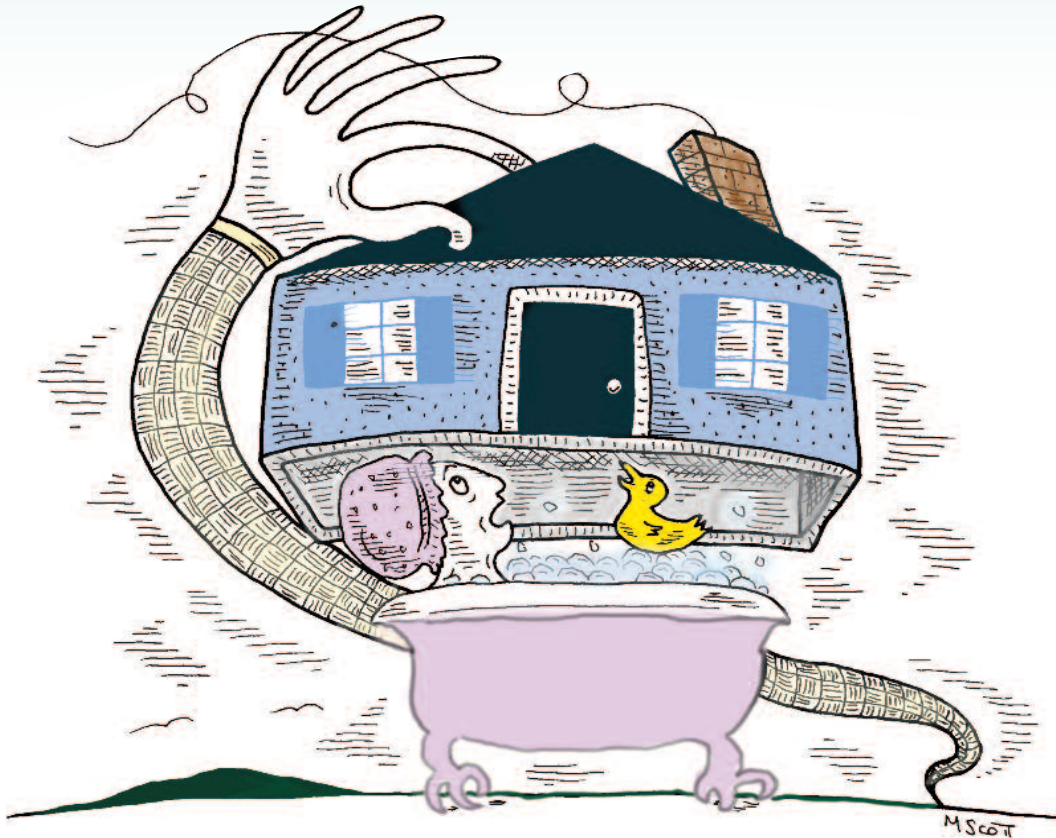


# WISER/NAPSA *Just the Facts*

## DEED THEFT & FORECLOSURE RESCUE SCAMS



### Introduction

Senior financial abuse scams are a multi-billion dollar "industry." Studies estimate the annual financial loss nationwide to be around \$2.9 billion<sup>1</sup>. In a recent New York State study, estimated annual losses for seniors in a subsample of New York State districts fell between \$352 million to \$1.5 billion, suggesting the national total may be substantially higher than previously estimated.<sup>2</sup> Although it can be difficult to measure the exact extent of the total financial loss, we know that these crimes are on the rise and continue to deprive seniors of their savings and assets. These figures do not account for the tens of billions spent on indirect costs for medical care, social services, and legal costs, or for the pain and suffering of the victims. Victims are not only older people, but also their families and all who provide services and financial assistance.

All seniors, regardless of income, are at risk. Financial abuse may be perpetrated by anyone—a professional con artist, a paid caregiver, a 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 trusting and readily believe the sales "pitches" they hear.
- ▣ The population of seniors is increasing, providing a continuous source of wealth for financial abusers.

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Education and awareness are two key strategies to preventing and responding to elder financial abuse. This fact sheet looks at deed theft and foreclosure rescue scams and provides resources to keep seniors from becoming victims.

## 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

### WHAT ARE DEED THEFTS?

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

betrayed by their own trusting nature. Unfortunately, these types of scams are also becoming more prevalent.

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.

### WHAT ARE FORECLOSURE RESCUE SCAMS?

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

Deed theft typically 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 scammer. However, deed theft may occur without the homeowner even knowing in instances where the scammer files a phony deed.

### How To Tell If A Broker Is Legitimate

There are many ways to tell if a broker or company is legitimate or not. Be suspicious and avoid brokers or companies that do any of the following:

- ❑ Call themselves “mortgage consultants” or the company a “foreclosure service”.
- ❑ Offer a loan modification for a fee or ask for fees in advance.
- ❑ Make verbal promises and lofty claims. (If it’s too good to be true, it probably is!)
- ❑ Give advice to break contact with the senior’s attorney or family.
- ❑ Have an unclear document process with irregularities such as lack of a notary.
- ❑ Try 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.

# 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 salesperson claim to have special designations such as a Certified Senior Advisor?

If there are any signs of wrongdoing, immediately file a report with the police department where the crime was located. 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 protects 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.acl.gov](http://www.ncea.acl.gov)  
State Resources: Helplines, Hotline and Information
- ❁ **Consumer Financial Protection Bureau** [www.consumerfinance.gov/older-americans](http://www.consumerfinance.gov/older-americans)  
Provides resources to help protect seniors’ financial assets.
- ❁ **Federal Trade Commission** [www.ftc.gov](http://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](http://www.hud.gov) or 1-800-225-5342  
Resources for homeowners, including how to recognize and avoid scams
- ❁ **Homeownership Preservation Foundation** [1-888-995-HOPE](http://1-888-995-HOPE)  
Nonprofit operates toll-free hotline 24/7 with free, bilingual, personal assistance to help avoid foreclosure.

1 The MetLife Mature Market Institute. *The MetLife Study of Elder Financial Abuse*. June 2011.

2 New York State Office of Children and Family Service. *The New York State Cost of Financial Exploitation Study* June 15, 2016

## ADMINISTRATION ON AGING RESOURCE CENTERS partner to provide valuable information to seniors, caregivers, families and communities across the nation.

### National Resource Center on Women and Retirement Planning



The Women's Institute for a Secure Retirement (WISER), in partnership with the Administration on Aging, operates the National Resource Center on Women and Retirement Planning. The Center provides 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 educate women about the issues that affect their long-term financial security and highlight the importance of taking an active role in planning for retirement. WISER offers tools and resources on the topics of Social Security, retirement plans, savings and investments, banking, caregiving, divorce and widowhood, and long-term care.

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(202) 393-5452  
[www.wiserwomen.org](http://www.wiserwomen.org)



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Suite 1200  
Springfield, IL 62704  
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[www.napsa-now.org](http://www.napsa-now.org)

**National Institute**  
*on Elder Financial Exploitation*

### National Adult Protective Services Resource Center

NAPSA, in partnership with the Administration for Community Living, operates the 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.

NAPSA also operates the National Institute on Elder Financial Exploitation (NIEFE), the first national clearinghouse to focus on the complex issues of elder financial abuse.