

WISER/NAPSA: *Just The Facts*
Senior Financial Abuse

Deed Theft and Foreclosure Rescue Scams



Introduction

Senior financial abuse scams are a multi-billion dollar "industry." The victims of these scams are not only older people, but also their families, their financial institutions, taxpayers and all who provide services and financial assistance to the victims. Many consider these financial scams as the crime of the 21st Century. According to a 2011 study by the MetLife Mature Market Institute, the estimated annual financial loss from Senior financial abuse was 2.9 billion dollars, based just on the cases which made it into the media. The study does not include pain and suffering, nor the tens of billions spent on indirect costs for medical care, social services, legal costs, or losses in income and assets.

Older adults control the majority of wealth in the country, but all seniors regardless of income are at risk. Abuse may be perpetuated by anyone - a professional con artist, paid caregiver, stranger or casual acquaintance, or even a son, daughter, or other family member.

The following factors contribute to the prevalence of senior financial abuse:

- A high percentage of seniors live alone and may be more vulnerable to scams.
- Seniors may be more trusting, believing the "pitches" they hear, and may have trouble spotting fraud.
- Seniors have a relatively high net worth.
- The population of seniors is increasing, providing a continuous source of wealth for financial abusers.

We can help to eliminate this abuse by finding the most effective ways to prevent and respond to the problem. Education and awareness are two key strategies. This fact sheet looks at deed theft and foreclosure rescue scams, and provides resources to keep seniors from falling victim to these financial traps.

Deed Theft and Foreclosure Rescue Scams

Foreclosure rescue scams and deed theft are tricks con artists use to steal property from unsuspecting seniors. Feeding off the fear of losing their homes, many seniors believe these scammers out of desperation, and are betrayed by their own trusting nature. Unfortunately, these types of scams are also becoming more prevalent.

What Are Deed Thefts?

Deed thefts are the transfer of property to another person, in which that person gains legal right to the property.

In a foreclosure scam, the scammer contacts the distressed homeowner, making an offer to save the home from foreclosure. The scammer vanishes after draining as much money out of the victim as possible, through fees or charges. Sometimes, the scammer also tricks the property owner into handing over the property by having the owner sign for a “new” loan. This crosses over into deed theft.

Deed theft involves either tricking or coercing the owner of a property into signing a quitclaim deed, a document that transfers ownership of a senior’s property over to the abuser.

How To Tell If A Broker Is Legitimate

There are many ways to tell if a broker or company is legitimate or not.

Avoid the “broker” if he/she:

- Calls himself/herself a “mortgage consultant” or the company a “foreclosure service”
- Offers a loan modification for a fee or asks for fees in advance
- Makes verbal promises and lofty claims (If it's too good to be true, it probably is!)
- Gives advice to stop mortgage payments, or to send payments directly to him/her
- Gives advice to break contact with the senior’s attorney or family
- Has an unclear document process with irregularities such as lack of a notary
- Tries to get the victim to transfer ownership of the property (Deed Theft)

Red Flags: Deed Theft

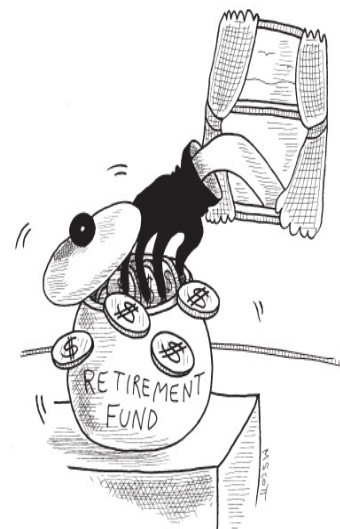
Foreclosure rescue scams and deed theft are related, with many overlapping indicators. However, deed theft is more likely to be done by a relative or close friend of the victim.

Look for these signs to spot possible deed theft:

- Mental confusion on the part of the signer that predated the signing of the deed. Deeds signed by persons not mentally competent are likely not valid.
- Suspicion that the senior signing over their property was defrauded, coerced, unduly influenced or not particularly aware of the transaction
- No notary being present when the senior signed the quitclaim deed
- Future care was promised in exchange for the signing over of the property

What Are Foreclosure Rescue Scams?

Foreclosure rescue scams trick senior homeowners out of their money by promising to help with their mortgage payments.



How You Can Help Stop Deed Theft And Foreclosure Scams



If a senior has been victimized in a deed theft or foreclosure scam, conduct a thorough review.

Investigate:

- What was the relationship between the senior and possible scammer?
- Was the senior mentally capable of understanding the transaction?
- Is there paperwork documenting the transaction?
- Did the salesman claim to have special designations such as Certified Senior Advisor?

If there are any signs of wrongdoing, immediately call Adult Protective Services (APS) if appropriate and file a report with the local police department or the police department where the crime occurred. Sometimes the threat of prosecution will convince the perpetrator to either return the property or stop ongoing theft. Also, determine if the senior has signed a “Life Estate,” a legal document that guarantees a senior’s right to live on the property until death if the property is handed over to a relative.

ADDITIONAL HELPFUL RESOURCES

Many public agencies are involved in preventing and detecting senior abuse and in prosecuting those who commit it. Many organizations are also dedicated to educating seniors on these topics:

- **National Center on Elder Abuse** www.ncea.aoa.gov
State Resources: Helplines, Hotline and Information
- **Consumer Financial Protection Bureau** www.consumerfinance.gov
Ensures that consumers get the information they need to make sound financial decisions
- **Federal Trade Commission** www.ftc.gov
Protects consumers from unfair, deceptive and fraudulent business practices
- **U.S. Department of Housing and Urban Development (HUD) FHA Resource Center** www.hud.gov
Resources for homeowners, including how to recognize and avoid scams **(or 1-800-225-5342)**
- **The Securities and Exchange Commission** www.investor.gov
Investigates securities frauds
- **U.S. Administration on Aging** www.eldercare.gov
In partnership with the National Association of Area Agencies on Aging, AoA **(or 1-800-677-1116)**
operates the Elder Care Locator to help with finding trustworthy local support resources for seniors.

Administration on Aging Resource Centers partner to provide valuable information to seniors, caregivers, families and communities across the nation.



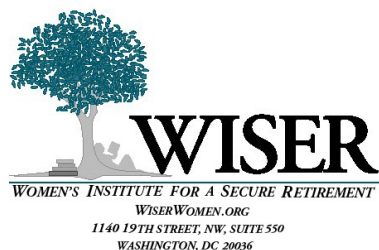
National Education and Resource Center on Women and Retirement

The Women's Institute for a Secure Retirement (WISER), in partnership with the Administration on Aging, operates the National Education and Resource Center on Women and Retirement Planning to provide user-friendly financial education and retirement planning tools for low-income women, women of color and women with limited English-speaking proficiency. WISER's mission is to inform women about the issues that affect their long-term financial security and to stress the importance of taking an active role in planning for their retirement. The Center specially tailors educational financial tools and information to meet the needs of the target population. Through the Center's one-stop-gateway, women have access to comprehensive, easily understood information that allows them opportunities to plan for income during retirement and to plan for long term care as they need it.



National Adult Protective Services Resource Center

NAPSA, in partnership with the Administration on Aging, has established the first ever National Adult Protective Services Resource Center (NAPSRC). The Resource Center serves professionals from Adult Protective Services (APS) agencies across the United States. The goal of the Resource Center is to provide federal, state and local APS agencies with current, accurate, research-based information and training, along with technical assistance to improve their capacity to provide effective protective services to vulnerable and elder adult abuse victims.



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