

Older adults & financial protection: CFPB resources & priorities

May 2022



Consumer Financial
Protection Bureau

Disclaimer

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What we'll cover

- Office for Older Americans
 - Brief overview
 - Tools – Resources on priority areas
- Enforcement
 - Cases affecting older adults

Our Mission

The Consumer Financial Protection Bureau is a 21st century agency that implements and enforces Federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive.



Consumer Financial
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CFPB's Office for Older Americans

The Office for Older Americans engages in research, policy, and educational initiatives, designed 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/olderamericans

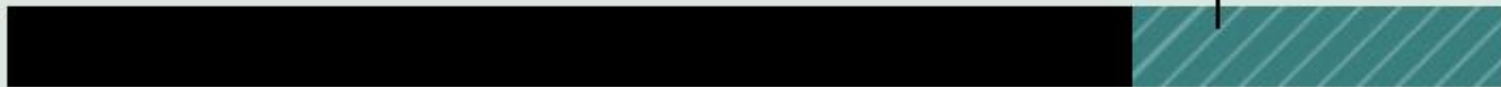
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MILLION
REPORTS

TOP THREE CATEGORIES

- 1 Identity Theft
- 2 Imposter Scams
- 3 Credit Bureaus, Info Furnishers and Report Users

2.8 million fraud reports

25% reported
a loss



\$5.9 billion
total fraud losses

\$500
median loss

Older adults & scams

**Younger people
reported losing
money to fraud
more often than
older people.**



Age 20-29

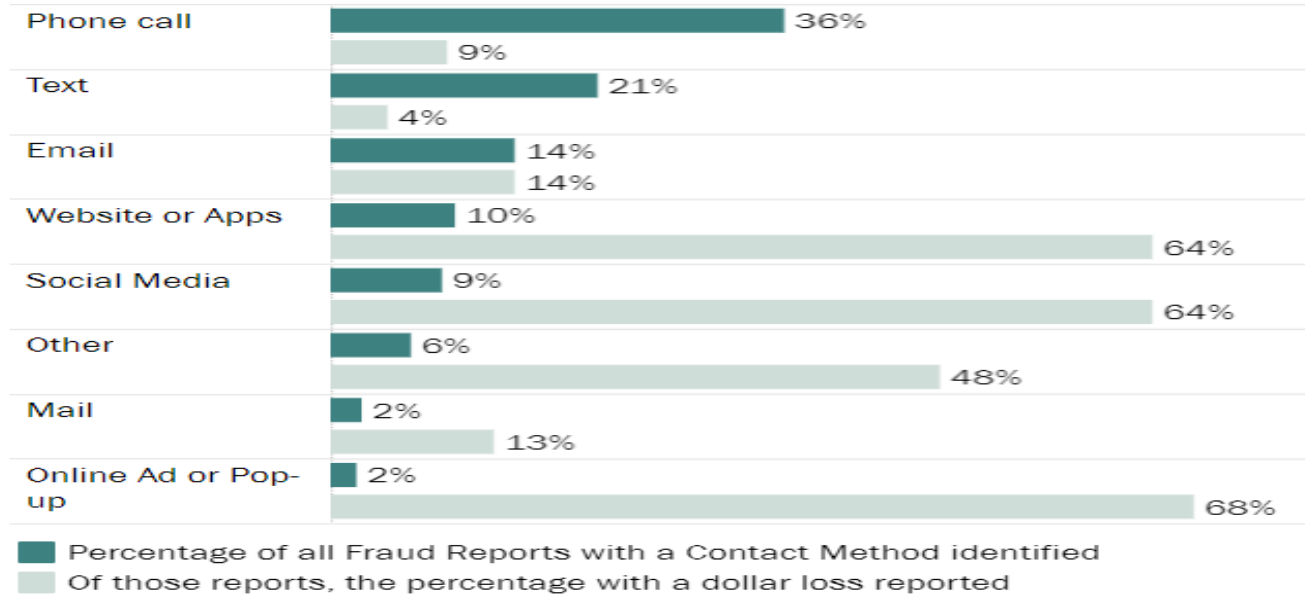


Age 70-79

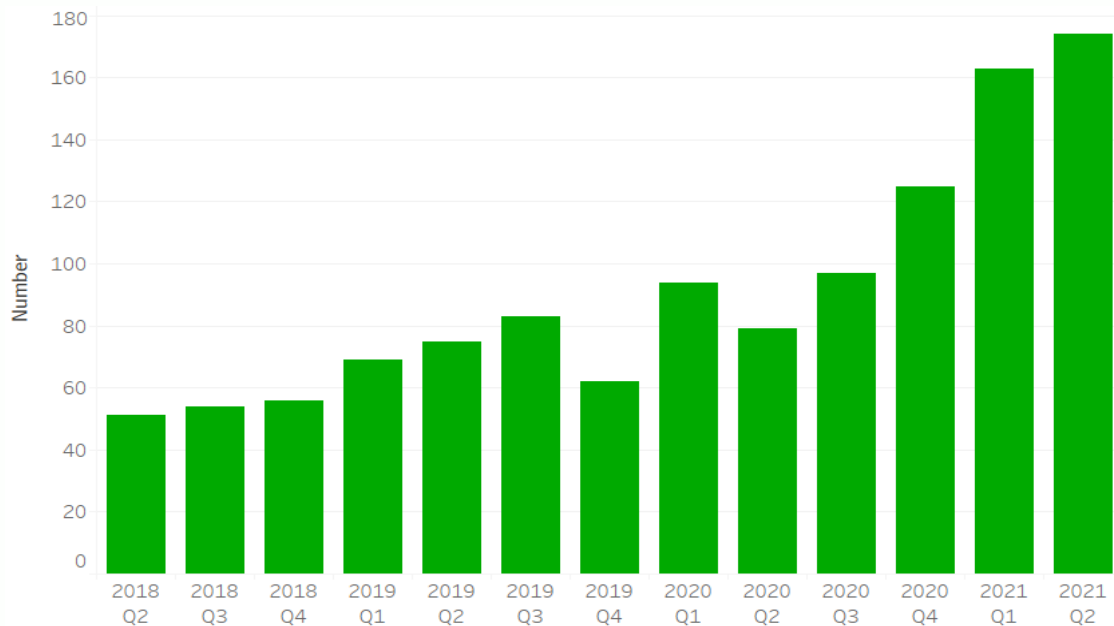
**But when people
aged 70+ had a loss,
the median loss
was much higher.**



2021 Contact method & total paid (all ages)



Complaints by older Americans reporting fraud/scams as an issue (January 2018 to June 2021)



- 1,230 complaints by older Americans between January 2018 -June 2021
- 89% were related to a money transfer or service
- 181% increase from pre-pandemic (Q4 2019) to Q2 2021 (most recent)

CFPB complaints by Census tract

- Lower-income and communities of color are more likely to submit complaints about credit reporting, identity theft, and delinquent servicing
- Higher-income and majority white communities are more likely to submit complaints about origination and performing servicing.
- Consumers from neighborhoods with the highest share of Black residents submit the most complaints per resident.
- Complaints about loan originations increased by nearly 50% over the course of 2020, driven largely by mortgage complaints.

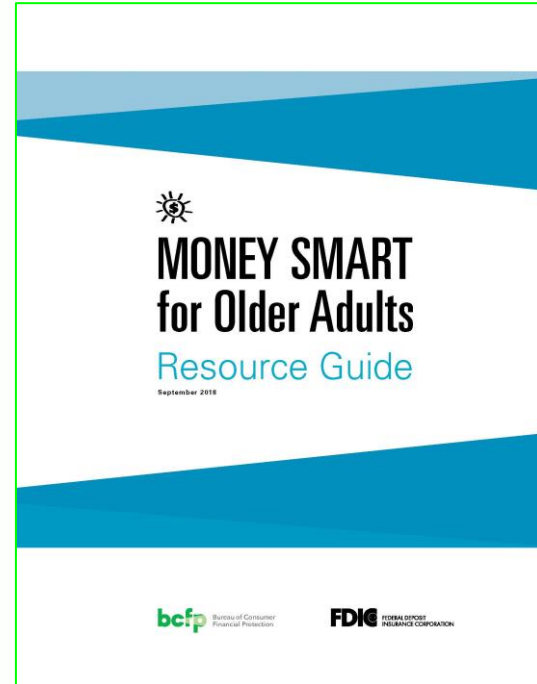
Preventing scams & elder financial exploitation



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Money Smart for Older Adults

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



Network Development Guide

Consumerfinance.gov/eldernetworks



Plan a retreat

A retreat is an effective way to rally stakeholders and community leaders together to create a collaborative network. Gather a core team of key community members to help you plan logistics and reach out to the wider community.

[See retreat planning resources](#)



Host a retreat

How you conduct a retreat can set the tone for your network. Here are some suggestions on how to provide opportunities for collaboration and make sure everyone's voice is heard during a retreat.

[Learn how to host a retreat](#)



Reconvene and establish your network

After holding a retreat, it's important to bring community stakeholders back together to determine next steps toward addressing priorities identified at the retreat.

[Establish your network](#)



Expand network capabilities

After your network establishes priorities, consider leveraging working groups to reach goals, engage the community, and grow the influence of the network.

[Consider your next steps](#)

Fraud prevention handouts

- Free fraud prevention placemats, handouts, and activity sheets on how to avoid common scams
- Check out the companion resources with tips and information to reinforce the messages
- Available to download or order in bulk
- Available in English and Spanish



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

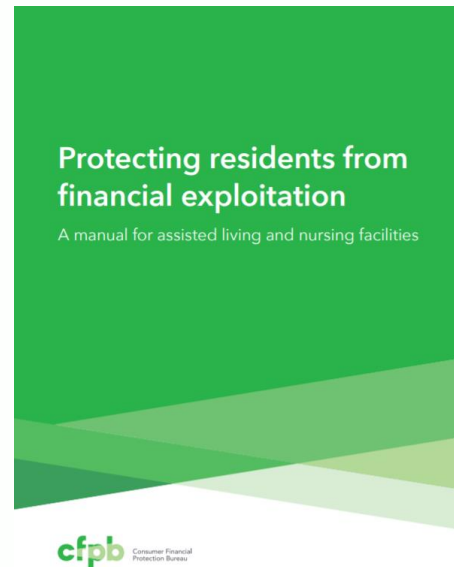
Nursing homes and assisted living



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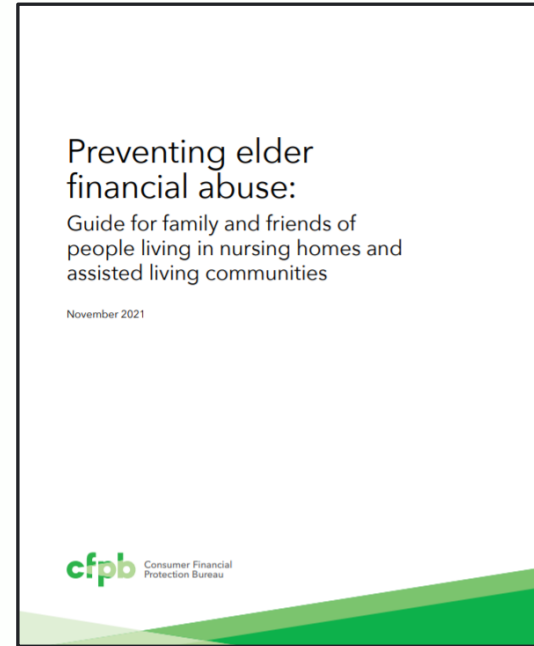
Protecting residents from financial exploitation

- Ideas to help long-term care communities prevent, recognize, and report elder financial exploitation
- Warning signs of financial abuse
- Information about developing policies and procedures



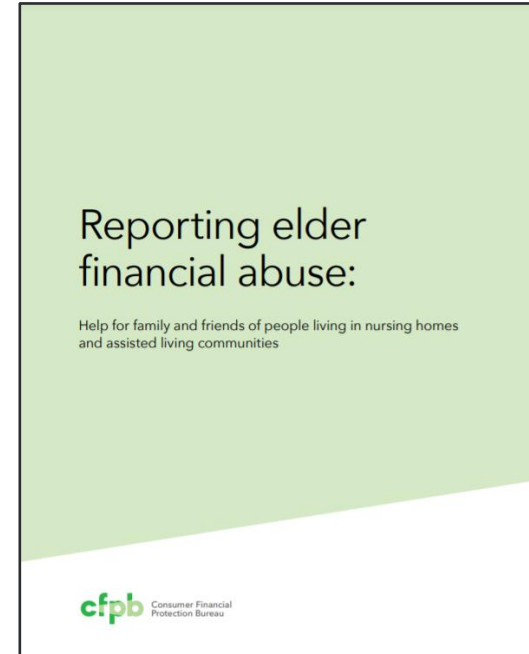
Preventing elder financial abuse of loved ones in long-term care

- This new guide can help friends and family of people living in nursing homes and assisted living communities prevent, recognize, and report elder financial abuse



Reporting elder financial abuse bifold guide

- Download for free
- Order in bulk for free
- Share with people you know who live in nursing homes or assisted living, or who have loved ones in these communities



Financial caregiving

Managing Someone Else's Money



- Help for financial caregivers handling the finances for a family member or another who is unable to do so
- Guides for four common types of financial caregivers

Planning for diminished capacity and illness

- CFPB and SEC consumer advisory
- 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

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.



Considering a financial caregiver

- Informal caregivers
- Formal caregivers
- Quiz to help you choose a caregiver

MANAGING SOMEONE ELSE'S MONEY

Considering a financial caregiver? Know your options


Is a loved one having trouble managing their money because of health problems or memory issues? Or are you planning ahead in case you need help in the future?

Knowing your options will help you choose what works best for your situation. An informal caregiver helps on an as-needed basis. If you need more than occasional help, it might be time to name a formal caregiver.

TYPES OF INFORMAL FINANCIAL CAREGIVERS

Consider a:	What is this?	How does this work?
Conversation partner	This allows you to give a trusted relative, friend, or professional an overview of your finances (even if you don't want to share all the details).	Ask your broker or banker to send a copy of your statements to your daughter or accountant. Ask a trusted friend or relative to join when you visit your banker or financial adviser.
Trusted contact person	You can add a "trusted contact person" to your brokerage accounts. Some banks may offer this too. It allows your financial institution to contact the trusted person in certain circumstances, like if they believe you're getting scammed.	Trusted contacts don't have access to your money—they get notified if the financial institution sees signs of financial exploitation.
Convenience account	A "convenience account" or "agency account" lets you name someone to help you deposit or withdraw money and write checks. A convenience account is not the same as a joint account, where money is jointly owned and the joint account holder automatically gets the money when you die.	A convenience account does not change the ownership of the money in the account or give your helper the right to keep the money when you die. The money belongs only to you.

Next step: Speak to your broker or banker to see what informal caregiving options are available. Take this document with you.

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Learn more at consumerfinance.gov 1 of 4

Reverse mortgages

Considering a reverse mortgage guide

- 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.

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.

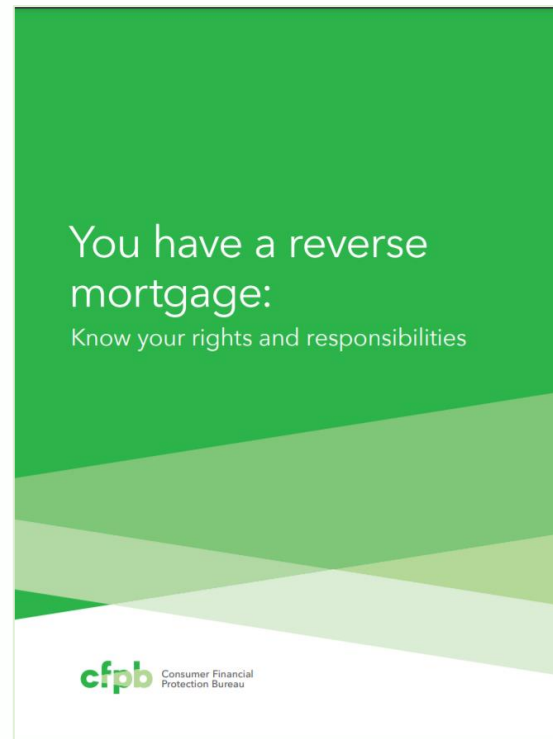
Reverse mortgage discussion guide

- A more in-depth guide for consumers considering a reverse mortgage
- A tool that housing counselors can use to walk older homeowners through the reverse mortgage product



Reverse mortgage rights & responsibilities

- How a borrower may pay off the loan
- What happens after the borrower moves out of the home or dies
- What heirs need to know
- Where to get help



Your reverse mortgage after a natural disaster

- Ways that reverse mortgage borrowers can continue to meet ongoing loan obligations while recovering from a natural disaster

Your reverse mortgage after a natural disaster

A guide for borrowers with a Home Equity Conversion Mortgage (HECM), the most common type of reverse mortgage loan.

After a natural disaster you may experience damage to your home, unexpected expenses, and a sudden loss of income.

Follow this guide to understand how you can meet your reverse mortgage obligations while recovering from a natural disaster.

Obligation 1: Keeping your home in good repair

If your house was damaged by a natural disaster:

- File a claim with your insurance company as soon as possible—some policies may require you to file within a certain period after a disaster.
- Notify your lender or servicer of the damage by certified mail. Keep a copy of the letter.



- Take pictures or videos of the damage to help with your claim. Do this before and after any repairs are performed.
- Apply for financial assistance with the Federal Emergency Management Agency (FEMA), if your home is in a Presidentially-Declared Major Disaster Area (PDMDA). You can find out if you qualify and apply for assistance at, [DisasterAssistance.gov](https://www.disasterassistance.gov) or call (800) 621-3362 or (800) 462-7585 (TTY).
- Contact your state emergency management office to find out what other assistance is available. Go to [fema.gov/emergency-management-agencies](https://www.fema.gov/emergency-management-agencies) to locate your state office.

Reverse mortgage resource page

Reverse mortgage loans

Considering a reverse mortgage loan? Already have one? Learn more about Home Equity Conversion Mortgages (HECMs), the most common type of reverse mortgage loan.



Learn about reverse mortgages

A reverse mortgage is a special type of home loan only for homeowners who are 62 and older. Watch this two-minute video to see how they work and what to consider before applying.



Get started

About us

We're the Consumer Financial Protection Bureau (CFPB), a U.S. government agency that makes sure banks, lenders, and other financial companies treat you fairly.

[Learn how the CFPB can help you](#)

STILL HAVE A QUESTION?

Call us if you still can't find what you're looking for. You can also submit a complaint about an issue with reverse mortgages over the phone.



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consumerfinance.gov/reversemortgage

COVID-19 & financial protection

Consumerfinance.gov/coronavirus



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Protecting your finances during the coronavirus pandemic

The CFPB is committed to providing consumers with up-to-date information and resources to protect and manage their finances during this difficult time.



[Español](#) | [中文](#) | [Tiếng Việt](#) | [한국어](#) | [Tagalog](#)

Resources to help you make financial decisions

Mortgage and housing assistance

If you're concerned about how to pay your mortgage or rent, we have information on what to do now, and what your options are for mortgage and rental relief.

Managing your finances

We have resources to help you protect and manage your finances if you are facing financial difficulties as a result of the pandemic.

FEDERAL CORONAVIRUS RESOURCES

White House Coronavirus Task Force

Information about COVID-19 from the White House Coronavirus Task Force in conjunction with CDC, HHS, and other agency stakeholders.

[Visit coronavirus.gov](#)

Centers for Disease Control and Prevention



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Consumerfinance.gov/housing



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Help for homeowners and renters during the coronavirus national emergency



Find help for your situation



Get mortgage help if you're struggling

We've got some information to help.



Take action if you're in forbearance

Learn what to do whether you just entered forbearance, need more time or are ready to exit.



Get help if you're a renter

Take action to protect yourself against eviction.



The Consumer Financial Protection Bureau (CFPB), [Federal Housing Finance Agency \(FHFA\)](#), [U.S. Department of Housing and Urban Development \(HUD\)](#), [U.S. Department of Veterans Affairs \(VA\)](#), and [U.S. Department of Agriculture \(USDA\)](#) are working together to help homeowners and



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Enforcement

Enforcement Actions: Payment Processing for Scammers

BrightSpeed Solutions, Inc & Kevin Howard

- In April 2021, the CFPB sued Howard and BrightSpeed alleging that they processed payments for companies that purported to offer technical-support services and products over the internet, but actually tricked consumers into purchasing expensive and unnecessary antivirus software or services for amounts as high as \$2,000.
- Many of the targeted consumers were older adults unaware of clickbait scams and that the software and services they purchased were actually available for free.
- BrightSpeed and Howard continued to process the scammers' remotely created check payments for months and, in some cases, years. BrightSpeed and Howard did so despite being aware of nearly 1,000 consumer complaints, several inquiries from police departments around the country, two banks raising concerns about their client companies, and payment return rates averaging more than 20%.
- In January 2022, Court entered consent judgment:
 - Permanently barring defendants from processing, consumer lending, deposit-taking, and financial-advisory services. They would also be permanently barred from engaging in debt collection and telemarketing activities with respect to consumer financial products or services; and
 - Imposing a \$500,000 Civil Monetary Penalty.

Enforcement Actions: Reverse Mortgage Advertising

Nationwide Equities Corporation

- In April 2021, the CFPB resolved its investigation of Nationwide Equities, one of the country's largest reverse mortgage lenders.
- The investigation found that Nationwide Equities misled consumers about how much money they could receive from a reverse mortgage, the fees and costs associated with the products, and the consequences of nonpayment in violation of the MAP Rule, TILA, and the UDAAP prohibitions of the CFPA.
- The consent order requires Nationwide Equities to:
 - Stop sending deceptive advertisements;
 - Implement a compliance plan; and
 - Pay a \$140,000 penalty.

Enforcement Actions: Pension Advance Schemes

Future Income Payments, LLC

- The CFPB sued Future Income Payments, its owner, and affiliates for falsely claiming that pension-advance products were not loans and failing to disclose that the high cost of the loans.
- On February 22, 2021, the court entered judgments against all defendants:
 - Permanently enjoining them from marketing or selling pension-advance products;
 - Appointing a receiver over the companies; and
 - Imposing more than \$436 million in restitution and a \$64,481,736 penalty.

Enforcement Actions: State Partnerships

Nationstar Mortgage, LLC d/b/a Mr. Cooper

- In December 2020, the CFPB, Attorneys General from all 50 states and the District of Columbia, and bank regulators from 53 jurisdictions resolved their investigation of Nationstar, one of the country's largest mortgage servicers.
- The Bureau's complaint alleged that:
 - Nationstar failed to identify transferred loans that had pending loss-mitigation applications or trial-modification plans, and as a result failed to honor borrowers' loan modification agreements.
 - Nationstar foreclosed on borrowers to whom it had promised it would not foreclose while their loss mitigation applications were pending.
 - Nationstar improperly increased borrowers' modified monthly loan payments when temporary modifications became permanent.
- The collective orders yielded nearly \$85 million in recoveries for consumers over \$6 million more in fees and penalties.

Enforcement Actions: State Partnerships

Candy Kern-Fuller, Howard Sutter III, and Upstate Law Group LLC

- The CFPB and the Attorneys General of South Carolina and Arkansas sued Candy Kern-Fuller, Howard Sutter III, and Upstate Law Group LLC.
- The complaint alleged that defendants provided substantial assistance to unfair and deceptive brokering of high-interest credit products, primarily to disabled veterans.
- On January 21, 2021, the court entered a stipulated final judgment and order:
 - Permanently banning defendants from the industry; and
 - Imposing \$725,000 in redress.

Enforcement Actions: State Partnerships

MacKinnon et al. Northern Resolution Group

- In 2019, the CFPB and the New York Attorney General resolved their suit against debt collectors Douglas MacKinnon; Northern Resolution Group, LLC; Enhanced Acquisitions, LLC; Delray Capital, LLC; and Mark Gray.
- The complaint alleged that defendants:
 - Misrepresented to consumers that they owed sums they did not owe, were not obligated to pay, or that the companies did not have a legal right to collect;
 - Falsely threatened consumers with legal action that the collectors had no intention of taking; and
 - Impersonated law enforcement officials, government agencies, and court officers.
- Defendants agreed to a consent judgment permanently barring them from the debt collection industry. Defendants MacKinnon, Northern Resolution Group, and Enhanced Acquisitions agreed to pay \$40 million in redress to consumers and \$20 million in civil penalties. DeGray and Delray Capital agreed to a judgment for \$4 million in redress and \$2 million in civil penalties.



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Contact

CFPB Office for Older Americans

Website: consumerfinance.gov/olderamericans

Complaints: www.consumerfinance.gov/complaints

Email: olderamericans@cfpb.gov