

Advance Fee Loans

When you need money, a promise to give you a loan or help you get one (even if you have a bad credit record) may seem like the answer to your prayers. But beware – it could be a crook trying to steal your money, not lend you money.

- **Don't pay upfront.** It's against the law for telemarketers to charge any fees in advance if they guarantee or claim that it's likely that they can help you get a loan.
- **Don't fall for promises that you'll get a loan regardless of your credit problems.** If you have poor credit or haven't established a good credit record yet, it's unlikely that anyone will lend you money. Your credit history is one of the main things that legitimate lenders use to decide if you are a good credit risk.
- **Do business with licensed companies.** Ask your state banking or finance department about the licensing requirements for lenders and loan brokers, and find out if the company has complied.
- **If you can't get a loan yourself, get a co-signer.** A friend or relative may be willing to apply with you for a loan. You will both be equally responsible for the payments.
- **Get all the costs and other details before you decide.** Shop around for the best loan rates and fees.
- **Have proof of what you were promised.** Get the agreement in writing or in an electronic form that you can use to document the deal.
- **If you have credit problems, get counseling.** Your local Consumer Credit Counseling Service (CCCS) can provide advice about how to build a good credit record. The CCCS may also be able to make payment plans with your creditors if you've fallen behind. These services are offered for free or at a very low cost. To find the nearest CCCS office, call toll-free, 800-388-2227, or go to www.nfcc.org.