



Preventing Elder Financial Exploitation: Tips & Tools



Consumer Financial
Protection Bureau

Presented on behalf of U.S. Department of Housing and Urban Development
Office of Housing Counseling

**Audio is only available by
conference call**

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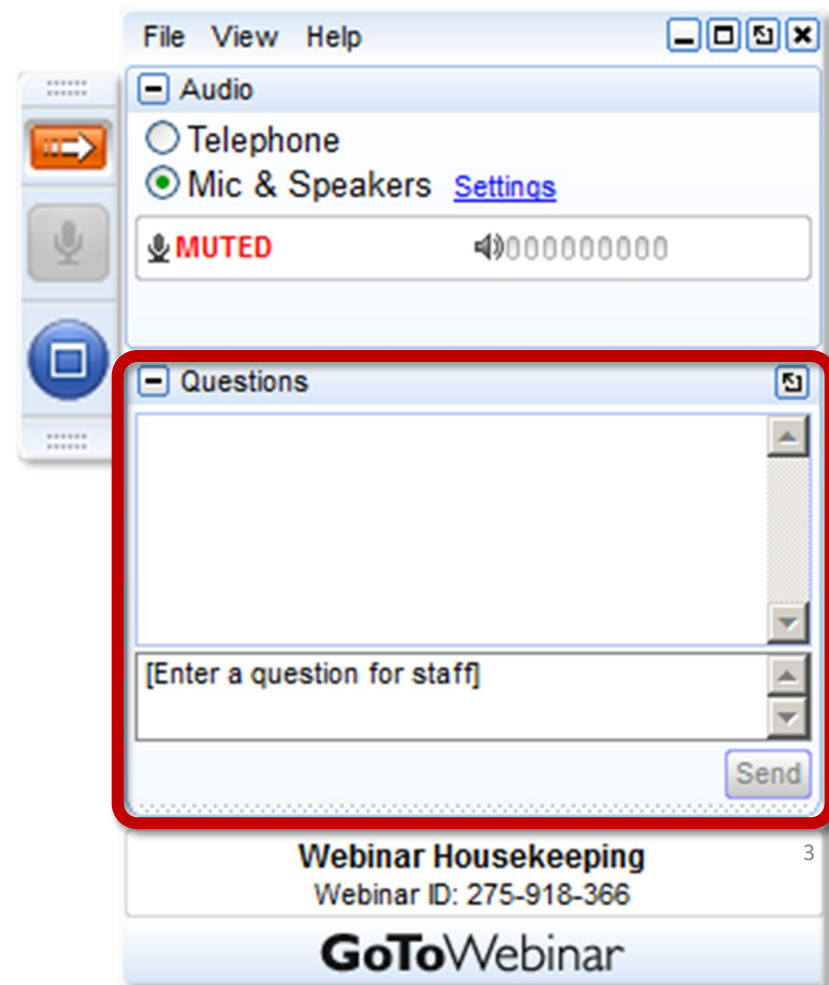
May 4, 2021

Webinar Logistics

- Audio is being recorded. The playback number along with the PowerPoint & a transcript will be available on the [HUD Exchange](#).
- The webinar will be posted in 7-10 days.
- Handouts were sent out prior to webinar. They are also available in the Control Panel. Click on the document name to start the download.

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housing.counseling@hud.gov
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Introduction

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HUD Office of Housing Counseling (OHC)

Preventing Elder Financial Exploitation: Tips & Tools

CFPB Office for Older Americans



Disclaimer

This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance or advice of the Consumer Financial Protection Bureau. Any opinions or views stated by the presenter are the presenter's own and may not represent the Bureau's views.

Our Mission

The Consumer Financial Protection Bureau (CFPB) is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives.

Office for Older Americans

The Office for Older Americans (OA) develops initiatives, tools, and resources to:

- Help protect older consumers from financial harm
- Help older consumers make sound financial decisions as they age

What is elder financial exploitation?

- Fraudulent or otherwise illegal, unauthorized, or improper act or process of an individual that uses the resources of an older person for personal benefit, profit or gain
- Actions that result in depriving an older person of rightful access to, or use of benefits, resources, belongings, or assets

Examples of 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



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Examples of financial exploitation (cont.)



Grandparent/
Imposter scams



Tax and debt
collection scams



Fake charity
scams



Telemarketer, mail
offer or
salesperson
scams

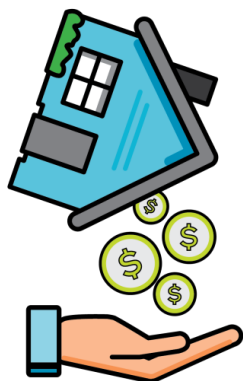
Examples of financial exploitation (cont.)



Telephone,
computer, and
internet scams



Identity theft



Reverse
mortgage fraud



Contractor fraud
and home
improvement
scams



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Who is at risk?

- Anyone can be the victim of financial exploitation
- Elder financial exploitation crosses all social, educational, and economic boundaries

Why are some older adults at risk?

Some older adults may:

- Have regular income and accumulated assets
- Experience social isolation
- Be vulnerable due to grief from a loss
- Be reluctant to report exploitation by a family member, caregiver, or someone they depend on



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Who could be causing the harm?

- Someone known to the older person
 - Family members and caregivers
 - Friends, neighbors or acquaintances
 - Agents under a power of attorney
 - Financial professionals
- Strangers
 - Scammers of all types

Why don't some older adults report financial exploitation or abuse?

- Shame and embarrassment
- Loyalty to family member or caregiver
- Fear of retaliation or not being believed
- Dependence on the harm-doer
- Denial or self-blame
- Lack of awareness



How to spot potential financial abuse

Look out for these common signs:

- An older adult says money or property is missing
- An older adult seems afraid of or uncomfortable around a relative, caregiver, or friend
- You notice sudden changes in an older adult's spending or savings habits
- An older adult is not paying their usual bills

What you can do to help

Adult Protective Services

To report elder abuse, contact Adult Protective Services.

Find contact information at eldercare.acl.gov or call 1-800-677-1116.

Local Law Enforcement / 911

If someone is in danger or you believe a crime has been committed, contact the police.

Resources for financial abuse cases

Scams

- Report scams to the FTC at ftc.gov/complaint

Mail Fraud

- Report mail fraud to the U.S. Postal Inspection Service at usps.gov

Submitting a complaint to CFPB

- ❑ Mortgages
- ❑ Student loans
- ❑ Payday loans
- ❑ Auto loans or leases
- ❑ Checking and savings accounts
- ❑ Credit cards and prepaid cards
- ❑ Credit reporting
- ❑ Debt collection
- ❑ Money transfers
- ❑ Check cashing services

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

Reverse mortgage guides

- **Considering A Reverse Mortgage Guide** – Explains the basics of reverse mortgages.
- **Reverse Mortgage Discussion Guide** – Provides an overview of key concepts of HECM loans for older homeowners considering a reverse mortgage.
- **You Have A Reverse Mortgage: Know Your Rights & Responsibilities** – Explains ongoing responsibilities for older homeowners who have a reverse mortgage.
- **The Reverse Mortgage Borrowers Guide to Natural Disasters** – Highlights ways reverse mortgage borrowers can meet their loan obligations while recovering from a natural disaster.



Planning for diminished capacity and illness

CONSUMER ADVISORY AND INVESTOR BULLETIN | JUNE 2015

Planning for diminished capacity and illness

"Diminished financial capacity" is a term used to describe a decline in a person's ability to manage money and financial assets to serve his or her best interests, including the inability to understand the consequences of investment decisions.

While the inability to manage one's money is clearly a problem in itself, when people of any age lose the capability to manage their finances, they may also become more vulnerable to investment fraud and other forms of financial abuse.

Preparing for your own financial future: Hope for the best, but plan for the worst

Losing the ability to manage your finances may be something you'd rather not think about. We often think about our financial capabilities, like our ability to drive, as an important measure of our independence. But planning ahead may help you

stay in control of your finances, even if diminished financial capacity becomes a serious problem. Taking the steps listed below now may help avoid or minimize problems for you and your family.

Organize your important documents

Organize and store important documents in a safe, easily accessible location. That way, they are readily available in an emergency. Give copies to trusted loved ones or let them know where to find the documents. Typically, the following documents will be most relevant to your finances:

- **Bank and brokerage statements and account information.** Make a list of your accounts with account numbers. Keep a separate list of online bank and brokerage passwords and PINs and keep the lists in a safe place. In addition, make a list of the locations of your safe-deposit boxes, including where the keys to the safe-deposit boxes are located. Also, keep your recent bank and brokerage statements available, as well as information about how to get those statements online if you access them electronically.
- **Mortgage and credit information.** Make a list of your debts and regular payments, with account numbers and names of the financial institutions that issued the loans or credit cards.

The SEC's Office of Investor Education and Advocacy and the CFPB's Office for Older Americans are issuing this bulletin to help investors and consumers understand the potential impact of diminished capacity on their ability to make financial decisions and to encourage investors and consumers to plan for possible diminished financial capacity well before it happens.



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- CFPB and SEC consumer advisory, [Planning for diminished capacity](#)
- Planning ahead may help you stay in control of your finances
- Powers of attorney and trusts are options that can help you plan for the future

Guides to help consumers make informed decisions

The guides cover topics such as:

- Reverse mortgages
- Financial advisers
- Pension lump-sum offers

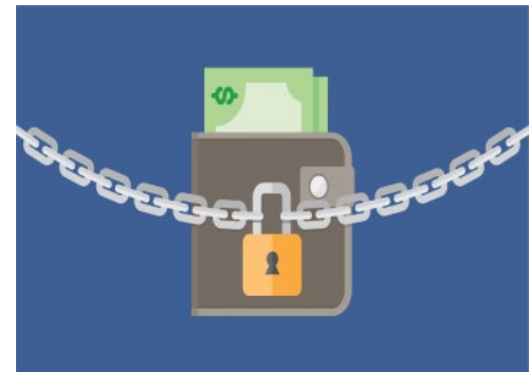
The guides list important questions to ask and where to go for help.



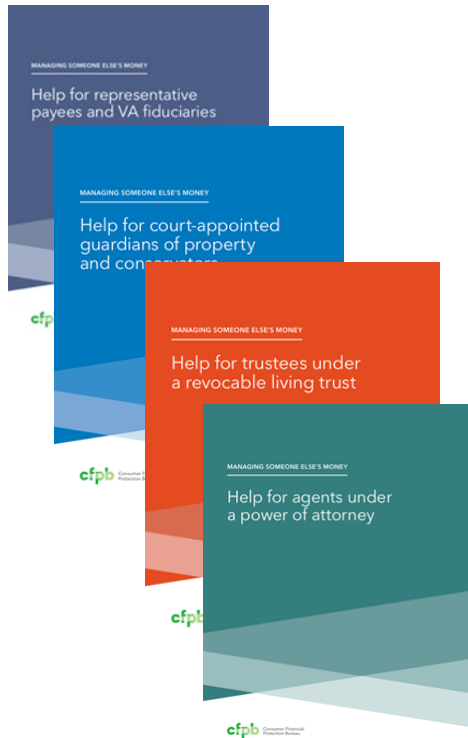
Tips and advice for older consumers

Consumer advisories:

- Preparing your spouse to manage family finances
- Asset recovery scams
- Co-signing student loans
- Taking a pension advance
- Dealing with medical debt
- Planning for diminished capacity
- Recognizing misleading claims in reverse mortgage advertising
- Responding to debt collectors' threats of garnishing Social Security benefits



Managing Someone Else's Money



- 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
- <https://www.consumerfinance.gov/consumer-tools/managing-someone-elses-money/>

What is a Fiduciary?

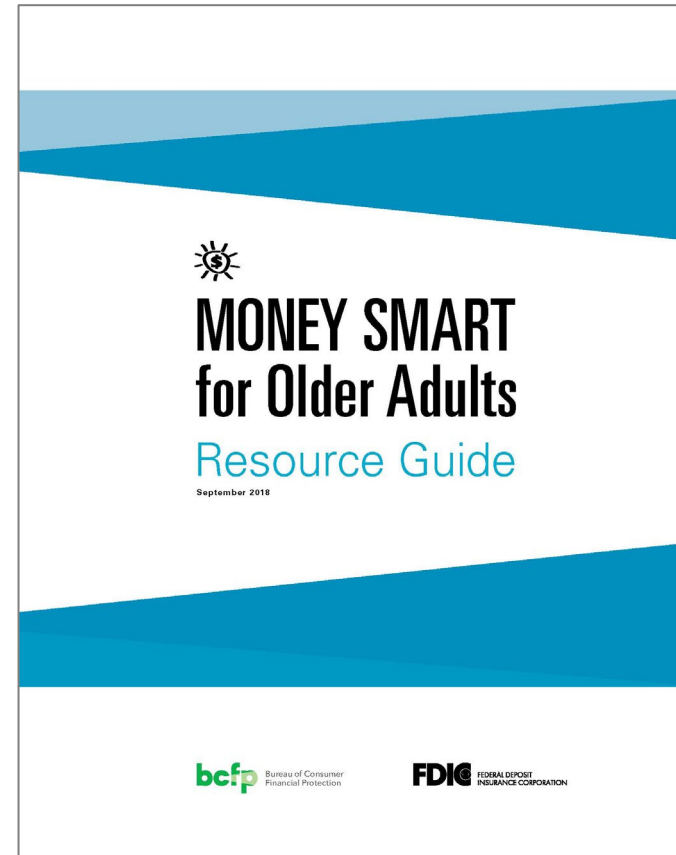
Since you have been named to manage money or property for someone else, you are a **fiduciary**. The law requires you to manage Martina's money and property for her benefit, not yours. It does not matter if you were managing a lot of money or a little. It does not matter if you are a family member or not.

The role of a fiduciary carries with it legal responsibilities. When you act as a fiduciary for Martina, you have four basic duties that you must keep in mind:

1. Act only in Martina's best interest.
2. Manage Martina's money and property carefully.
3. Keep Martina's money and property separate from yours.
4. Keep good records.

Money Smart for Older Adults

- An awareness program developed in collaboration with the FDIC
- Identify scams, fraud and other forms of exploitation
- Instructor guides available for download
- Resource guide available in bulk at no charge
- Available in English and Spanish



IRS Telephone Scam

- According to the Internal Revenue Service (IRS), in this telephone scam, a scammer calls telling the consumer that he or she must immediately pay taxes that are owed. In some cases, the scammers target immigrants, who are told that if they don't pay the tax bill or otherwise follow instructions, they will face serious consequences, such as arrest and deportation, or the IRS could shut off their utilities, or revoke their driver's licenses. Callers are frequently insulting or hostile to scare their potential victims.
- These scammers frequently tell potential victims that they are entitled to big refunds, or that they owe money that must be paid immediately to the IRS. When unsuccessful, they often call back trying new strategies.

IRS TELEPHONE SCAM (cont.)



The IRS **always sends** a written notification by the U.S. mail



The IRS **never asks for** payment or credit card information over the phone



The IRS **never requests** personal or financial information via email

Money Smart for Older Adults

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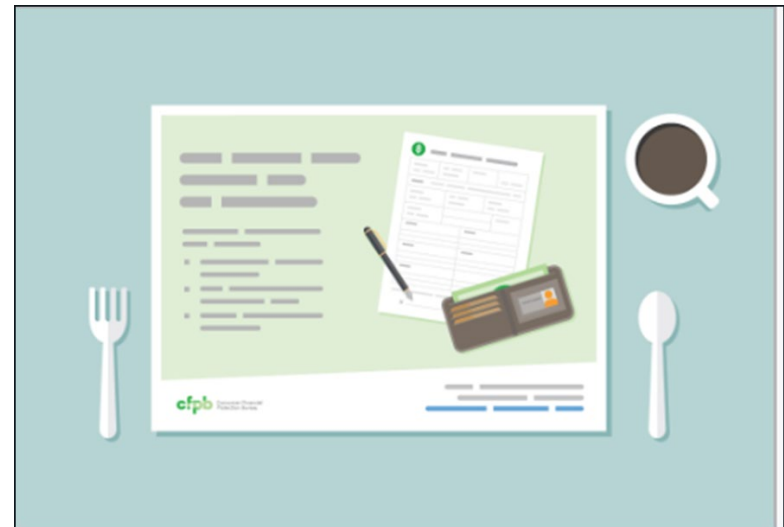
ACTIVITY 3: Identity Theft Self-Check

Review each response on the list and indicate whether you perform this action always, sometimes, or never. Then, tally your score and see how well you are taking measures to avoid identity theft.

	Always 2 points	Sometimes 1 point	Never 0 points
1. Cover or block the Point of Service (POS)/ATM keypad when I enter my PIN			
2. Carry only the identification, checks, credit cards, or debit cards I really need			
3. Use direct deposit for paychecks, tax refunds, benefits payments, etc.			
4. Shred documents with personal/financial information before disposing of/recycling them			
5. Use complex passwords with a mix of numbers, symbols, and letters instead of easily guessed words			

Fraud prevention materials

- Fraud prevention placemats, posters, bookmarks, table tents, and activity sheets
- Companion resources with tips to reinforce the messages
- Available to download or order in bulk for free
- Available in English & Spanish



Spot scams from a mile away.

Find these five common scam types:

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

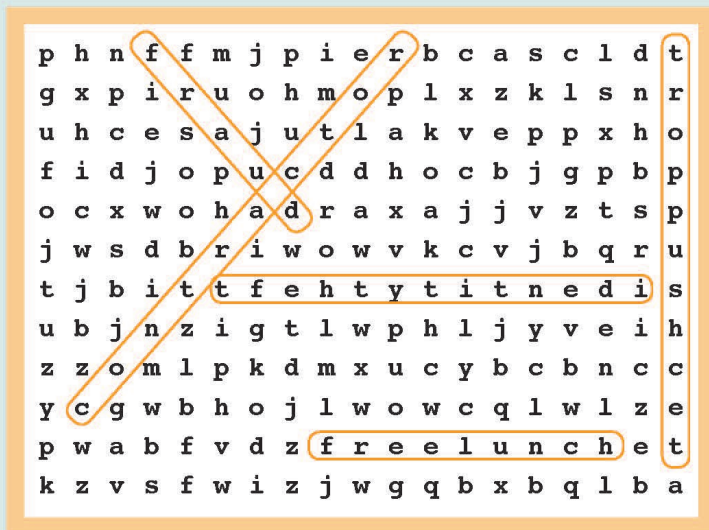


 Answers on back!



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.

No deje que le roben el corazón, y su billetera.

Una estafa “romántica” es cuando alguien le dice que le ama, pero lo que realmente quiere es su dinero. A veces, puede que ni siquiera sea quien dice ser.



Preste atención a estas señales de advertencia:

- Su nuevo amor vive lejos y le pide que le envíe dinero o que comparta su número de tarjeta de crédito (aún si le promete que se lo devolverá).
- Su nuevo amor le pide que firme un documento para entregarle el control sobre sus finanzas o su casa.
- Su nuevo amor le pide que abra una nueva cuenta conjunta o que firme un préstamo con él o ella como codeudor.
- Su nuevo amor le pide acceso a sus cuentas bancarias o de tarjetas de crédito.

Denuncie las estafas románticas a la policía, o en línea en [FTC.gov/complaint](https://www.ftc.gov/complaint).

What is an Elder Fraud Prevention and Response Network?



A sustained, and largely voluntary, collaborative effort or partnership that works to prevent, detect, and/or respond to elder financial exploitation.

consumerfinance.gov/eldernetworks



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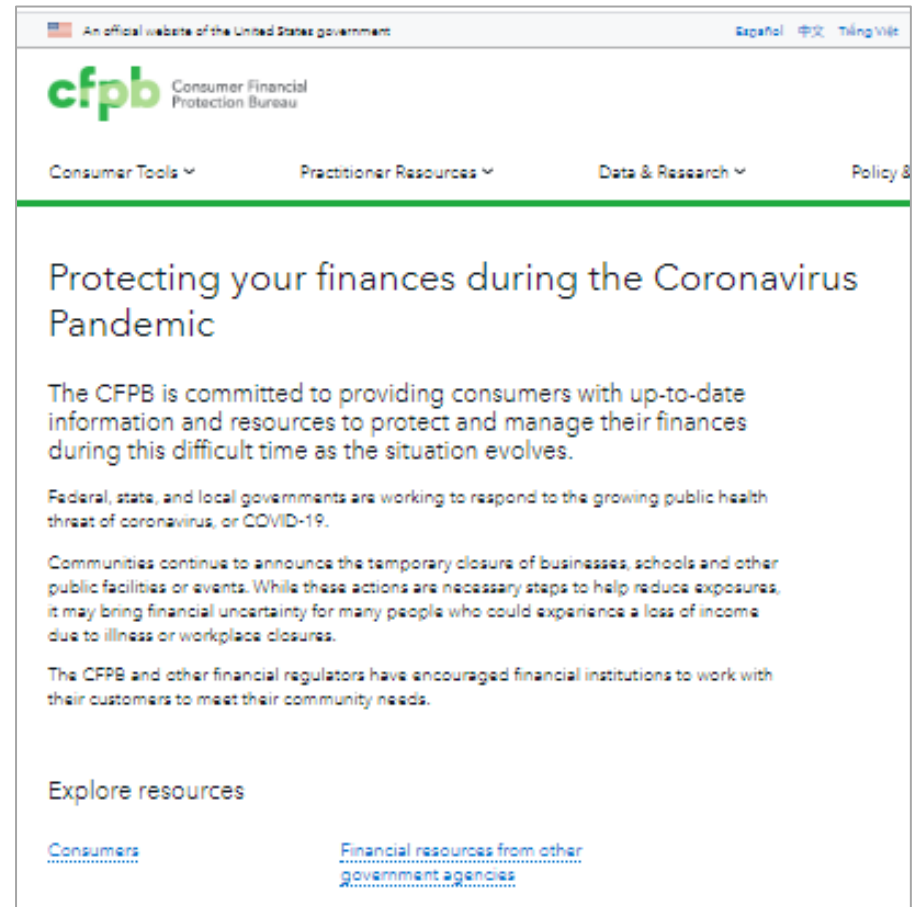
Connect your community's efforts to prevent and respond to elder financial exploitation

Use our resources to help you build an elder
fraud prevention and response network



Hub for critical coronavirus content

- Central hub at consumerfinance.gov/coronavirus
- Resources in English, Spanish, Chinese, Vietnamese, Korean, Tagalog
- Check back for updates



Content topics and themes

- Protect yourself financially
- Submit a complaint if you are having a problem with a financial product or service
- Protecting your credit
- Tips for financial caregivers
- Dealing with debt: Tips to help ease the impact
- Student loan repayment
- Be aware of scams
- Mortgage relief options
- A guide to COVID-19 economic stimulus relief

For a full list of topics visit:
consumerfinance.gov/coronavirus

Ask CFPB: find answers to your questions

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](#)

Contact Us

Consumer Financial Protection Bureau
Office for Older Americans

Website: consumerfinance.gov/olderamericans

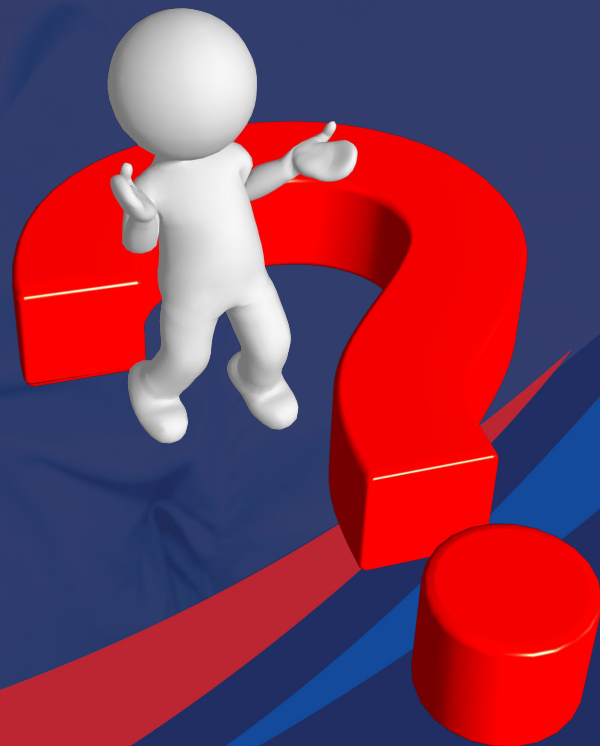
Email: olderamericans@cfpb.gov



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Questions



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- Webinar materials will be posted on the HUD Exchange in the [Webinar Archive](#)
 - Find by date or by topic
- To obtain credit
 - select the webinar, & click “Get Credit for this Training”

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If you have attended or completed this training, select the button below in order to get credit and add the course to your transcript.

Get Credit

Housing Counseling Training Digest

- [Visit the Training Digest on the HUD Exchange](#)
- View upcoming training hosted by HUD & other partners



Housing Counseling Weekly Training Digest

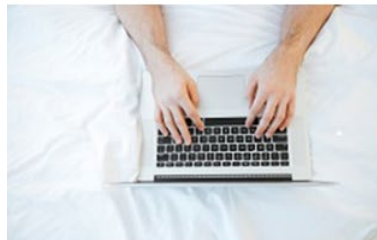
The Housing Counseling Training Digest is updated weekly to reflect trainings hosted by:

- HUD Office of Housing Counseling (OHC)
- OHC funded training partners
- Other partners that host trainings of interest to housing counselors

Please email housing.counseling@hud.gov to notify HUD about upcoming training and events for housing counselors.

Content current as of November 16, 2020

[Subscribe to the Housing Counseling Mailing List](#) to receive training updates in your inbox.



Upcoming Training Calendar

View upcoming trainings for Housing Counseling and other HUD funded programs.



Webinar Archive

View past webinars hosted by the Office of Housing Counseling and access related materials.



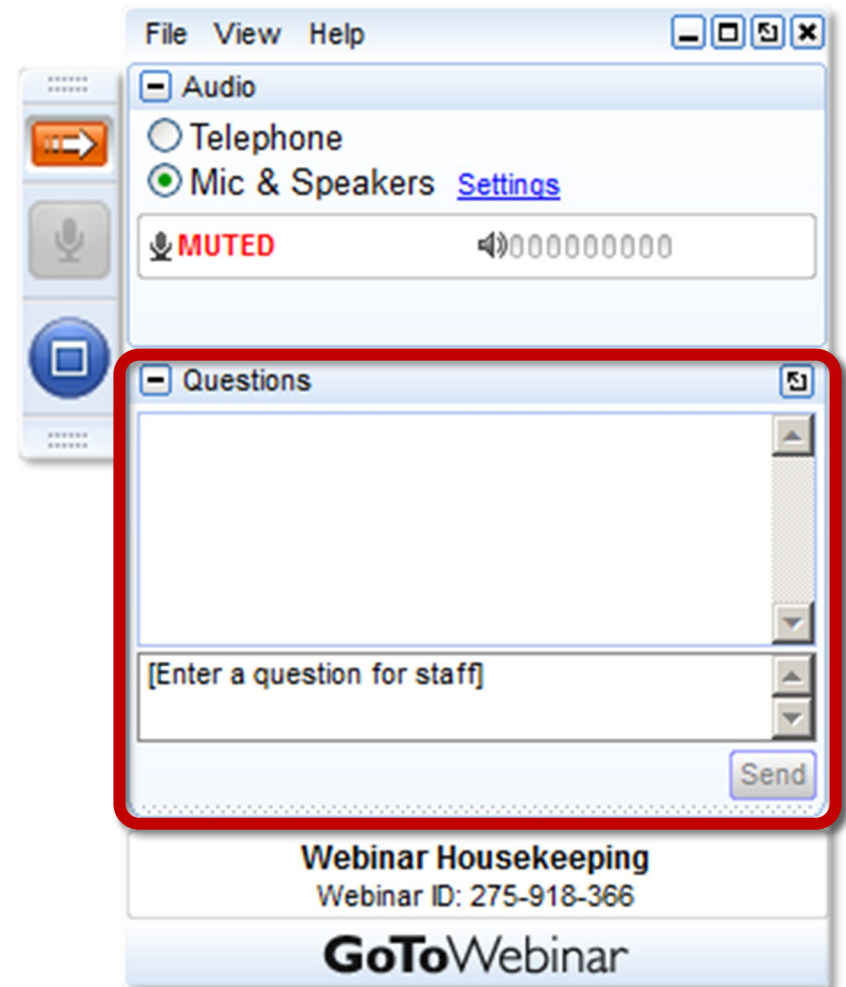
Online Training

Access self-paced online training modules, such as Introduction to Housing Counseling.

Before You Go

Please give us feedback in the Question Box

- Was this webinar useful to you? To your clients?
- Will you share the information with your co-workers?
- Any other comments?



Office of Housing Counseling



Find us at:

www.hudexchange.info/counseling

Counselor Training and Testing website:

www.hudhousingcounselors.com

Email us at:

housing.counseling@hud.gov

The Bridge:

<https://www.hudexchange.info/programs/housing-counseling/the-bridge/>



Thank You for
Attending!