

Don't Borrow Trouble
February 18, 2005



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**DON'T BORROW TROUBLESM EDUCATION CAMPAIGN
TO PREVENT PREDATORY LENDING
LAUNCHED IN NORTHERN CALIFORNIA**
*Counseling service and help line is directed at consumers
who are likely to fall prey to financial abuse*

Sacramento, Calif. – A coalition of public and private participants launched a major public education campaign today aimed at preventing predatory lending and other financial abuses in Northern California.

The City and County of Sacramento, Freddie Mac (NYSE: FRE), and the Home Loan Counseling Center (HLCC) are major participants in the new *Don't Borrow TroubleSM Northern California* campaign which features an education and counseling service to help families avoid predatory lending scams such as exorbitant interest rates, excessive fees and pressuring tactics.



“Predatory lending practices attack the heart of our communities. These practices can strip away home equity and trap unwary borrowers in a dismal cycle that ultimately replaces homeownership with foreclosure,” said Craig Nickerson, vice president of Expanding Markets at Freddie Mac. “Don't Borrow Trouble is a proven method to help stop predatory lending and to keep families in their homes, building wealth and strengthening communities.”

Northern California's *Don't Borrow TroubleSM* Campaign is also a multimedia strategy aimed at low- and moderate-income families who are vulnerable to predatory lending. By combining advertising and face-to-face consumer education and housing counseling, the Campaign helps consumers avoid abusive lending practices. The City and County of Sacramento have become actively involved in anti-predatory lending activities.

“Predatory lending takes many insidious forms and has ruined the lives of people from all walks of life. The best way to avoid poor financial decisions is through education,” said Councilwoman Lauren Hammond, with the City of Sacramento. “That is why I support the *Don't Borrow Trouble* campaign.”

“Too often, our senior citizens and hard-working families fall victim to making the wrong choices when seeking a way to realize their homeownership dreams, or solve a short-term financial problem,” said Roger Dickinson Chair of the County Board of Supervisors for the County of Sacramento. “Unscrupulous lending practices and quick cash services not only overburden those who can least afford it; but these kinds of questionable financing options also drain the vitality from our communities. *Don't Borrow Trouble* is an important information resource for all Sacramento County residents to help them choose the right path toward a bright and secure future.”

Officials from the Sacramento Housing and Redevelopment Agency say this public-private partnership is essential to stopping financial abuse that most often involves the people that the Agency tries to help with homeownership—very low income and hard-working families.

“Homeownership is the one way that families can really find self-sufficiency and have a hope of achieving our American dream for themselves, and for their families and future generations,” said Executive Director Anne Moore. “But we also know how essential it is to strengthen communities because when you have homeowners you have leadership and commitment to the well-being of the community.”

Consumers are urged to call the Northern California Don't Borrow Trouble help line at (916) 646-2004 for advice before they get into financial difficulty when purchasing a home, refinancing, consolidating debt, or taking out a home equity loan. The help line is also a resource for those who find themselves currently in trouble with foreclosure. The Home Loan Counseling Center will provide training to community and faith-based organizations and other groups as a way to reach people who are most likely to need information and assistance.

“Helping individuals and families be successful in life and in owning their home is the mission of The Home Loan Counseling Center,” said Jennifer Harris, Executive Director. “The collective efforts of Don't Borrow Trouble reach even further within the community to stop abusive lending practices through education and outreach. HLCC is pleased to play a lead role in this critical initiative.”

Organizations participating in the campaign are Wells Fargo Bank, U.S. Bank, River City Bank, American River Bank, Washington Mutual Bank, Sacramento Housing and Redevelopment Agency, Human Rights Fair Housing, Legal Services of Northern California and USC Credit Union.

Pioneered in Boston by Mayor Thomas M. Menino and the Massachusetts Community and Banking Council, Freddie Mac is the principal sponsor of the program's expansion

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throughout the United States. Freddie Mac has brought the Don't Borrow Trouble campaign to more than 36 locations, and has received more than 30,000 inquiries to the Campaigns' help line.

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SHRA (www.shra.org) is a Joint Powers Authority created by the City and County of Sacramento to represent both jurisdictions for affordable housing and community redevelopment needs. SHRA oversees residential and commercial revitalization activities in 13 redevelopment areas throughout the City and County. The Agency is the leading public developer of affordable housing. SHRA has a FY 2005 budget of \$222 million and approximately 325 employees. The Agency approximately 3,200 units of public housing and is one of the largest landlords in Sacramento. SHRA also administers about 11,000 rental assisted vouchers per month.