

Consumer **ALERT**



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

Don't Pay Up Front to Borrow Holiday Cash

With the holiday season in full swing, many Texans might encounter advertisements promising instant cash loans. Consumers should avoid loan offers that require up-front payments for “taxes” or “processing fees.” Legitimate lenders never ask borrowers to pay money up-front in order to obtain a loan.

Posing as legitimate loan offers, these slick loan promotions often appear online, in newspaper classified ads or on flyers. Some scammers provide a toll-free number for borrowers to call and supposedly speak with someone who claims to be a reputable bank representative. Other con artists send official-looking correspondence guaranteeing a loan for hundreds or even thousands of dollars at a reasonable interest rate.

In both schemes, borrowers are instructed to wire several hundred dollars in advance to cover the loans' taxes or processing charges. Once consumers send the money, they never hear from the scam artist again.

Many of these schemes give the impression that they are based in the United States. Often, they provide “confirmation” correspondence with a return address in this country. The unfortunate reality is that most scammers are based abroad and use stolen or disposable cell phones that cannot be traced. The correspondence addresses are either nonexistent or anonymous drop boxes. Once money is wired to the scammers, they are able to pick it up from any of thousands of locations around the world, with little chance of being caught.

Consumers who need extra cash over the holidays should consider approaching local lenders to discuss their options in person. Borrowers should also carefully protect their personal information, especially Social Security and bank account numbers. While reputable lenders typically require Social Security numbers and other information to conduct credit checks on a borrower, scam artists often obtain victims' personal information to perpetrate identity theft.

**WRITE TO: Greg Abbott, Office of the Attorney General, PO Box 12548,
Austin, TX 78711-2548 • (800) 252-8011 • www.oag.state.tx.us**

Texans can verify they are dealing with a legitimate, properly licensed organization by contacting the Texas Department of Banking toll-free at (877) 276-5554 or online at www.banking.state.tx.us.

To report an advance fee scam or to obtain additional information, call the Office of the Attorney General at (800) 252-8011 or visit us online at www.oag.state.tx.us.

Sincerely,

A handwritten signature in black ink that reads "Greg Abbott". The signature is written in a cursive, flowing style.

Greg Abbott
Attorney General of Texas

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