



## Borrower Beware: How to Spot and Avoid Loan Scams

When seeking a loan, it's more important than ever to be cautious of scams that prey on those searching for financial assistance. In an era where financial transactions happen at the click of a button, securing a loan should be a safe and straightforward process. However, with the convenience of online transactions comes the risk of falling victim to elaborate scams designed to steal your personal information and hard-earned money. Here are some great tips to help you navigate the process and steer clear of potential loan scams.

- **Check the Credibility of Your Lender:** Never provide any personal or financial details until you've thoroughly vetted your lender. Legitimate lenders are registered and often have a physical office address you can verify online. Check for reviews and testimonials from other borrowers. If something feels off, trust your instincts, and walk away.
- **Be Skeptical of Too-Good-To-Be-True Offers:** If a loan offer sounds too good to be true, it probably is. Scammers often lure victims with promises of low interest rates or payments and guaranteed approval. Legitimate lenders assess your creditworthiness before approving loans, and interest rates are usually based on your credit score.
- **Be Cautious of Unsolicited Loan Offers:** Legitimate lenders don't typically reach out to individuals without prior inquiry. If you find yourself suddenly receiving loan offers via email, phone calls, or even text messages without any prior interaction with the lender, be extremely cautious. Never click any links or call any phone numbers provided in unsolicited messages.
- **Pay Attention to the Funding Process:** Legitimate lenders will NEVER ask you to provide access to online accounts so they can deposit loan proceeds on your behalf using services like mobile deposit. Another popular trend with scammers involves them emailing you images of a check, and then asking you to submit the deposit using these same services. In every instance, this is a scam designed to trick you into thinking you've received legitimate loan proceeds when you've really been given a bad check.
- **Secure Websites Only:** When dealing with any financial transactions online, ensure that the website is secure. Look for "https://" in the URL and a padlock symbol in the address bar. This indicates that your information is encrypted and protected.
- **Never Pay Upfront Fees:** Legitimate lenders usually deduct any fees you've incurred from the loan amount or include them in the repayment plan. Be wary of lenders asking you to pay upfront fees. It's not uncommon for scammers to request payments like this be sent in the form of gift cards, person to person transfers, or even cryptocurrency.
- **Verify Contact Information:** Legitimate lenders have clear contact information. Double-check email addresses, phone numbers, and physical addresses. If there's a lack of transparency or the information provided seems suspicious, reconsider the transaction.
- **Read the Terms and Conditions:** Understand the terms of the loan before committing. Legitimate lenders provide clear and detailed terms and conditions. If the document is unclear or filled with jargon, seek clarification. Never agree to anything you don't fully understand.
- **Trust Your Instincts:** If something feels off or too rushed, step back. Scammers often pressure victims to make hasty decisions. Take your time, ask questions, and only proceed when you feel confident in the legitimacy of the lender. If you're ever in doubt, reach out to someone you trust for help.