



Elder Real Estate Fraud and Financial Exploitation Prevention



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What is the Difference? Fraud vs. Financial Exploitation

Targeted Deception
vs.
Inappropriate Use of Funds/Assets

Elder Fraud and Financial Exploitation in Numbers



Statistics show the number and impact of elder fraud and financial exploitation:



\$1.9 billion

According to the Federal Trade Commission (FTC) adults 60 and older lost \$1.9 billion to scams in 2023.



1,498 victims

According to the FBI's Internet Crime Complaint Center (IC3) 2023 report, people over 60 lost more than \$65 million to real estate scams, impacting approximately 1,498 victims.



14% increase

According to the FBI's Internet Crime Complaint Center (IC3) 2023 report, elder fraud and financial exploitation has increased almost 14% since 2022.

It is also important to note that **existing statistics are undercounted** because scam and fraud victims often do not report the crime to authorities.

As such, **it is critical that policymakers and the private sector put in place measures** to combat fraud and financial exploitation targeting older adults.



AARP Fraud Survey May 2024

42% of adults (141 million people)
have had money or sensitive information
stolen from fraud

Poll Question

- Have you witnessed elder fraud or financial exploitation at the closing table?
 - Yes
 - No
 - Not sure

Broad Range of Actions & Red Flags



Defrauding or scamming older adults out of money or property



Forging a signature on legal or financial documents



Coercing or unduly influencing the signing of a legal or financial document



Non-disclosure of critical information

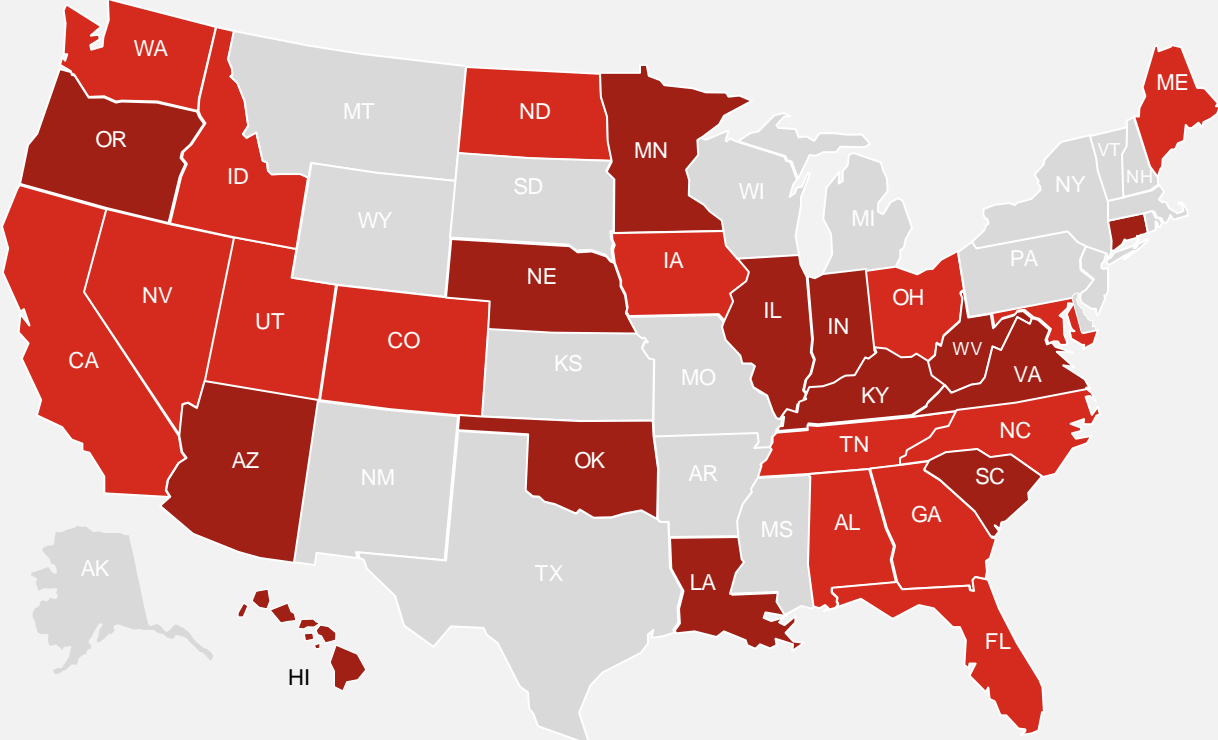


Inappropriate utilization of authority under a Power of Attorney (POA)

Legislative Action: Unfair Service Agreement

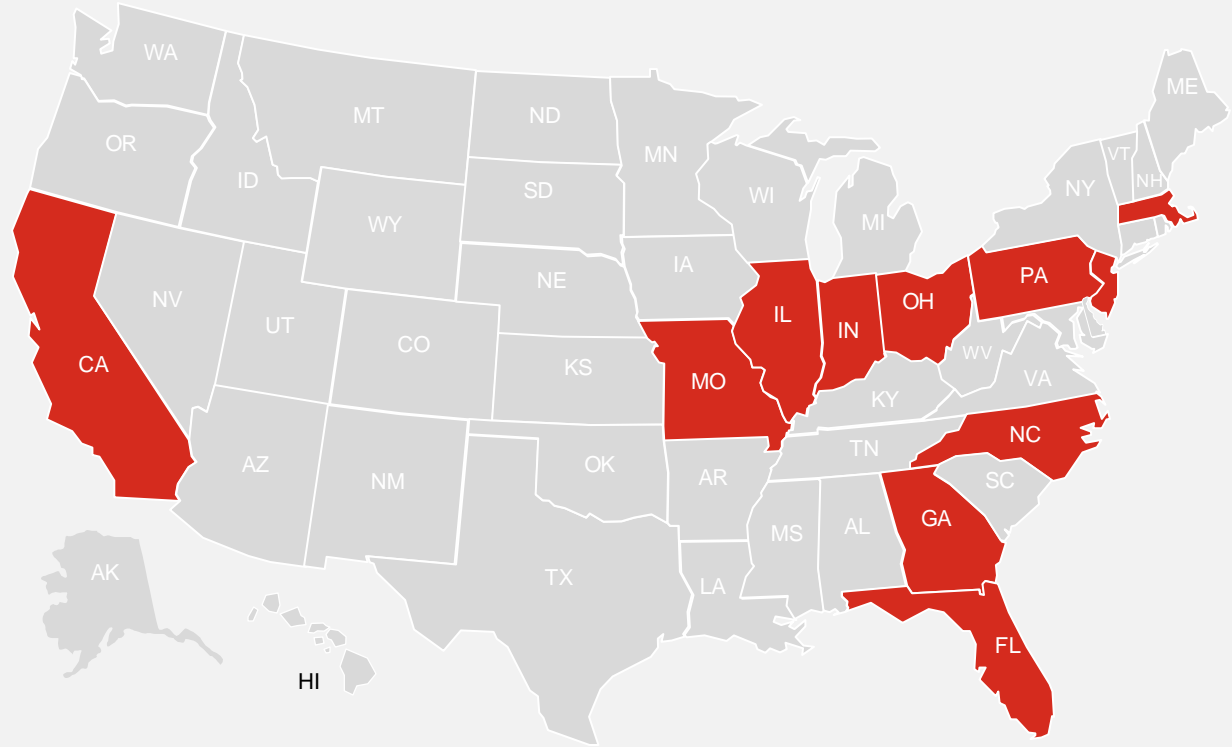
● **2023**
16 Bills Passed

● **2024**
14 Bills Passed





State Attorneys General Action: Unfair Service Agreement



Legislative Discussion - Uniform Power of Attorney Act (UPOAA)



Power of Attorney sometimes referred to as "license to steal."



Common Issues:



Broad authority



Lack of Monitoring



Unclear standards for the duties owed to the principal



Legislative Discussion - Uniform Power of Attorney Act (UPOAA)



1.

UPOAA created in 2006.
32 States enacted, 8 (including USVI) have a prior version.



2.

Balances Protection &
Convenience



3.

Imposes Clear Fiduciary
Duties



Legislative Discussion - Real Property Transfer on Death Act (URPTODA)



Created in 2009.
Enacted in 21 states
(including NH and UT this year).

1.



Allows for non-probate transfer
of real estate.

2.



Transfer must be recorded
during owner's life but does not take
effect until death. Owner retains the
right to transfer the property, revoke
the deed, or encumber the property.

3.

Legislative Discussion - Wholesaler Licensing



Typical targets include:

- People who are going through financial hardship
- Older residents looking to downsize
- Older residents who may have lost their spouse or partner
- Relatives of residents who are their heirs
- Residents of neighborhoods with rising home values, especially in minority neighborhoods



As a result:

- These wholesalers often offer far less than the actual value of their property
- Long-time homeowners lose valuable generational wealth, equity, and family homes
- There is rapid gentrification of neighborhoods



Examples of Legislative Action

Local Action

Philadelphia	Pennsylvania	Houston
Texas	Atlanta	Georgia

State Action

Arizona	Oklahoma	Oregon
South Carolina	Indiana	

Legislative Discussion- Deed Theft

1.



\$2.7 billion
in losses
due to
imposter
scams

2.



Two variations of deed theft

- Criminal forges a deed that transfers ownership of a property to them. They file the deed with a county clerk, who records the sale. Then the property is quickly sold to an unsuspecting purchaser
- Perpetrator deceives a homeowner, convincing them to sign a deed to transfer ownership, often by promising help refinancing a mortgage or paying overdue property taxes.

3.



Deed theft targets
the equity in
property

4.



Multiple victims

Legislative Discussion- Deed Theft

Policy Opportunities



ID Verification



Public records access



Notification systems



Record keeping



Increased law enforcement, penalties, and victim recovery resources

State Examples



New York



Florida

Poll Question

- An elder person is closing on a refinance at your office and brings her niece. During the closing, the elder person keeps asking the niece if she's doing the right thing. What should you do?
 - Continue the closing
 - Excuse yourself and tell your supervisor of the odd feel to the situation
 - Accuse the niece of elder abuse and call the police

How to Respond to Fraud Victims

Fraud is a crime –
avoid using victim
blaming language



Listen with compassion



Reassure them it is not
their fault



Help them to report



Expanded Enforcement

States and the Federal government could also support data gathering and enforcement of laws designed to protect older adults by allocating resources and promoting initiatives through:



01.

Offices of state attorneys general and district attorneys



02.

State and local Adult Protective Services (APS)



03.

Federal, state, and local law enforcement



04.

Consumer Financial Protection Bureau (CFPB)

AARP Resources



Fraud Watch Network Helpline

- 877-908-3360
- [aarp.org/fraud watchnetwork](https://aarp.org/fraud-watchnetwork)



Veterans Fraud Center

- [Aarp.org/Vets FraudCenter](https://Aarp.org/VetsFraudCenter)



The *Perfect Scam*[™] Podcast



VOA | ReST (Resilience, Strength and Time)



Video – [3 Real Estate Scams to Look Out For](#)



**THANK
YOU!**

