899-6160

West Palm Beach
400 N. Congress Ave., Suite 210
West Palm Beach, FL 33401-2933
(561) 640-6700

Shopping for a
home mortgage?



Review these tips first

Florida Department of
Financial Services

Tom Gallagher
Chief Financial Officer

1-800-342-2762
www.fldfs.com

Be a **SMART** Borrower - Review these tips before you sign a mortgage contract or refinance your current mortgage:

Shop around for reputable broker/lenders. **Call** the Department of Financial Services' toll-free Consumer Helpline to find out if they are licensed, and if they have been subjected to disciplinary action.

Manage your money. Review your income and expenses and borrow within your means.

Ask questions about all the terms of a loan. Make sure the terms you discuss are clearly written in the loan documents.

Read the entire mortgage contract carefully. Be certain you fully understand all your obligations and all the contract's provisions before you sign it.

Talk to a financial professional you trust before you sign a loan agreement. **NEVER** allow someone to pressure you into signing a contract that you are unsatisfied with or do not fully understand.

UNDERSTANDING YOUR MORTGAGE CONTRACT

When you purchase a new home or refinance your existing one, be sure you are well informed about all your choices. Knowing terms used in the lending industry can help you make an informed borrowing decision.

Know the Annual Percentage Rate (APR)

This is the *rate* you will pay for credit each year. Compare the APR various lenders offer.

Know the Finance Charges

You will pay this dollar *amount* for credit, based on the APR, the amount you borrow,

and the length of the loan. Look for hidden charges!

Know if You Are Paying Points

"Points" are fees paid to the lender to lower interest rates or cover origination costs. These finance charges are *not* refundable.



Know About Collateral

The property you use to secure a loan is called collateral. Your home is the collateral for a mortgage loan. You could lose your home if you default on the loan.

Know the Total Number and Exact Dollar Amount of Payments

This information will help you decide if a loan fits your budget. Familiarize yourself with such terms as "balloon payment" when considering whether you can afford a loan.

Know the Total Dollar Amount of Payments

After you have made all payments over the life of the loan, this is the *total* amount you will have paid.

Know if There is a Prepayment Penalty

Some lenders charge a penalty if you pay off your loan early. They are required to disclose this on a Truth in Lending statement.

Know the Type of Interest

Fixed interest rates remain the same throughout the term of the mortgage. Adjustable interest rates can increase or decrease periodically. Find out what conditions can change them.

Get a Good Faith Estimate

You need a reasonable idea of all closing costs when you apply for a mortgage.

Try to Lock In Your Interest Rate

If you can do this when you first apply, your interest rate will not increase while your loan is being processed.

BEWARE OF PREDATORY LENDERS

Some mortgage and home equity brokers and lenders try to pressure potential borrowers into signing loan agreements they cannot afford. Watch for these warning signs of predatory lending:

- Higher-than-market interest rates and hidden fees.
- "Bait and switch" tactics - A broker/lender initially offers one set of terms, then tries to pressure the consumer into agreeing to different, more expensive terms.
- Door-to-door salespeople pitching unsolicited home improvement loans.
- Mail and TV ads that claim "No job? No credit? No problem! We can qualify you for a home equity loan."
- Someone asks you to sign a document with blank spaces that may be filled in later.