

# MONEY MATTERS



## Brochure Offers Recommendations Before You Borrow

(NAPSA)—When you're shopping for a mortgage loan, whether it's to buy a new home or to improve an existing one, take the time to educate yourself first on the ins and outs of mortgage lending. A new, informative brochure may help you do just that.

The brochure, "Mortgage Loans," is geared primarily toward first-time homeowners, second mortgage holders and those refinancing a loan. Even veteran borrowers, however, may learn something from it as well.

Among the brochure's more important messages is this: "In the event you are unable to meet the monthly payment for the mortgage, the lender can foreclose and take your home."

There are worksheets to help consumers shop for the best mortgage deal and determine an affordable monthly mortgage payment. A glossary defines basic but important loan terms, such as annual percentage rate, finance charge, balloon payment and arbitration clause.

In addition, the brochure offers these recommendations:

- Don't sign a contract unless you have read it, had your questions answered and check to make sure all the blank spaces have been filled in.

- Make sure the loan payment and terms you were quoted agree with the loan payment and terms on your paperwork.

- Know your legal rights. For a refinanced loan, you have the right to cancel a credit transaction within three business days from the day the transaction is com-



**Take the time to educate yourself on the ins and outs of shopping for a mortgage loan.**

pleted or closed. For a home purchase, you have the right to change your mind on the mortgage loan at any time prior to the loan closing.

- Review and compare the terms offered by more than one lender.

- Remember that just because a lender is willing to make you a loan doesn't mean that it's the right loan for you.

The brochure's primary sponsors are the American Financial Services Association (AFSA) and the AFSA Education Foundation, the American Association of Residential Mortgage Regulators (AARMR) and the National Association of Consumer Credit Administrators (NACCA).

Consumers interested in a free copy of the "Mortgage Loans" brochure may call 1-888-400-2233 or send a self-addressed, stamped envelope to the AFSA Education Foundation, 919 18th Street, NW, Washington, DC 20006.