

Watch Your Wallet: Making Housing Decisions, Managing Debt and Avoiding Scams as You Age

Alliance for Retired Americans | November 2023



Introduction to the CFPB

Federal agency created in 2010

Dedicated to making sure you are treated fairly by banks, lenders and other financial institutions

On your side through life's financial moments



Office for Older Americans

We work to:

- Help older consumers make sound financial decisions as they age
- Identify and address emerging consumer protection risks
- Help older adults recognize warning signs of unfair, deceptive, or abusive practices and protect themselves from such practices
- Coordinate consumer protection efforts on behalf of older adults with other federal agencies and state regulators to promote consistent, effective, and efficient enforcement.

Today's presentation

- Three retirement risks
 - Key issues and trends
 - CFPB's work
 - Resources for retirees and their families
- Additional resources from the CFPB
- Q&As

Disclaimer

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Debt in retirement

Issues and trends: Ages 60 and older

21%

Percent of older adults report having “too much debt” in 2021

CFPB analysis of FINRA Foundation National Financial Capability Study

66%

older households with debt in 2019

CFPB analysis of the Federal Reserve Board Survey of Consumer Finances

12% to 24%

Share of total debt owed by older consumers from 2000 to 2023

CFPB analysis of the New York Fed Consumer Credit Panel/Equifax

CFPB's work on debt in retirement

- Addressing excessive credit card late fees through rulemaking
- Educating consumers about their rights when facing attempts to collect a deceased spouse's credit card and medical debt
- Helping older student loan borrowers protect themselves from Social Security offsets as repayments restart in fall 2023

CFPB's work on medical debt

- Raising awareness about consumer rights when facing debt collection and coercive credit reporting from medical debt, including medical debt raising from inaccurate billing
- Joint letter with Centers for Medicare and Medicaid Services and Consumer Financial Protection Circular 2022-05: Debt collection and consumer reporting practices involving invalid nursing home debts

Caregivers and nursing home debt



Helping someone you love to move into a nursing home can be stressful enough. Nursing homes should not try to make you personally responsible for a loved one's bill as a condition of admission.

- [Know Your Rights: Caregivers and Nursing Home Debt](#)
- [You can help caregivers spot illegal nursing home debt collection tactics](#)



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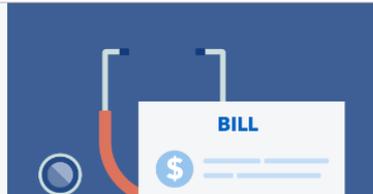
Medical debt

The CFPB is working to stop unfair medical debt collection and coercive credit reporting practices that add to the strain on American families.



Navigating medical bills in the U.S.

\$88 billion of outstanding medical bills are currently in collections - affecting one in five Americans. Our infographic has tips for navigating the complex medical



FIND ANSWERS TO YOUR QUESTIONS

Browse answers to hundreds of financial questions.

[AskCFPB Homepage](#)

[AskCFPB: Medical credit cards and payment](#)

consumerfinance.gov/medicaldebt

Resources for consumers and their families



- When a loved one dies and debt collectors come calling
- How to manage health care credit cards with deferred interest rates
- What to do if you are wrongfully billed for Medicare costs
- Explanation of Social Security and Veterans Affairs (VA) benefit protections from automatic garnishment

Disputing a bill in debt collection



If you're getting calls from debt collectors, but don't think you owe the money, send a letter to ask the debt collector for more information or to dispute the debt.

CFPB has [sample letters](#) to help you write and send a letter to debt collectors.

Finding help with health care costs



Health insurance counselors are free, unbiased, local experts who can help you find out if you are eligible for assistance with prescriptions through Medicare Extra Help, or help with premiums, copays, and co-insurance through the Medicare Savings Programs.

To find a counselor, visit the SHIP locator at shiphelp.org.

Identifying a debt relief or credit repair scam

- Asks for a fee upfront
 - *Before* negotiating or reducing your debt
 - *Before* you sign an agreement with the creditor or collector
 - *Before* you make any payment to the creditor or collector
- Avoids explaining what you can do yourself – for free
- Tells you to dispute all the information in your credit report, even if it's accurate and timely
- Makes promises they can't keep

Fraud & financial exploitation

Issues and trends

\$95,156

average individual loss
for EFE by strangers
(Metlife study, 2011)

\$50,200

average
individual
loss from EFE by a family
member (CFPB study, 2019)

\$11,583

average
individual loss for all EFE
(TrueLink study, 2015)

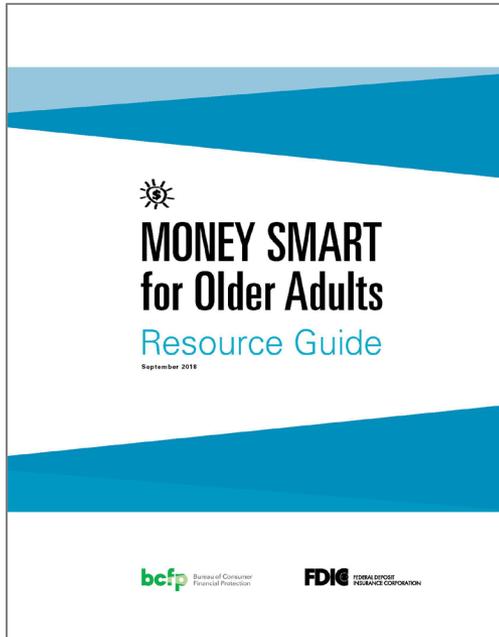


Consumer Financial
Protection Bureau

CFPB's work to protect older consumers from fraud losses

- Holding companies accountable for failing to protect consumers
- Ensuring that consumers receive quality customer care when they report fraud
- Helping improve reporting and response by financial institutions
- Building local capacity and coordinated responses in communities across the nation

Money Smart for Older Adults



- A scam awareness program developed in collaboration with the FDIC
- Identify scams, fraud and other forms of exploitation
- Instructor guide and PowerPoint available for download
- Resource guide handout available in bulk for free
- Available in English and Spanish

consumerfinance.gov/moneysmart

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
- Available in English and Spanish

Resources for consumers and their families



- Planning for diminished capacity and illness - CFPB and SEC consumer advisory
- Choosing a trusted contact - handout that explains how consumers can designate a trusted contact for their financial account
- Preventing elder financial abuse: Guide for family and friends of people living in nursing homes and assisted living communities

Reporting elder fraud and finding help



Bank, financial service provider

- Protect your account, prevent further losses

Police

- If someone is in danger, call 911

Adult Protective Services

- eldercare.acl.gov or call 1-800-677-1116

Reporting elder fraud and finding help

Scams

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

Mail fraud

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

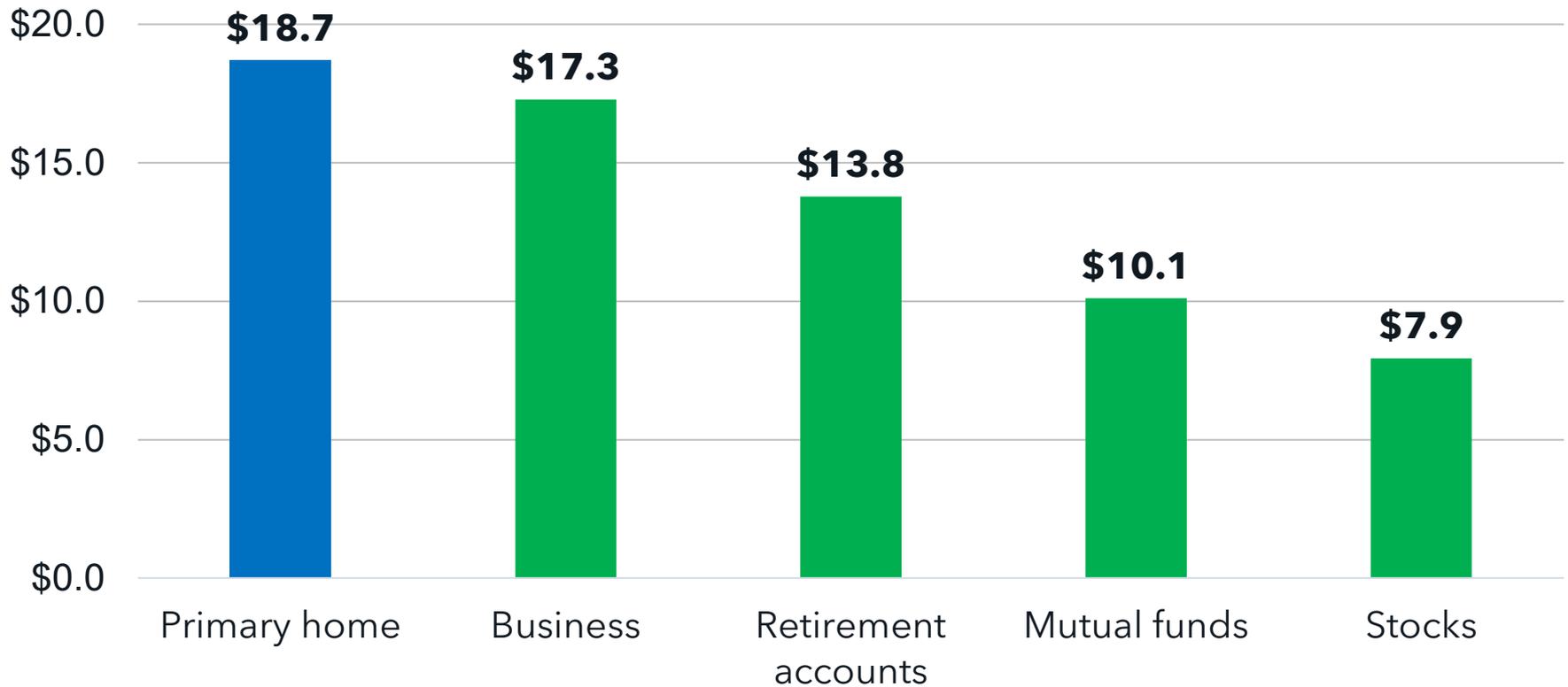
Aging in place

In 2021,
approximately 80
percent of adults
ages 60 and older
in the U.S. owned
a home



Home = most valuable asset

Value of top 5 assets held by consumer 60 and older in 2022 (in trillions)



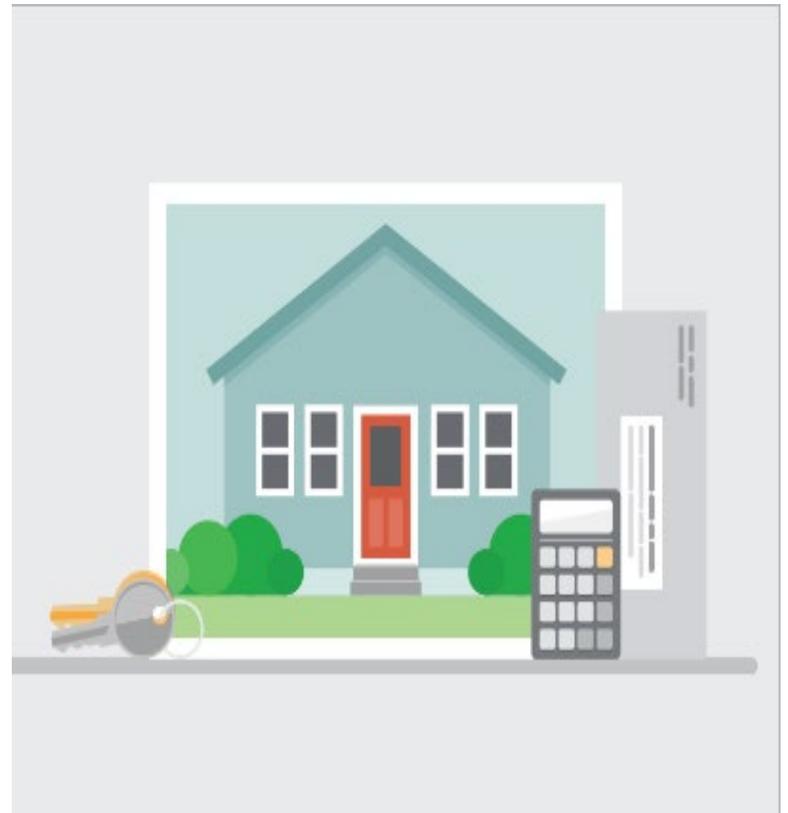
Housing costs are the largest expense in retirement

- In 2021, 25% of homeowners ages 60 and older spend more than 30% of their income on housing
- In 2021, 42% of homeowners ages 60 and older had mortgages on their homes



Home equity may be a lifeline for older homeowners

40+ percent of consumers approaching retirement **have not saved enough to meet their retirement needs**



Deciding to age in place

Nearly **90 percent** of people over age 65 want to stay in their home for as long as possible, and 80 percent believe their current residence is where they will always live.



Housing decisions guides

- Loss of a spouse/partner
- How to navigate a change in health
- How to leave your home to children/heirs
- Using home equity to meet financial needs



Making housing decisions after losing a spouse or partner



Helps homeowners consider their options & determine whether staying in the home makes sense for them emotionally, physically, and financially.

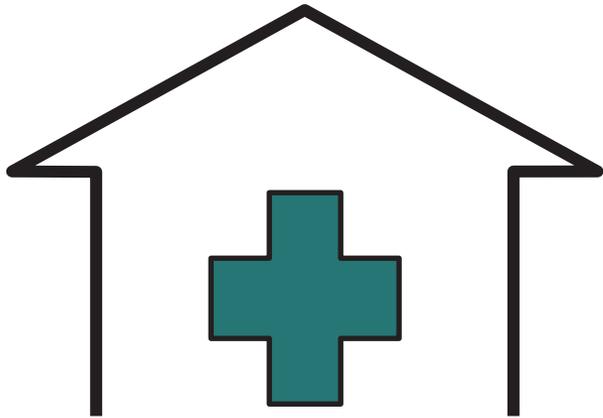
- Provides prompt questions to help raise issues.
- Links to relevant CFPB & non-government resources - such as budgeting, how to get help modifying home, consulting a HUD-certified housing counseling agency

Making housing decisions when your health changes

Helps homeowners consider their housing options whether they are currently going through a medical crisis or facing an imminent one.

Checklist to help homeowners think through their needs after a change in health.

- Chart highlighting medical and non-medical at-home care that can provide homeowner more support.
- Discusses options for moving to a housing arrangement that is more suitable to homeowner's medical and personal needs - family, assisted living, CCR, or nursing home.



Leaving home to your children / heirs

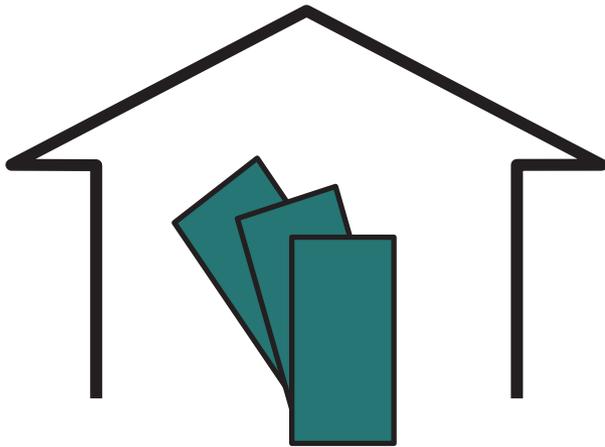


Many homeowners want to hand their home down to their children or other heirs when they die. This guide helps homeowners evaluate the benefits and risks of five different options.

- Leave your home in your will
- Give your home as a gift
- Sell your home to your children or someone else
- Place your home in a trust
- Create a “transfer on death” deed for your property

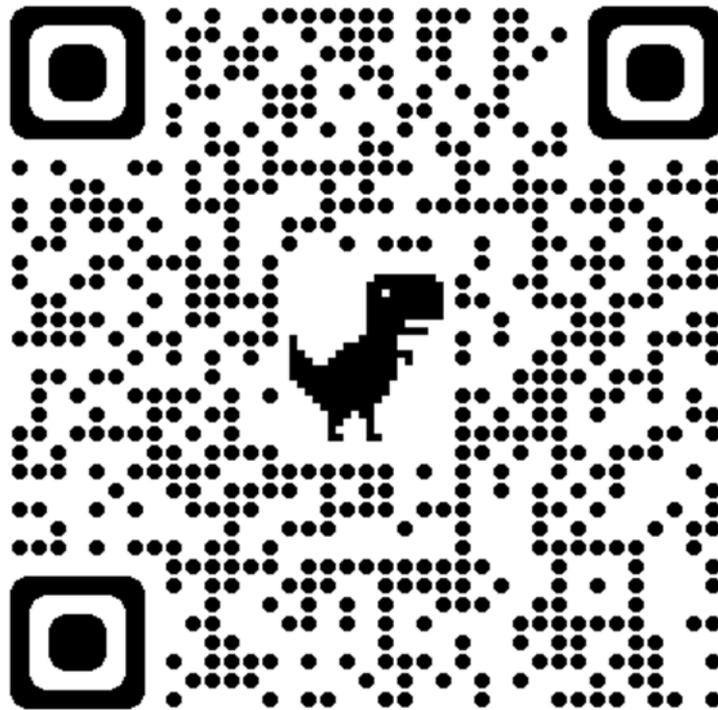
Using home equity to meet financial needs

Describes how a homeowner might use their home equity should the need arise– and the potential risks involved.



- Discusses four options: (1) cash-out refinance, (2) home equity loan, (3) home equity line of credit, (4) reverse mortgage loan.
- Provides information on (a) eligibility, (b) how homeowner may receive the money, (c) whether there are monthly payments, (d) what happens to the loan balance over time.

Where to find the housing decisions guides



Resources from CFPB

Before you get a reverse mortgage

- Know before you owe two-minute video
- Considering a reverse mortgage
- Reverse mortgage discussion guide

After your get a reverse mortgage

- You have a reverse mortgage: Know your rights & responsibilities
- The reverse mortgage borrowers guide to natural disasters

consumerfinance.gov/reversemortgage

Help from housing counselors



- Housing counseling agencies approved by the U.S. Department of Housing and Urban Development (HUD) can offer independent advice on buying a home, renting, defaults, forbearances, foreclosures, and credit issues, often at little or no cost to you.

consumerfinance.gov/find-a-housing-counselor/

Additional resources

Submit a complaint to CFPB



If you have an issue with a product or service, CFPB will forward your complaint to the company and work to get a response from them.

You can submit a complaint at consumerfinance.gov/complaint or by calling (855) 411-2372.

Learn about financial rights and protections

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

Bank accounts and services

Credit cards

- What is a credit card interest

Contact us

Office for Older Americans

Website: consumerfinance.gov/olderamericans

Email: olderamericans@cfpb.gov