

Fast Facts & Financial Resources from the BCFP

Office of Financial Protection for Older Americans | August 30, 2018



Disclaimer

This presentation is being made by a Bureau of Consumer Financial Protection representative on behalf of the Bureau. It does not constitute legal interpretation, guidance or advice of the Bureau of Consumer Financial Protection.

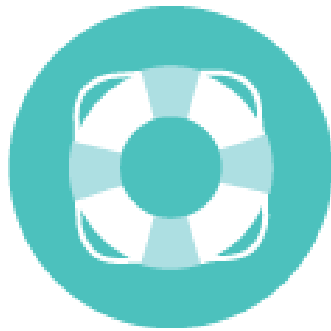
Any opinions or views stated by the presenter are the presenter's own and may not represent the Bureau's views.

About the Bureau

The Bureau of Consumer Financial Protection (Bureau) regulates the offering and provision of consumer financial products and services under the Federal consumer financial laws, and educates and empowers consumers to make better informed financial decisions.

Office of Financial Protection for Older Americans

We develop initiatives, tools, and resources to:



help protect older consumers
from financial harm



help older consumers
make sound financial
decisions as they age

Learn more about us at consumerfinance.gov/older-americans

Elder financial exploitation

The Bureau's resources

Elder Financial Exploitation

- **Definition:** Illegal or improper use of an older adult's funds, property, or assets*
- **Frequency:** Most common form of elder abuse (only a small fraction of incidents reported)
- **Perpetrators:** Anyone; can include family, caregivers, scammers, financial advisers, home repair contractors, fiduciaries, etc.
- **Attractive targets:** Significant assets or home equity
- **Vulnerabilities:** Isolation, cognitive decline, physical disability, health problems, or recent loss

Money Smart for Older Adults

- An awareness program developed in collaboration with the FDIC.
- Content on common issues facing seniors, including how to identify a potential scam or fraud and other forms of exploitation
- Instructor-led curriculum
- Resource Guide available in bulk at no charge
- Content updated March 2017
- Available in English and Spanish



Curricula Components

- The **Instructor Guide** is fully scripted enabling professionals from many disciplines to begin teaching the module right away.
- The **Resource Guide** is designed to support classroom instruction by providing key takeaways and can also be distributed to older persons and others on its own.
- The **PowerPoint** presentation that supplements classroom instruction.

MSOA Topics

- **Common Types of Financial Exploitation**
- **Scams that Target Homeowners**
- **Scams Targeting Veterans**
- **Planning for Unexpected Life Events**
- **How to Be Financially Prepared for Disasters**

Examples of Elder Financial Exploitation



Exploitation by an agent under a POA or person in another fiduciary relationship



Investment fraud and scams



Theft of money or property by family members, caregivers, or in-home helpers

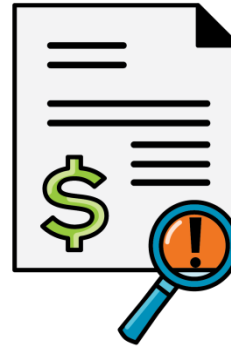


Lottery and sweepstakes scams

Examples of Financial Exploitation (cont.)



Grandparent/
Imposter scams



Tax and debt
collection scams



Charity scams



Telemarketer,
mail offer or
salesperson scams

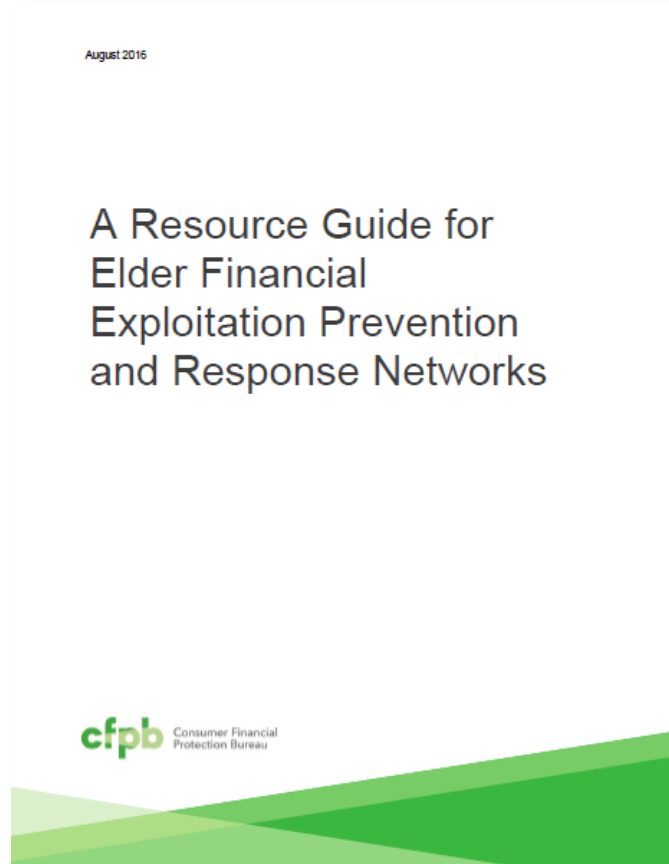
Supporting elder financial exploitation prevention and response networks



The Bureau’s Office of Financial Protection for Older Americans studied the benefits of community networks nationwide that bring together key partners like law enforcement, financial institutions, and adult protective services to protect seniors from financial exploitation.

- The Bureau released a report based on this study, *Fighting Elder Financial Exploitation through Community Networks*.
- The Bureau embarked on an outreach initiative called the Community Protection Networks Project (CPNP) to “seed” the formation of new networks where none exist and help those that are functioning to grow in size or scope and/or enhance their impact.

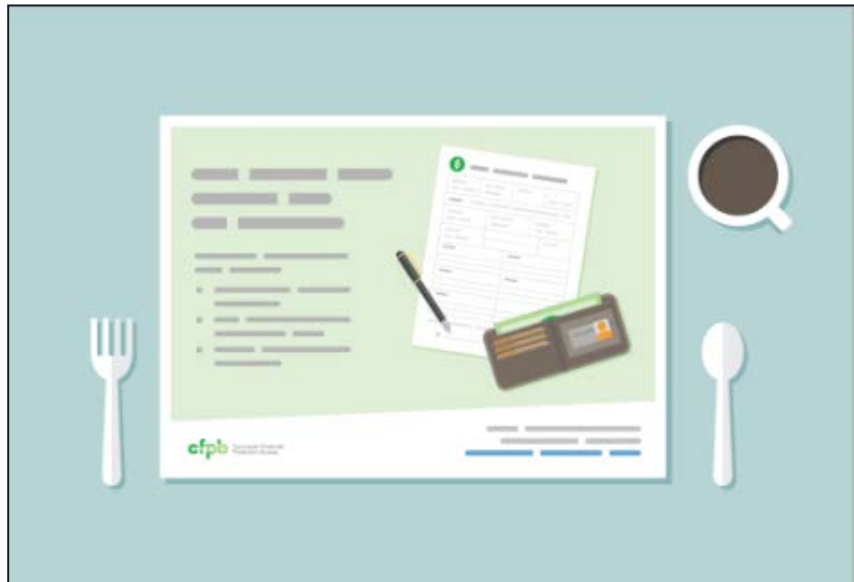
A resource guide for elder financial exploitation prevention and response networks



Tips and resources on:

- Steps for starting a network
- Sustainability
- Traits of successful network coordinators
- Organizing effective meetings
- Education and case review

Consumer Protection Placemats



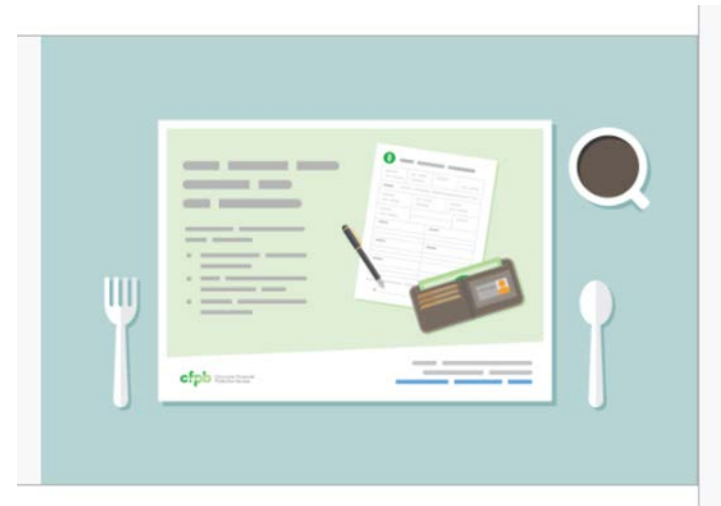
- 1.2+ million ordered
- 9 in English, 5 in Spanish
- Ordered by:
 - ✓ Meal sites
 - ✓ Banks & credit unions
 - ✓ Native communities
 - ✓ Area agencies on aging
 - ✓ Libraries
 - ✓ Other non-profits.

[Consumerfinance.gov/placemats](https://consumerfinance.gov/placemats)

Fraud Prevention Placemats

- ❑ Paper placemats include information to help older adults avoid common financial scams.
- ❑ Placemats can be used at group meal sites, or by community or faith-based organizations, financial institutions, and other groups in a variety of ways.
- ❑ Check out the companion resource with tips and information to reinforce the messages on the placemats.
- ❑ Placemats are free to download or order in bulk.

Visit consumerfinance.gov/placemats



Companion toolkit



Result of user testing: Game placemats



Spot scams from a mile away.

Find these five common scam types:

- fraud
- contractor
- free lunch
- identity theft
- tech support

Answers on back!

p	h	n	f	f	m	j	p	i	e	r	b	c	a	s	c	l	d	t
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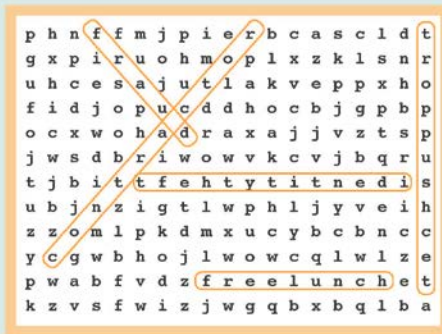
cfpb Consumer Financial Protection Bureau

 An official publication of the U.S. Government

Result of user testing: Game placemats

Scams can hide in plain sight, learn how to spot them.

Answers:



Fraud: When someone tricks you into giving up your money.

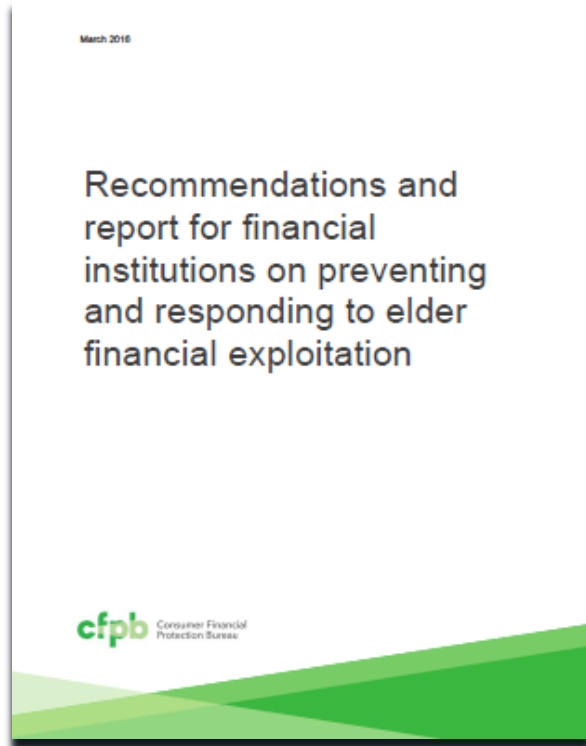
Contractor scam: If someone knocks on your door with an offer to work on your home at a discount, it could be a scam. Often these scam artists charge more than their quoted prices or their work doesn't live up to their promises.

Free lunch: You are invited to hear a pitch for an investment in exchange for a free meal. You will likely get pressured to participate. Remember, if it sounds too good to be true, it probably is.

Identity theft: When credit cards or bank accounts are opened in your name without your permission. Check bank and credit card statements, and your credit report on a regular basis.

Tech support scam: When scammers pretend to be techs who have detected viruses or other malware on your computer. They may try to convince you to buy fake security software, giving them access to your credit card number. Don't give out financial information on an unsolicited call.

Working with financial institutions to protect older account holders



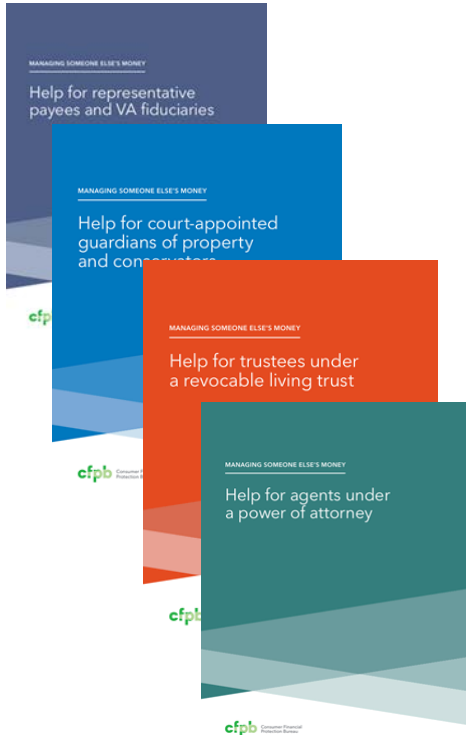
Voluntary recommendations for financial institutions:

- Train staff to recognize abuse
- Use fraud detection technologies
- Offer age-friendly services
- Report suspicious activity to authorities

Financial caregivers

The Bureau's guides

Managing Someone Else's Money guides



- Help for financial caregivers handling the finances for a family member or friend who is incapacitated
- Guides for four common types of financial caregivers:
 - Agents under a Power of attorney
 - Guardians and conservators
 - Trustees
 - Social Security and Department of Veterans Affairs (VA) representatives
- Includes tips on protecting assets from fraud and scams.
- Available in English and Spanish

Reverse mortgages

What are they?

What is a reverse mortgage?



<https://www.youtube.com/watch?v=L89d3faoFGw>

Reverse Mortgage Resources

Guides that answer common questions

Considering a reverse mortgage guide

CONSIDERING A REVERSE MORTGAGE?

Proceed with caution

- 1 Don't sign the loan documents unless you understand how a reverse mortgage works.
- 2 Know your options – you may have a better choice.
- 3 Have a serious talk with a federally approved housing counselor who specializes in reverse mortgages.

What is a reverse mortgage?

A reverse mortgage is a special type of home equity loan sold to homeowners aged 62 and older. The loan allows homeowners to access a portion of their home equity as cash. In a reverse mortgage, interest is added to the loan balance each month, and the balance grows.

The loan must be repaid when the last borrower, co-borrower or eligible spouse sells the home, moves out of the home, or dies. Most reverse mortgages today are called Home Equity Conversion Mortgages (HECMs). HECMs are federally insured. If you are interested in a reverse mortgage, first see a HECM counselor.

How does a reverse mortgage work?

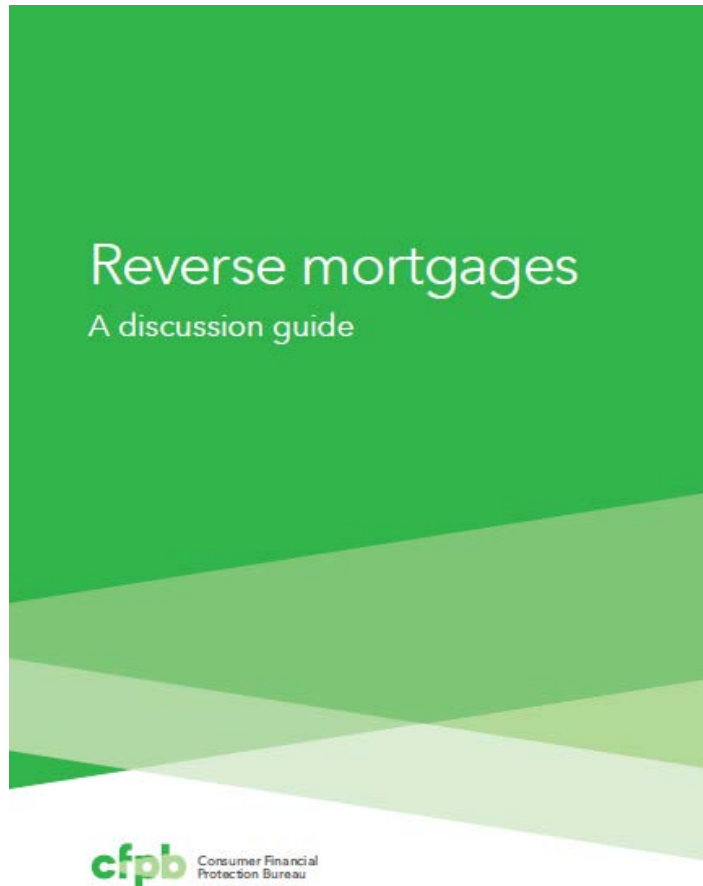
After years of paying down your mortgage, you have built up equity (the amount your property is worth today minus the amount you owe on your mortgage and any home equity loan or line of credit) in your home. With a reverse mortgage, you borrow against your equity.

The loan balance grows over time. You don't have to pay back the loan while you or an eligible spouse live in the home, but you still have to pay taxes, insurance, and maintain the home.

When both you and any eligible spouse have passed away or moved out of the home, the loan must be paid off. Most people need to sell their home to pay off the loan. But, neither you nor your heirs will have to pay back more than your home is worth.

- Short plain-language guide on what is a reverse mortgage and how it works.
- Discusses some of the things to consider before borrowing a reverse mortgage loan.

Reverse Mortgage Discussion Guide



- A more in-depth guide for consumers considering a reverse mortgages.
- A tool that a housing counselor can use to walk consumers through the reverse mortgage product.

Aging in place - blog




A growing number of businesses are increasingly using the phrase aging in place to market financial products and services to homeowners in the baby boom generation.

The blog provides a list of things to consider if you're thinking about aging in place in your current home.

Read more at: consumerfinance.gov/about-us/blog/dont-let-marketers-tell-you-how-age-place/

Ask CFPB – to find answers to your questions on reverse mortgages

consumerfinance.gov/askcfpb



Ask CFPB

We offer clear, impartial answers to hundreds of financial questions. Find the information you need to make more informed choices about your money.

- Auto loans**
 - What effect will shopping for an auto loan have on my credit? [Read answer](#)
 - I owe more on my current loan than my current vehicle is worth. What do I need to know if I buy a new vehicle? [Read answer](#)
- Bank accounts and services**
 - How quickly can I get money after I deposit a check? [Read answer](#)
 - I would like to be able to have my friend or family member help with my bill-paying and banking. What are my options? [Read answer](#)
- Credit cards**
 - What is a credit card interest rate? What does APR mean? [Read answer](#)
 - How do I dispute a charge on my credit card bill? [Read answer](#)

[See all credit cards questions](#)

Complaints

The Bureau's Complaint Process

Office of Consumer Response



- “Collecting, investigating, and responding to consumer complaints” is one of the six statutory “primary functions” of the Bureau.¹

¹ 12 U.S.C. 5511(c)(2).

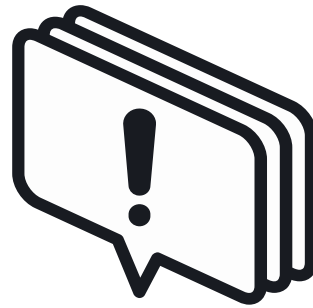
² 12 U.S.C. 5493(b)(3)(A).

Office of Consumer Response



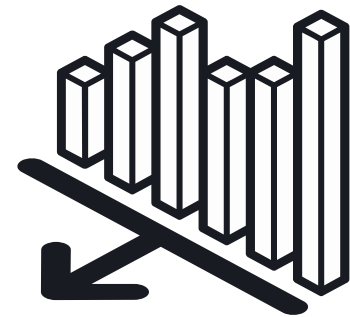
Answer
questions

20K+
telephone calls
per month



Handle
complaints

29K+
complaints
per month



Analyze and
share data

Office of Consumer Response

As of **June 30, 2018**, we've handled over **1, 578,700** complaints about the following consumer financial products and services:

Debt collection

Credit reporting, credit repair services, or other personal consumer reports

Mortgage

Credit card or prepaid card

Checking or savings account

Vehicle loan or lease

Student loan

Payday loan, title loan, or personal loan (installment loan or personal line of credit)

Money transfer, virtual currency, or money service (check cashing service, currency exchange, cashier's/traveler's check)

Bureau Resources

- Visit us: consumerfinance.gov/olderamericans
 - Join our mailing list for news and updates on resources
 - Order materials in bulk
 - Contact us olderamericans@cfpb.gov