

Diminished capacity: Tools for financial caregivers

ERISA Advisory Council – September 17, 2020

CFPB Office for Older Americans



Consumer Financial
Protection Bureau

The Bureau's Mission and Vision

MISSION

To regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws and to educate and empower consumers to make better informed financial decisions.

VISION

Free, innovative, competitive, and transparent consumer finance markets where the rights of all parties are protected by the rule of law and where consumers are free to choose the products and services that best fit their individual needs.



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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

Disclaimer

This presentation is being made by 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.

This document was used in support of a live discussion. As such, it does not necessarily express the entirety of that discussion nor the relative emphasis of topics therein.

Financial caregiving is challenging

- Kristin in Virginia: “Even though I’m a financially savvy individual, I had no idea where to get help....”
- Hector in Florida: “When you have to take care of someone else’s finances, you feel more responsible for their affairs than you do for your own. It’s overwhelming.”

MSEM video – www.consumerfinance.gov/msem

About the guides

The guides help you understand your role as a financial caregiver, also called a fiduciary. Each guide explains your responsibilities as a fiduciary, how to spot financial exploitation, and avoid scams. Each guide also includes a “Where to go for help” section with a list of relevant resources.

▶ Featured video

Managing Someone Else’s Money guides

If you are serving as a financial caregiver, navigating your role can be difficult. We’re here to help.



Find the right guide for you

The guides are tailored to the needs of people in four different fiduciary roles:

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](#)

CONNECT WITH US

Subscribe for email updates on new consumer resources and guides for older adults and their families.

Email Address

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CREATE GUIDES FOR YOUR STATE

Interested in creating Managing Someone Else’s Money guides for your state?



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Managing Someone Else's Money guides



- Help for financial caregivers handling the finances for a family member or another who is unable
- 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

What is a **fiduciary**?

Anyone named to manage money or property for someone else

- Agents under a Power of Attorney are named in a legal document
- Guardians and conservators are named by a court
- Trustees may be named in a legal document or a court
- The Social Security and Department of Veterans Affairs (VA) may name representative payees

What's a **power of attorney**?

- Legal document giving a financial caregiver authority to make decisions about money/property
 - “Martina” names you Agent under a Power of Attorney.
 - You can make decisions if illness or injury leaves Martina unable to make financial decisions
- Health care Power of Attorney is different

What's a **representative payee**?

What's a **VA fiduciary**?

- Government agencies may appoint someone to manage Martina's benefits if she needs help
 - Social Security Admin. - representative payee
 - Department of Veterans Affairs - VA fiduciary
- Representative payees and VA fiduciaries only manage Martina's benefits – not financial affairs, other property, or medical matters

What's a **guardian of property**?

- A court names someone to manage Martina's money and property if it finds that she can't manage it alone
- Martina might also have a 'guardian of the person' if she can't make her own health care or other decisions
- Terms vary by state – (e.g., conservator, guardian of estate)



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What's a **trustee**?

- Fiduciary under a revocable living trust
 - Martina signs a legal document called a living trust
 - Martina transfers ownership of money and property to the trust
 - Trustee can pay bills or make other financial and property decisions if Martina can no longer manage her money or property
- Beneficiaries receive money or property from the trust

What does it mean to be a **fiduciary**?

- Can you use Martina's money to buy yourself a new phone?
- Can you use Martina's money to fix your car?
- Can you use Martina's money to fix the roof of your home?
- Can you give yourself a loan and pay it back later?



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Duties of a fiduciary

- Act only in the person's best interest
- Manage the money and property carefully
- Keep the money and property separate
- Keep good records

State-specific guides

- We developed state-specific MSEM guides for
 - Arizona
 - Florida
 - Georgia
 - Illinois
 - Oregon
 - Virginia
- Professionals used our Tips and Templates Guide to create their own
(Alabama, Idaho, Michigan, Nebraska, and Texas)

Where to find Managing Someone Else's Money

Bulk order for FREE – [Pueblo.gpo.gov/CFPBPubs](https://www.pueblo.gpo.gov/CFPBPubs)

Download – [consumerfinance.gov/msem](https://www.consumerfinance.gov/msem)

For questions about the guides – OlderAmericans@cfpb.gov

Financial exploitation: The problem

- **\$2.9 billion** lost to financial exploitation according to one estimate
- Between 2013 and 2019, financial institutions reported **over 180,000 suspicious activities** targeting older adults, **involving \$6 billion+**
- **In suspicious activity reports (SARs)** involving a loss to an older adult, the **average amount lost** was **\$34,200**
- **1 in 44 cases** are reported to authorities

Preventing financial exploitation

- Warning signs of financial exploitation
- How to protect the person from scams
- Common scams
- What to do if you suspect financial abuse or exploitation

Warning signs of financial exploitation

- You notice...
 - Some money or property is missing
 - Sudden changes in Martina's spending or savings
 - Tries to wire large amounts of money
 - Uses the ATM a lot
 - Is not able to pay bills that are usually paid
 - Stops receiving bank statements or bills
 - Puts names on bank or other accounts that you don't recognize



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Warning signs, continued ...

- Sudden changes in Martina's spending or savings:
 - Makes new or unusual gifts to family or others, such as a “new best friend”
 - Changes beneficiaries of a will, life insurance, or retirement funds
- Martina says she is afraid or seems afraid of a relative, caregiver, or friend
- A relative, caregiver, friend, or someone else keeps Martina isolated, does not let her speak for herself, or seems to be controlling her decisions



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How to protect Martina from scams

- Help Martina put her number on the National Do Not Call Registry.
- Don't share numbers or passwords for Martina's accounts, credit cards, or Social Security.
- After hearing a sales pitch, take time to compare prices.
- Watch out for deals that are only "good today" and that pressure you to act quickly.
- Watch for signs that Martina has already been scammed.



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Common examples of elder financial exploitation



Grandparent/
Imposter scams



Tax and debt
collection scams



Charity scams



Telemarketer,
mail offer or
salesperson scams



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More examples of elder financial exploitation



Investment fraud
and scams



Lottery and
sweepstakes scams



Theft of money or
property by family
members,
caregivers, or
in-home helpers



Exploitation by
an agent under a
POA or person in
another fiduciary
relationship

What you can do to help

Adult Protective Services

For elder abuse, contact Adult Protective Services.

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



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More CFPB resources



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More CFPB resources

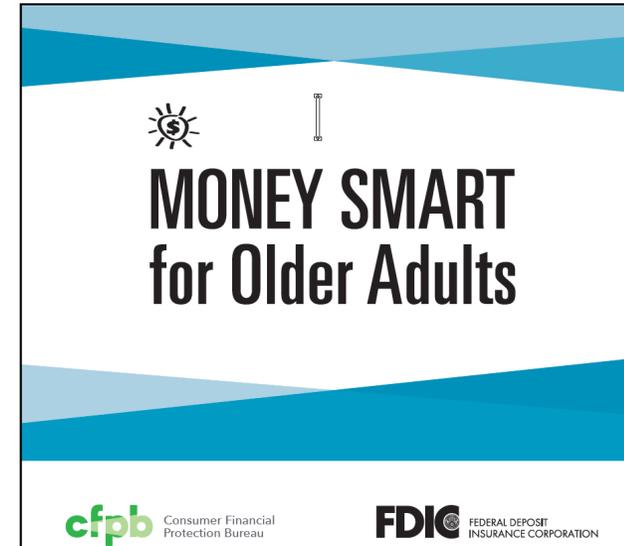
- [Share information with your spouse now to avoid problems later](#) – a quiz to determine if you and your spouse are equally ready to manage your household finances.
- [Virtual valuables](#) - tips to help you create a plan for your digital assets.
- [Planning for Diminished Capacity](#) - advice on planning for your financial future, getting your documents in order, and watching out for financial exploitation.

Protecting Residents from Financial Exploitation

- Designed for administrators, admissions officers, social services personnel, and other staff
 - Understanding the responsibilities of mandated reporters and how to follow up on reports
 - Establishing policies and processes to protect facility residents
 - How to spot scams that can target vulnerable people, especially those in care facilities
- Order in bulk, for FREE - pueblo.gpo.gov/CFPBPubs

Money Smart for Older Adults

- Common issues facing seniors, including how to identify a potential scam or fraud and other forms of exploitation
- Instructor-led curriculum



- Order in bulk, free – pueblo.gpo.gov/CFPBPubs
- Available in English and Spanish

consumerfinance.gov/coronavirus

- Central hub on consumerfinance.gov
- Resources in English and Spanish, Chinese, Vietnamese, Korean, Tagalog
- Short videos
- Printer-friendly PDFs for Asian languages + MP3 audio files
- Check back for updates



The screenshot shows the CFPB website's coronavirus resource page. At the top, the CFPB logo and name are on the left, and a search bar and 'Submit a Complaint' button are on the right. Below the header is a navigation menu with categories: Consumer Tools, Practitioner Resources, Data & Research, Policy & Compliance, and About Us. The main content area has a light green background with the heading 'Protecting your finances during the coronavirus pandemic' and a sub-heading stating the CFPB's commitment to providing up-to-date information. To the right of this text is a grid of icons representing various financial topics like cars, mortgages, and education. Below the main heading is a language selection bar with links for Español, 中文, Tiếng Việt, 한국어, and Tagalog. The page is organized into columns. The first column lists resources to help with financial decisions, including mortgage and housing assistance, managing finances, student loans, and avoiding scams. The second column, titled 'FEDERAL CORONAVIRUS RESOURCES', lists links to the White House Coronavirus Task Force, the Centers for Disease Control and Prevention, and USAGov.

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

Coronavirus resources from the CFPB

- [**Tips for financial caregivers**](#) - Learn about ways to connect with someone whose money you help manage while observing virus prevention tactics like social distancing and quarantines.
- [**Online and mobile banking tips**](#) – Read our tips for people who are new to online or mobile banking. Online banking allows customers to handle their finances from the comfort of home.
- [**Planning your finances for an uncertain future**](#) - Tips to help you talk with your spouse or other family members about putting plans in place if you become unable to manage your finances in an uncertain time.

Unified housing website – CFPB, FHFA, HUD, VA

An official website of the United States government

Español 中文 Tiếng Việt 한국어 Tagalog Русский العربية Kreyòl Ayisyen (855) 411-2372



Search

Submit a Complaint

Consumer Tools

Practitioner Resources

Data & Research

Policy & Compliance

About Us

Mortgage and housing assistance during the coronavirus national emergency

If you're concerned about how to pay your mortgage or rent due to the coronavirus national emergency, read on for information on what to do now, and what your options are for mortgage and rent payment relief.



The Consumer Financial Protection Bureau (CFPB), [Federal Housing Finance Agency \(FHFA\)](#), and [U.S. Department of Housing and Urban Development \(HUD\)](#) are working together to help homeowners and renters during the coronavirus pandemic.

Learn more about:

- [Mortgage relief options](#)
- [Protection for renters](#)
- [Avoiding scams and bad actors](#)

Need help with the basics?

Learn how to read your monthly mortgage statement or understand key mortgage terms, like mortgage forbearance. [Get started with mortgage basics](#)

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](#)

USAGov

Information on what the U.S. Government is doing in response to COVID-19.

[Visit usa.gov \(English\)](#)

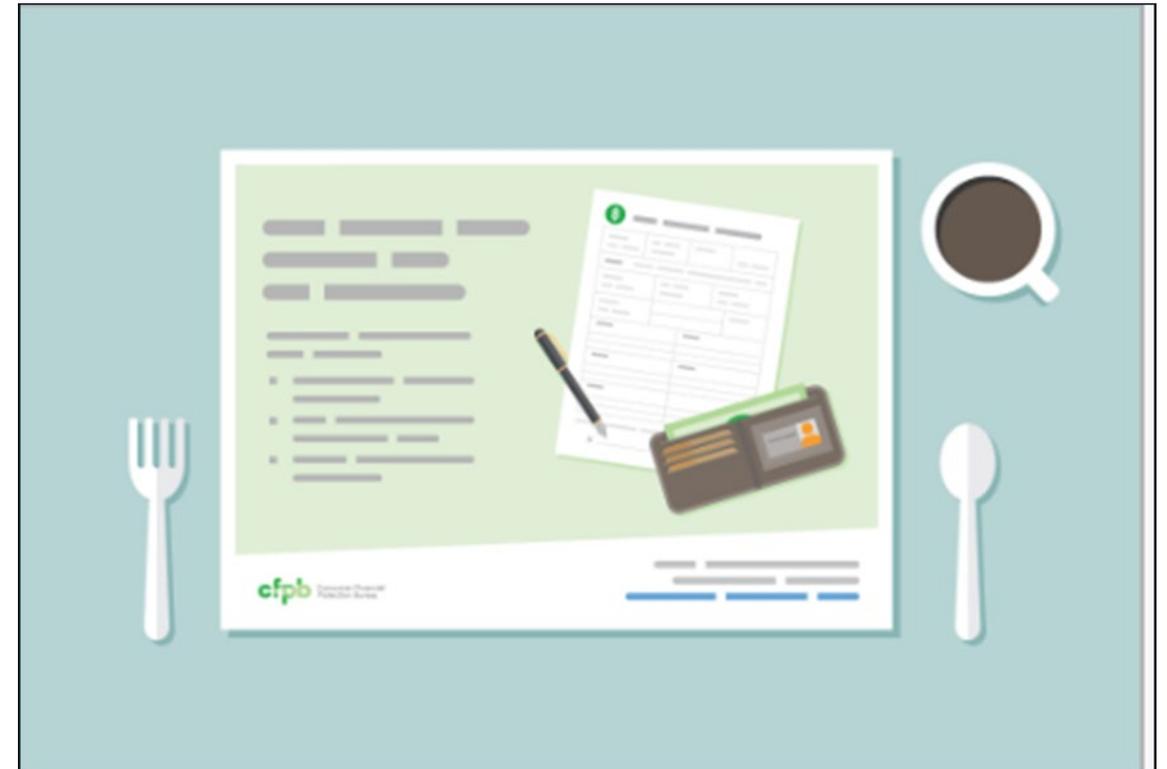
[Visit usa.gov \(Spanish\)](#)



Fraud prevention placemats and handouts

- Free fraud prevention placemats, handouts, and activity sheets on how to avoid common scams.
- Originally designed to be used by meal delivery programs, these resources can be used by community or faith-based organizations, financial institutions, or other groups in a variety of ways.
- Check out the companion resources with tips and information to reinforce the messages.
- Available for the public to download or order in bulk.
- Available in English and Spanish.

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



Contact Us

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