

# FINANCIAL FRAUD and Seniors

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Sometimes our advantages can become our weaknesses. If you're retired or getting close to retirement, you may have some great things going for you - like great credit, owning your home debt-free, and a substantial retirement nest egg. **However, these great things, along with your age, can also put you at greater risk for a range of frauds targeting older folks.** We are going to look at a few of the most common frauds perpetrated on seniors and what can be done to avoid being taken advantage of. **Contractor Fraud**

Odds are that your residence is going to need repair at some time during your retirement, especially if you've been living in it for the past 25 years. Contractor scams happen when the contractor starts doing repairs that are unnecessary and then often overcharges for the work, too. Other common variants include:

- Taking payments in advance and then never completing any of the agreed upon work
- Using admittance into your residence as a means to burglarize it
- Convincing owners to be part of fraudulent insurance claims

Reputable contractors don't generally go knocking on doors to drum up business. If your house needs some work done, it's usually better to ask around for referrals or check out the contractors listed by your Better Business Bureau. **Check out the contractor for complaints before consenting to have any work done.** **Reverse Mortgage Fraud**

Reverse mortgages can be a legitimate technique to draw out equity from your home. These are most commonly referred to as home equity conversion mortgages.

(HECM). HECMs are insured by the Federal Housing Authority (FHA). They were created so that people 62 years and older could easily pull the equity from their principal residence and not be burdened with monthly payments.

A problem can occur with non-HECM reverse mortgage scams; typically, a senior is used as an unsuspecting pawn in a property-flipping scheme or billed huge fees by an unscrupulous “advisor” that simply handles standard paperwork in a normal HECM loan. If you’re interested in a reverse mortgage, your bank or a reputable mortgage broker is a good place to start. **Investment Fraud**

While people of all ages are taken in by various investment frauds, seniors seem to be targeted the most.

Always be skeptical and double check with a trusted professional when it comes to your life savings. Don't succumb to any time pressure tactics; if it's something that you have to decide right now, your answer right now should be “NO.” ***False time limits are a common technique to get people to commit their hard-earned money to a fraud.*** It probably doesn't seem fair that anyone has to be on alert in retirement; it seems like you've earned the right to just relax and enjoy life. However, unfortunately, be on guard you must. In most instances, verifying information with third parties or simply demanding more details in writing will discourage most scam artists.

If you are taken advantage of or spot a scam being offered to you, report it. Hopefully the perpetrator will be stopped before he can harm anyone else. Always remember that scam artists are usually looking for the easiest victim. ***They can be very persistent when they believe there is money to be made, but they're also very quick to go away when things don't look promising.***

You might be able to retire from your profession, but you can't retire from being careful. Keep an eye on that nest egg and don't turn it over to anyone that you haven't checked and double-checked. Such vigilance will help you keep the savings you worked so hard for away from thieves - safe and sound.