

# *Downeaster Guide to Elder Financial Protection*

Dear Maine Seniors:

You've worked hard to get where you are – whether you have raised kids and grandkids, or have been employed at various jobs, or both. Many of you own your own homes, and have put some savings away. So what's your reward?

Unfortunately, based on what we at the Bureau of Consumer Credit Protection have seen over the years, the result of all your hard work is that you are often targeted for financial scams. Certain people out there will take advantage of your trust, and try to separate you from your savings, or from your benefit or retirement checks.

However, Maine has strong consumer protection laws that you can use to your advantage. In addition, you can avoid many problems if you learn the warning signs that accompany most financial scams or cases of elder financial abuse.

For more than 30 years, our agency has assisted Maine elders. We have compiled the results of that financial regulatory experience into this, our latest booklet, titled *“Downeaster Guide to Elder Financial Protection.”*

If questions arise that are not covered here, then call us from anywhere within Maine at 1-800-332-8529 (1-800-DEBT-LAW), or contact us through our website, [www.Credit.Maine.gov](http://www.Credit.Maine.gov), and we'll do our best to provide assistance to you.

William N. Lund, Superintendent

## **Special Thanks to Our Contributors**

The following professionals provided valuable information in the formation of this booklet: Denis Culley (Maine Legal Services for the Elderly), Seth Blodgett (Maine Office of the Attorney General), Ricker Hamilton (Maine Department of Health and Human Services), Alyson Cummings (Maine Office of Securities), Elaine Thibodeau, Penny Vaillancourt and Jeffrey Frankel (Maine Office of Licensing and Registration), Ann Beane (Maine Bureau of Financial Institutions), and Pamela Roybal and Norman Stevens (Maine Bureau of Insurance).

Dear Maine Elders:

The subject matter in this publication is a direct result of input received from Maine seniors, through calls to our agency's consumer hot-line (1-800-332-8529) and elder seminars presented by agency staff. Maine senior citizens have been very emphatic in expressing to our agency their "hot button" financial protection needs. For your convenience, we have organized this booklet into 5 chapters:

**Chapter 1:**

- Stopping unwanted telemarketing calls
- Reducing or eliminating junk mail
- Avoiding financial scams

**Chapter 2:**

- Protecting yourself against identity theft
- Why ordering a free credit report annually is essential
- Being an alert banking consumer

**Chapter 3:**

- Recognizing and stopping financial exploitation

**Chapter 4:**

- Your insurance questions answered
- Information on Maine licensed professionals

**Chapter 5:**

- Accessing consumer protection resources at the state and federal levels

As authors of this guide, we hope that we have succeeded in providing useful, practical information in this compact, understandable booklet.

Sincerely,

David Leach, Principal Examiner  
Maine Bureau of Consumer Credit Protection

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*Chapter 1:*  
**SIMPLIFY YOUR LIFE!**  
**STOP UNWANTED TELEMARKETING CALLS,  
PRE-APPROVED CREDIT CARD OFFERS AND JUNK MAIL!**

**Stop Annoying Telemarketing Call Interruptions!**

Incoming telemarketing calls have become an unwanted nuisance to many Maine seniors. A growing percentage of calls to our home telephone numbers are from telemarketers calling to advertise unbelievable deals on credit cards, timeshares, long distance telephone offers, magazine subscriptions and investment opportunities. Fed up? Keep reading....



To stop most telemarketing calls to your home, contact the Federal Trade Commission's National Do Not Call Registry and have your name placed on their special list. The *Do Not Call Improvement Act of 2007* became law in 2008, and requires that names will stay on the registry permanently unless removed by request of the citizen.

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**To add your number to the Do Not Call registry, dial:  
1-888-382-1222, or for hearing-impaired: TTY 1-866-290-4236**

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Being placed on the Registry is not effective immediately, but takes about a month. Therefore, if you receive any calls prior to 31 days, please be patient. After this time period if telemarketers are still calling, you can file a complaint with the Registry at its website, [www.donotcall.gov](http://www.donotcall.gov), or by calling 1-888-382-1222. To file a complaint, you will need to have the date you received the call, and either the name of the company that contacted you or its telephone number. **\*Note: According to the Do Not Call Website, companies that you continue to do business with may call you, as well as charities, political organizations and telephone surveyors.** Being added to the Registry is free and is available for both home (land line) and cell phone numbers.

## Clean Up Your Mailbox! Stop Pre-Approved Credit Card Offers!

Those Mainers who do not wish to be solicited for credit card offers can “opt out” by calling the national toll free hotline **1-888-5 OPTOUT (1-888-567-8688)** to eliminate direct mail credit card offers. The toll free telephone number above is a safe, secure resource line that has been created by the three major credit reporting agencies: Equifax, Experian and Trans Union.

*To SAFELY stop various other types of so-called “junk mail” solicitations, write to:*

Mail Preference Services  
Direct Marketing Association  
P.O. Box 643  
Carmel, NY 10512

Please include your full name, home telephone number, date of birth, and Social Security number in your signed letter.

## Financial Scams: What to Watch Out For and How to Get Help!

Financial scams are more common than ever! It is important to recognize the different types of crimes to avoid becoming a victim. Whether they arrive via U.S. Mail, the Internet or over the telephone, these crimes are a growing threat to Mainers of all ages! Here are some of the more common financial scams:

- Canadian Advance Fee Loan Scam
- Nigerian Scam
- “Bank Examiner” Scam
- Telemarketing Fraud/Demand Draft Scam
- Fake Check Scam
- Charity Scam



## Do NOT Pay for “Promised” Money “Oh...No...Canada!”

Canadian advance fee loan scams involve telephone, Internet or newspaper offers featuring low or no-interest loans that require **advance payment** to the “lender” before the loan account can be activated. Telemarketers frequently are pushy and ask for immediate decisions. Consumers are commonly given a U.S.A. address, but are then told to wire funds using money transmitters such as Western Union™ and MoneyGram™ to locations in Canada. Advance fee loan scams are a multi-billion dollar problem, in which the victims rarely recover the stolen funds.

## **Unclaimed Fortunes Overseas – “Only the Criminals Get Rich!”**

Many elderly Maine consumers report receiving unsolicited emails, faxes and telephone calls regarding unclaimed “riches” in Nigeria. What’s the catch? In exchange for a few thousand dollars, these parties promise that they will “wire” to your bank account “hundreds of thousands of dollars!” Don’t fall for this long-running scam. Bottom line: never wire money or provide bank account information for promises of big money payoffs from complete strangers.

### **Scams: Your Money**



**Crooks’ pockets!**

### **“Phony Bank Examiner” Scam**

The so-called “Bank Examiner” scam dates back to the 1960s, and still tricks some unwary 21st Century consumers. A crook will call the victim, saying he/she is a bank examiner or bank security officer. The consumer is asked to withdraw a substantial amount of cash from a specific teller who is suspected of stealing funds. The “examiner” then takes the bag of cash back to his/her “office” to count it. You guessed it, the scammer leaves the branch with the victim’s cash and is never seen again. If you ever find yourself in this situation, don’t withdraw your funds. Instead, immediately contact real bank personnel or the police to report this criminal activity.

### **Ring....Ring...Telemarketing Fraud Calling**

Telemarketing fraud features bogus offers for unclaimed sweepstakes winnings, exotic vacations, advance fee loans, credit repair, Nigerian type scams and other prizes once you send an advance fee or give out personal information such as Social Security numbers or bank account access. If it sounds too good to be true, it probably is! Don’t buy what they’re (not) selling.

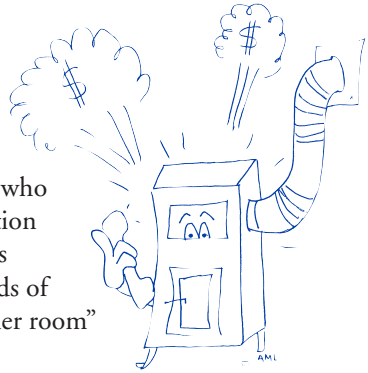
### **Demand Draft Scams – Unauthorized Withdrawals from Your Bank Account**

Why are scammers so interested in obtaining your bank account numbers? It’s easy: they want to create a check-like instrument called a demand draft. Once the crooks have a person’s bank information, they use a sophisticated machine to enter that consumer’s account number and the bank transit and routing information in magnetic ink to the bottom line of the demand draft. The demand

draft is deposited into the scammer's bank account and is eventually presented to the victim's bank. Poof!.....The funds are removed! No cash prizes, tropical cruises, unclaimed sweepstakes or foreign lottery riches. **Remember:** never disclose your bank account number to unknown solicitors!!

### **Boiler Room Operations**

Scammers typically set up shop in rented office suites crammed with workers dialing potential victims non-stop. These operations are called "boiler rooms." Consumers who call the Bureau of Consumer Credit Protection checking out suspicious telemarketing offers frequently mention that they hear the sounds of many other voices in the background. "Boiler room" criminals are notoriously noisy!



### **“Phony Check” Scam – Beware of the “Check in the Mail”**

If you receive a phone call saying the caller will send you a check for unclaimed sweepstakes winnings, something you are advertising, or for working at home, you may be the potential victim of the fake check scam. These scammers send you an authentic-looking check, asking you to wire them the excess money that was mistakenly added, or to wire money for fees and taxes related to “your prize amount.” It doesn't seem like a bad deal until the consumer gets his/her bank statement and the crook's check they deposited has bounced or the funds are unavailable!

#### ***BUREAU TIP:***

Be **cautious** of all unknown callers, and do not give out personal information to anyone who refuses to send written contracts. Write down the dates and times of any calls or letters. **Remember:** financial services companies must be licensed by the state. Always check with government agencies (see our numerous resource listings throughout this booklet) before committing to a new, questionable financial transaction.

## **Charities....Avoid Fraud....Be an Informed Giver!**

Charity Fraud occurs by telephone, mail or even in person, with crooks pretending to represent an organization with whom they have no connection. Consumers should listen for suspicious statements that the person makes, such as the name of an organization that might be very similar-sounding to a well-known one. Pushy campaigning or offers of a courier service to rush donation is another tip-off of a potential “rip-off”. To check to see if a charity is licensed in Maine, call the Maine Office of Licensing and Registration at 207-624-8603.

Charities often pay fundraisers to gather funds for their organization, and in this case, a percentage of each donation goes to the fundraiser. If you get a call asking for a contribution, be sure to ask the caller if they are a paid solicitor for the organization. **Under Maine Law, fundraisers are required to disclose this information, so be wary if they refuse to tell you or say they do not know.** You may want to hang up and save your money for a more reputable charity!

*Remember: The best donation is an informed donation!*

## **Stopping Scammers “In Their Tracks!” – Consumer Resources at Your Fingertips!**

**Phone Busters and RECOL** (Reporting Economic Crime On-Line), the Canadian Anti-fraud Call Centers.

Phone Busters and RECOL are the places to call for more information on Canadian scams, or to stop one!

[www.phonebusters.com](http://www.phonebusters.com)  
1-888-495-8501

[www.recol.ca](http://www.recol.ca)  
1-888-495-8501

### **Federal Trade Commission**

[www.ftc.gov](http://www.ftc.gov)

The Federal Trade Commission protects American consumers with information on identity theft, credit reports, debt collection and legal rights.

ID Theft Hotline 1-877-438-4338 (Then dial “0” to reach a live assistant)

Consumer Complaint Center 1-877-382-4357

### **National Consumer Law Center, Boston, MA**

Expertise and advice in legal matters for low-income and vulnerable American consumers.

1-617-542-8010

[www.nclc.org](http://www.nclc.org)

## Better Business Bureau (Boston Office)

Provides information for consumers on businesses and charities, and provides consumer outreach.

[www.boston.bbb.org](http://www.boston.bbb.org)

1-800-422-2811

## Investment Scams – Investigate Before Investing!

You have been offered an investment opportunity with a very high rate of return, but it is only available if you act quickly! Just as you go to pick up the phone to cash in, your instinct tells you to rethink the idea. But whom do you call to ask questions about the opportunity? The guy on the phone got angry when you told him you would call back.

*The answer?* The Maine State Office of Securities (1-888-624-8551) is a wonderful resource for an elder who has investments, who has questions about investment firm licenses or practices or who thinks they have been offered an investment or retirement scam.



The Office of Securities recommends asking these questions if you are thinking about investing, or if you get a call from a possible investment scammer:

- Is the investment registered in Maine with the Office of Securities?
- Is the person selling you the investment licensed in Maine?
- Do you (the consumer) fully understand the product they are selling you?<sup>1</sup>

If the answer to any of these questions is **no**, the Office of Securities advises elders to be aware of potential harm to their finances. Persons over the age of 65 are those most commonly targeted for scams, due to the buildup of assets such as home equity and IRAs over their lifetimes.

Some warning signs of investment scams:<sup>2</sup>

- “There’s no risk”
- “You need to act on this right away”
- “It’s an amazingly high rate of return”

<sup>1</sup> Questions from *Resources for Maine Investors Approaching or in Retirement*. Maine Office of Securities

<sup>2</sup> Warnings from *Resources for Maine Investors Approaching or in Retirement*. Maine Office of Securities



The Office of Securities recommends that you receive a second opinion from a valued professional or personal resource before investing!

Before making any commitment to a potentially unlicensed investor, call the Office of Securities! **They welcome your call at 1-888 624-8551, TTY 1-888-577-6690 or on-line at [www.investors.maine.gov](http://www.investors.maine.gov)**

For additional information on investments, call the above 1-800 number for your free brochure from the Office of Securities titled *Resources for Maine Investors Approaching or In Retirement*.

*Remember the old adage:  
If it sounds too good to be true, it probably is!*

## Chapter 2: IDENTITY THEFT: WHAT IT IS, HOW IT OCCURS, AND HOW TO PROTECT YOURSELF

Identity Theft occurs when another person steals your personal information and uses it for financial gain. This can include: opening bank or credit union accounts (especially loans!) in your name; applying for housing or government benefits; and gaining access to credit card, investment or retirement accounts. The thief assumes the identity of the victim, and goes on illegal spending sprees.



### The Federal Trade Commission's Report on Identity Theft:<sup>1</sup>

- ✓ 8.3 million Americans were victims of identity theft in 2005
- ✓ 16% of this theft was perpetrated by family, friends, neighbors or co-workers
- ✓ 56% of victims didn't know how their identity was stolen
- ✓ \$500 was the median value stolen by identity thieves

### Here are common means of identity theft:

- “Dumpster Diving”
- “Shoulder Surfing”
- “Pretexting”
- File Breaches

“**Dumpster Diving**” is the practice of looking through trash or discarded documents to gain personal information. Crooks search through trash at retail stores, restaurants, and gas stations in order to find credit and debit card numbers and information from consumers. If a carbon receipt is used by the merchant, always ask for that receipt.

<sup>1</sup> Statistics: *2006 Final Report Identity Theft*. Federal Trade Commission.



“**Shoulder Surfing**” is committed by looking over someone’s shoulder while he or she is entering private information (Personal Identification Number or PIN) into an ATM or a personal form. This tactic is especially effective in crowded areas because it is simple to get close to a person without seeming obvious.

“**Pretexting**” to obtain personal information is becoming a popular identity theft method. This tactic involves a

person pretending he or she is someone else, and giving the name of an established private company or government agency, in order to trick the consumer into disclosing personal information. This can occur in person, over the telephone, via the Internet, or through a direct mail solicitation or fax.

**File breaches** occur when a business, educational facility, non-profit, medical facility, or government agency’s paper or electronic files are compromised or stolen by an outside party. The thief uses the affected consumers’ personal information to commit identity theft.

## CAUTION!

Roommates and family members can sometimes perpetrate identity theft. Unfortunately, those closest to you may not always have good intentions!

### *Four Smart Ways to Guard Against Identity Theft:*

- Always destroy documents containing personal information.
- Never dispose of bank account statements or credit card offers in your garbage without shredding them first.
- Be aware of strangers near bank ATMs attempting to steal your secret Personal Identification Number (PIN)
- Order your free credit report once a year from each of the three credit bureaus

## Why Order a Credit Report?

The value of ordering a free credit report (see below) once a year, is simple – consumers are able to review all the data on their reports to make sure it is correct. Identity theft is a rapidly growing crime category; but the good news is that victims can find out if their identities have been stolen by ordering a copy of their credit report.

- **A credit report is a document that records your credit history and personal information.** It includes where you live, how you pay your bills (on-time or late) to all accounts in your name, and whether you have credit related lawsuits or filed for bankruptcy. This means that if an identity thief has opened any accounts in your name, those accounts will appear on your credit report.
- Under the Fair Credit Reporting Act (FCRA), consumers are entitled to a copy of their credit report, free, once every year from each of the three credit reporting bureaus: Equifax, Experian and Trans Union.
- To obtain your report you must submit a request using either the telephone, mail or the Internet. Even if you pay all your bills on-time, please be sure to order your free report anyway to check for any errors and possible cases of identity theft.
- It is important for the safety of your personal information to stay updated on your consumer credit report! Think of this annual request like a yearly medical check-up; except it's for your “credit health!”

### Credit Report Ordering Information

You can call 1-877-322-8228 for free (once a year) copies of your credit reports. The Bureau of Consumer Credit Protection finds that this is the quickest method for safely obtaining your free credit reports.

*You may also make your request in writing:*  
Annual Credit Report Request Service  
P.O. Box 105283, Atlanta, GA 30348-5281

*Include your full name, street address, date of birth, Social Security number and a photocopy of a utility bill in your letter.*

*Or make a request on-line at: [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com)*

**Note:** Have your printer ready, because once the credit reporting agency is convinced that you are who you say you are (you'll be asked a series of personal multiple-choice financial questions), your credit reports will appear right on the computer screen!

## FREE BOOKLET

*Downeaster Consumer Guide to Credit Bureaus and Credit Reports.*

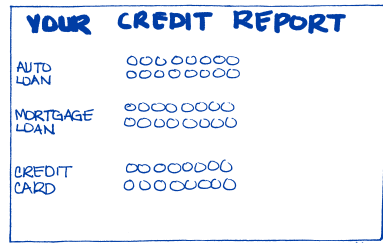
This publication contains valuable information about credit reports.

For your free copy, call 1-800-332-8529.

### Juniors, Seniors and III, IV, etc. – Take Care with Credit Reports

If your family has a tradition of naming the new generation after the previous one, you must be very aware of the potential for credit report mix-ups between those similarly-named relatives. The Bureau recommends calling 1-877-322-8228 for a free copy of your credit reports once a year. It is essential to order and review your files every 12 months. For the computer savvy, you

may order your free credit report on-line at [www.AnnualCreditReport.com](http://www.AnnualCreditReport.com). In order to place this order through these secure methods, you will be asked to provide your full name, Social Security number (SSN), date of birth, and current street address.



**Another helpful tool to avoid identity theft is to keep current on all your bank accounts.** The following page contains some tips for maintaining financial health. If you have questions about your accounts or have a dispute with a bank or credit union, please contact the Maine Bureau of Financial Institutions, which regulates state-chartered financial institutions such as banks, savings banks, savings and loans, credit unions and non depository trust companies. Toll-free: 1-800-965-5235, TTY: 207-624-8563.

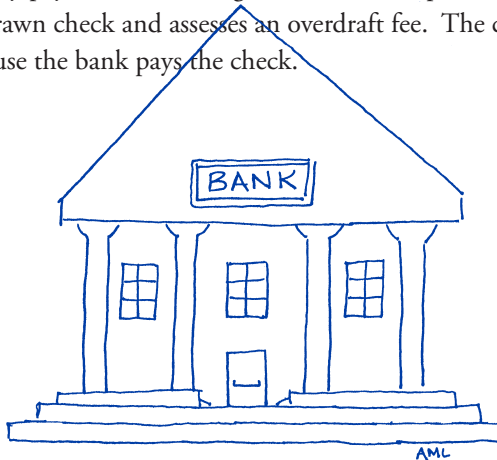
## HOW TO BE AN ALERT BANKING CONSUMER:



- ✓ Always check your bank statements when they arrive
  - ✓ If you suspect a problem with an account, immediately call your financial institution; DO NOT wait for your statement to arrive
  - ✓ Be careful whom you trust – never give your personal bank account information to an unknown caller
- 
- ✓ Immediately report any unauthorized account activity to your financial institution
  - ✓ Record your bank account numbers (including credit cards) along with their contact information in a safe secure place at home
  - ✓ Order your free credit reports from the three credit bureaus once a year

### Bounce vs. Overdraft Protection

There is a growing trend for banks to offer so called “bounce” protection on returned/bounced/NSF checks. Traditional overdraft protection accounts extend a line of credit in order to cover the overdrawn amount. The consumer simply pays a finance charge. With bounce protection, the bank pays the overdrawn check and assesses an overdraft fee. The check is not returned, because the bank pays the check.



## *File Freezing*

Several times each month the Bureau of Consumer Credit Protection receives calls from concerned senior citizens who think that their Social Security number or other personal financial information has been breached. Whether it was the senior's failure to shred financial records, a retail store file breach or a case of individual identity theft – the Bureau can assist! Special file freeze forms are quickly mailed out to the senior to effect a “lock-down” of his or her credit reports. The file freeze form is the tool that allows only the senior and his or her chosen creditors to view the credit file, using a secret code. For more information, go to [www.Credit.Maine.gov](http://www.Credit.Maine.gov), and click on “Publications” then “Consumer File Freeze Information.”

### **If You Are a Victim of Identity Theft:**

- ✓ First, contact the financial institutions in charge of your personal accounts to place fraud alert or a “freeze” on all your potentially affected accounts.
- ✓ File a report with local police/sheriff's department, and keep a copy. This will create an important record for future use in correcting your credit report, or stopping debt collectors from calling. **74% of victims do not contact the police.**
- ✓ Call the Federal Trade Commission's Identity Theft Hotline at 1-877-438-4338, then dial “0” to reach a “live” consumer assistance representative.
- ✓ Call the Maine Bureau of Consumer Credit Protection (1-800-332-8529) and ask for a credit report “file freeze” form. Out of the 10 states that offered file freezes at the time of the FTC's Identity Theft Report, only **7% of victims put a freeze on their report!**<sup>4</sup>

<sup>4</sup> Statistics: *2006 Final Report Identity Theft*. Federal Trade Commission.

## **Credit Scores – Seniors Want To Know!**

Bureau staff has attended several senior expositions recently and has been inundated with questions about how credit scores work. This number, which generally has a range of 300-850, reflects the credit-worthiness of an individual. The higher the score, the lower the risk to the lender, and the lower the interest rate or APR (annual percentage rate). How do you increase your score? Follow these tips: Pay your bills on time, don't overextend yourself with credit, carefully plan/budget future spending, and correct any errors on your credit reports.

## **Credit Clinics and Credit Counseling Companies**

Consumers seeking relief from poor credit/financial decisions sometimes turn for help to so-called credit clinics and/or credit counseling companies (debt management service providers). Companies in these industries often-times utilize television (commercial and infomercials), the Internet, newspaper advertisements, direct mail, and telemarketing calls to promote their services. While some of these companies are legitimate and licensed by the Maine Bureau of Consumer Credit Protection, Bureau staff reports receipt of multiple complaints from unsatisfied Maine consumers who have sent funds to unlicensed companies – without the promised results. Before you commit funds or sign contracts with either a credit repair or credit counseling company, call the Bureau of Consumer Credit Protection toll-free at 1-800-332-8529 to verify licensure. The Bureau recommends that you deal only with licensed companies.

With the current tough economy and financial crimes such as identity theft on the rise, the last thing elders should worry about is whether they can afford to stay in their homes. Here is a summary of information on reverse mortgages, a potential source of funds to permit challenged senior citizens to remain in their homes.

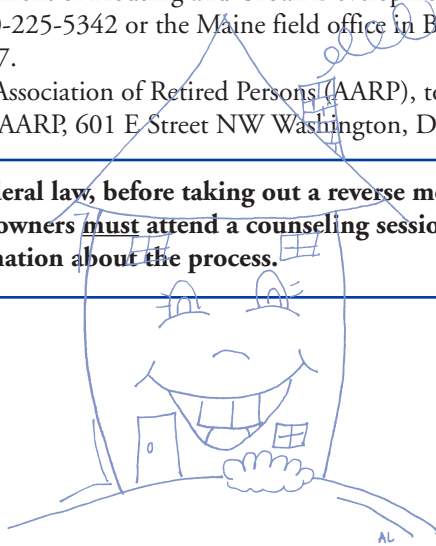
## REVERSE MORTGAGES

Unlike traditional mortgages in which borrowers make monthly payments to a lender, a reverse mortgage allows elder homeowners to receive payments from a lender as long as they stay in their home. A homeowner can give up a portion of his or her home's equity in exchange for cash that lets the homeowner maintain a comfortable lifestyle and afford daily expenses (medical, food, transportation, utilities and taxes). Reverse mortgages are becoming increasingly popular in Maine and throughout the United States.

To be eligible for a reverse mortgage you have to be 62 years or older and own your home outright. For additional information about reverse mortgages, contact:

- The Federal Trade Commission at 1-877-382-4357
- The US Department of Housing and Urban Development Resource Center at 1-800-225-5342 or the Maine field office in Bangor at 1-207-945-0467.
- The American Association of Retired Persons (AARP), toll free 1-888-687-2277, or write: AARP, 601 E Street NW Washington, DC 20049.

**According to federal law, before taking out a reverse mortgage, interested homeowners must attend a counseling session to obtain all necessary information about the process.**



### Free Booklet to Improve your Financial Literacy!

The Bureau of Consumer Credit Protection has also published a booklet titled: *Downeaster Guide: Consumer Credit 101* - a **free** guide to understanding: auto buying and financing, comparison shopping for loans, credit cards, mortgages loans, debtor rights, and tips for responsible borrowing. For your free copy, call 1-800-332-8529.

## *Chapter 3:* **FINANCIAL EXPLOITATION OF ELDERS MORE COMMON THAN YOU THINK!**

Financial exploitation means the illegal or improper use of an incapacitated or dependent adult or that adult's [financial] resources for another's profit or advantage.<sup>5</sup>

### **DID YOU KNOW?**

- According to the National Center for Elder Abuse, five million elders are abused in the United States every year.<sup>6</sup>
- **Eighty Four** percent of this abuse (emotional, financial, and physical) goes unreported.<sup>7</sup>
- More than **14,000** elders are abused in Maine every year, and **less than 10%** of these cases are reported.<sup>8</sup>
- Financial exploitation is often perpetrated by people elders trust: family, close friends and local community members.
- These relationships are usually the reason elders do not report the exploitation; they are ashamed or embarrassed, don't want to file criminal charges against the abuser, are in denial, or fear retaliation by the abuser.

### *The Perils of Cosigning – Another Form of Potential Abuse*

Why think twice about cosigning? It's just a signature, right? Wrong. The Bureau has received many, many calls over the years from distressed senior citizens reporting financially-damaging cosigner arrangements with younger relatives. One particularly poignant story involved a great aunt who cosigned a loan for a sports car for her younger niece. The niece took off with the sports car, never made one payment, and the "benevolent" great aunt was literally "stuck" with all the payments. Think twice before cosigning on any loan – remember, cosigners are 100% liable for the entire debt.

<sup>5</sup> Definition from the Maine Department of Health and Human Services *Adult Protective Services Act*; Title 22 MRSA § 3472 (9).

<sup>6</sup> 2005. *Fact Sheet: Elder Abuse Prevalence and Incidence*. National Center for Elder Abuse. Federal Administration on Aging.

<sup>7</sup> Ibid

<sup>8</sup> 2006. *Elder Abuse, Neglect and Exploitation*. Report prepared for Maine Department of Health and Human Services by University of Maine Center on Aging.

## Financial Exploitation – Collections

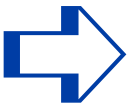
Throughout the year, the Bureau of Consumer Credit Protection staff members are alerted to situations in which an elderly individual has been approached by a younger family member to assist in paying off a collection account. Whether an elder chooses to financially assist an individual is a personal decision. Bureau staff does advise Maine’s seniors to carefully consider the effect that choice of assuming all or part of a debt will have on their personal financial position.

## Debt Collection Notice

The Bureau receives more consumer disputes about debt collection than any other complaint category. The Bureau is in charge of enforcing both the state and federal Fair Debt Collection Practices Act (FDCPA). Debt collectors must conduct their activities in a manner consistent with their responsibilities under the FDCPA. Collectors are restricted in the time of day (8 a.m. to 9 p.m.) that they may call; they may not harass or intimidate debtors; they must verify debts in writing to consumers upon the consumers’ request, and they must cease all contact if requested in writing to do so. (However, debtors who legitimately owe a debt still face the possibility of subsequent legal action even if they send a “cease contact” letter.) For more information about your rights under the FDCPA, contact the Bureau at 1-800-332-8529.

## FREE BOOKLET

*The Downeaster Guide to Debt Collection and Repossession –*  
Provides valuable information about consumer rights in a debt collection situation. Call 1-800-332-8529 for your free copy!



**Forty percent** of all elder abuse is from financial exploitation, and **60 percent** of all elderly financial abuse is perpetrated by adult children.<sup>9</sup> An article in *Consumer’s Digest* suggests that women are more likely to be financially exploited than men, and that **younger men** are the most common abusers.

<sup>9</sup> 1998. *National Elder Abuse Incidence Study*. The Federal Administration on Aging.

*The following are some warning signs  
of elder financial exploitation:*

- Maxed out credit cards/ unpaid bills
- Deteriorating living conditions
- Decrease of essential services (food, healthcare, heat)
- Bank account withdrawals by family and friends
- Physical withdrawal from loved ones
- Unexpected change in payee, power of attorney, will
- Lack of knowledge about income or bank account balances<sup>10</sup>

## Be Proactive!

### Plan Ahead to Avoid Being a Victim of Elder Abuse:

Maine State experts advise elders to seek and meet **independent counsel privately** – meaning a person outside of family, friends, and health care providers, without bringing a family member along. This is one of the safest ways to ensure that an elder is making his or her own decisions about future plans.

When looking for a person to manage your future decisions and finances, seek someone who is:

- ✓ Successful and respected in the community
- ✓ Responsible (can provide written, local references)
- ✓ Experienced in financial planning for elders

<sup>10</sup> 2004. Seth Blodgett, Investigator, Maine Office of the Attorney General. Power Point. The Impact of Financial Crimes on the Elderly.

## ADVISORY:

MaineCare is Maine's Medicaid program that provides health care services to Maine's low-income citizens. There have been cases where relatives, friends, or other acquaintances have had elders transfer their assets to someone else to try and qualify for MaineCare benefits. This transfer of the elder's assets can leave an elder completely dependent on this Maine State Government program, or with no money, and is therefore classified as financial abuse.

**Although many elders wish to appoint their children to oversee their financial affairs, it is important to consider the option of keeping family matters and financial matters separate.**

One possible option is to draw up a legal document called a Power of Attorney (POA) that allows someone of your choosing to manage your legal and financial matters, once you are unable to do so. **Power of Attorneys can be as narrow or as broad in their involvement as you would like.**

You, as the elder, act as the "principal" to appoint the person to handle your personal business matters. This appointed person is called the "agent."

**"Principal"**



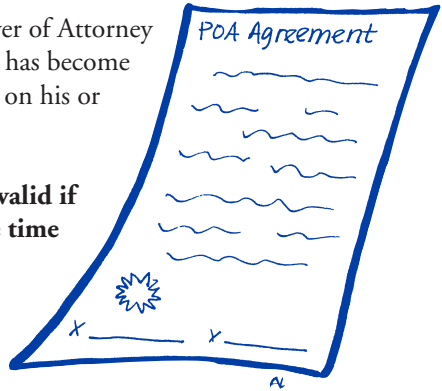
**"Agent" can be authorized to:**

- Spend principal's money
- Sell property
- Enter into contracts
- Carry-out all other legal/financial affairs for the principal

Agents that sign the Power of Attorney contract **should understand that elders are not losing their rights**, that the agents are helping the elders with their decisions until they are unable to do so, and that all decisions must be made in the best interest of the elders.

A **Durable Power of Attorney** is a Power of Attorney that remains in place after the principal has become mentally incapable of making decisions on his or her own.

- Power of Attorney contracts are **only valid if the “principal” is mentally fit at the time of signing.**



Some POA contracts are abused.

These agents believe they **exercise**

**complete right** over the principals and therefore do not consult the principal before acting on his or her financial behalf. Agents sometimes justify these actions by believing that their actions are the result of the induced stress of elder care or the feeling that they are somehow entitled to certain rewards.

As an elder, **DO NOT** allow this abuse to happen. Think about and observe carefully the person you are considering to appoint as your agent. Make sure he or she is experienced, can handle responsibility, and can provide written references! If you experience or observe elder abuse resulting from improper powers of attorney, then contact the State of Maine Adult Protective Services toll free at 1-800-624-8408 or Legal Services for the Elderly toll free at 1-800-750-5353.

## **Elder Bank Account Exploitation**

Financial institutions (banks, savings banks, savings and loans and credit unions) have trained their employees to be on the alert for potential exploitation, due to increased crimes in this area. An elder appearing with an unknown person, asking to withdraw all his or her funds in cash, is a classic “red flag” to an alert teller.

## **News Flash!**

Under a new federal law titled “Red Flag Rules”, financial institutions and creditors must create and follow identity theft prevention programs for their patrons. These rules are part of the Fair and Accurate Credit Transaction Act (FACT) of 2003, aimed to ensure better protection of consumers’ personal information.

## *If You Are a Victim of Financial Exploitation:*

- ✓ Contact the local police/sheriff's department
- ✓ **Contact Adult Protective Services in the Maine Office of Elder Services toll free at:**  
Voice 24 hours: 1-800-624-8408, TTY 24 hours: 1-800-606-0215

To report abuse, neglect or exploitation in a nursing home facility licensed by the Maine Department of Health and Human Services, dial:  
Voice: 1-800-383-2441 TTY: 1-800-606-0215

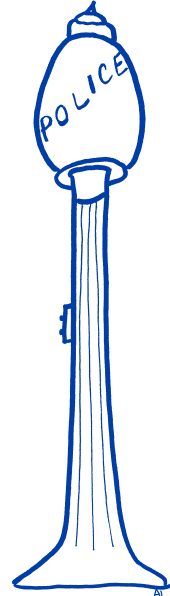
If you have a POA agent whom you feel is acting inappropriately:

- ✓ Revoke the POA agent immediately and transfer power to a new "agent"
- ✓ Begin direct deposit of any benefits into your bank accounts
- ✓ Contact **Legal Services for the Elderly toll free at:** 1-800-750-5353 or **the Maine Office of Elder Services at:** 1-800-624-8408

**Operators reached at the above hotline numbers can answer many questions about elder abuse and can help you make connections to caseworkers, the police, or the Attorney General's Office. The AG's direct phone lines are 1-800-436-2131, TTY: 207-626-8865.**

These resources put you in touch with real solutions, so **do not hesitate** to call or get help!

Experts urge elders to realize they are **not alone** in financial exploitation. It's a **crime!** People should feel and be safe at any age, so do not be afraid to reach out and speak out!



## *Chapter 4:* **INSURANCE AND PROFESSIONAL OCCUPATIONAL LICENSING IN MAINE**

### **Your Insurance Questions Answered!**

The Bureau of Insurance regulates the insurance industry in Maine. For information on insurance fraud or if you believe you have been offered an insurance scam, or just have a general question about insurance, contact the Bureau of Insurance toll-free: 1-800-300-5000, TTY: 1-888-577-6690. The Bureau of Insurance publishes several brochures regarding auto, health, homeowners, and life insurance. Some include: *Ten Things You Should Know About Buying Auto Insurance*, *Are You Eligible or Do You Have Medicare?*, *Medicare Supplement Comparison Chart*, *Contacts for Residential Property Insurance*, and *Ten Things You Should Know About Buying Fixed Deferred Annuities*. These free brochures are available by calling 1-800-300-5000.

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### *Get On Board the “SHIP”*

SHIP is an abbreviation for Maine’s **S**tate **H**ealth **I**nsurance assistance **P**rogram. SHIP’s **free** services:<sup>11</sup>

- Provide information and answer questions about Medicare, MaineCare and other Medicare supplement plans
- Help elders understand Medicare Prescription Drug Coverage
- Help elders to enroll in Medicare Savings Programs
- Inform elders on their rights with MaineCare and Medicare
- Teach senior citizens **how to detect and report errors and abuse** in MaineCare and Medicare.

Call SHIP: SHIP services are available through:

- Legal Services for the Elderly, toll free voice and TTY: 1-800-750-5353
- Maine’s 5 Area Agencies on Aging, toll free: 1-800-353-3771. (*see page 29*)
- State SHIP Office at the Office of Elder Services, toll free: 1-800-262-2232, TTY: 1-800-606-2015.

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<sup>11</sup> *About Maine SHIP*. The Maine Bureau of Insurance, 2008.

## Licensed Maine Professionals

The Maine Office of Licensing and Registration issues more than 100,000 professional and tradesperson licenses in this state, including: accountants, architects, electricians, land surveyors, manufactured housing professionals, plumbers, real estate appraisers and real estate professionals.

Telephone: 207-624-8603 TTY: 1-888-577-6690

### Partial Listing of Boards/Commissions

Board of Nursing Home Administrators

Board of Real Estate Appraisers

Board of Chiropractic Services

Maine Real Estate Commission

Board of Boiler and Pressure Valves

Board of Complementary Health Care Providers

Board of Speech-Language Pathology, Audiology, and Hearing Aid Dealers and Fitting

Board of Electricians

Board of Pharmacy

Board of Veterinarians

Board of Plumbers

Board of Oil and Solid Fuel

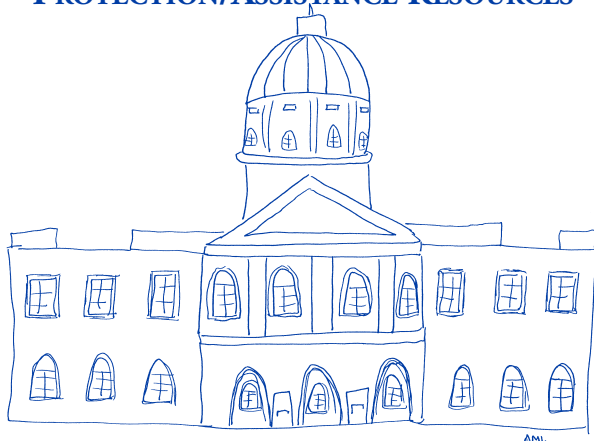
## A Word About Hearing Aids

Good hearing should not be a source of stress for anyone. The Office of Licensing and Registration is an excellent resource for an elder who is thinking of obtaining a hearing aid. Hearing aids are available at both hearing aid dealers/fitters and audiologists, and can cost up to \$5,000. The Office urges senior citizens to be savvy consumers and shop around for the best deals to maximize benefits for both themselves and their money. Elders are advised to get a second opinion and to fill out a purchase agreement before settling on a deal. Remember, your ears are precious, and you should be perfectly satisfied. For questions, concerns, a history of complaint actions against Office-licensed hearing aid dealers/fitters, or to file a complaint, contact the Office of Licensing and Registration at 207-624-8603

TTY: 1-888-577-6690 or visit their website:

[www.maine.gov/pfr/professionallicensing](http://www.maine.gov/pfr/professionallicensing)

**Chapter 5:**  
**ADDITIONAL FINANCIAL**  
**PROTECTION/ASSISTANCE RESOURCES**



**Within Maine State Government:**

**Maine Office of the Attorney General**

Represents the state in legal actions, investigates consumer disputes and prosecutes crimes.

Telephone: 1-800-436-2131

TTY: 207-626-8865

*Or write:*

Office of the Attorney General

Consumer Protection Division

6 State House Station

Augusta, ME 04333

**Maine Office of Elder Services**

Supports programs and services to benefit older adults, their families and those with disabilities.

Toll free Nationwide: 1-800-262-2232

Toll free Statewide TTY: 1-800-606-0215

**Maine Public Utilities Commission**

Regulates and accepts consumer complaints against: electric, gas, water and telephone (land lines only) service providers to Maine homes.

Consumer Assistance Hotline: 1-800-452-4699

TTY: 1-800- 437-1220

## Non-profit Resources:

### **Legal Services for the Elderly**

Provides free legal aid to seniors 60+ who are in hardships both socially and economically.

Helpline: 1-800-750-5353

Online: <http://www.mainelse.org/>

### **2-1-1 Maine**

Offers an efficient way to find answers to important questions, including the areas of: energy assistance, elder care issues, veterans services, crisis intervention, and basic needs (food, clothing and shelter).

Telephone: 2-1-1

TTY: 2-1-1

Online: [www.211Maine.org](http://www.211Maine.org)

### **Pine Tree Legal Assistance (Private, Non-profit group)**

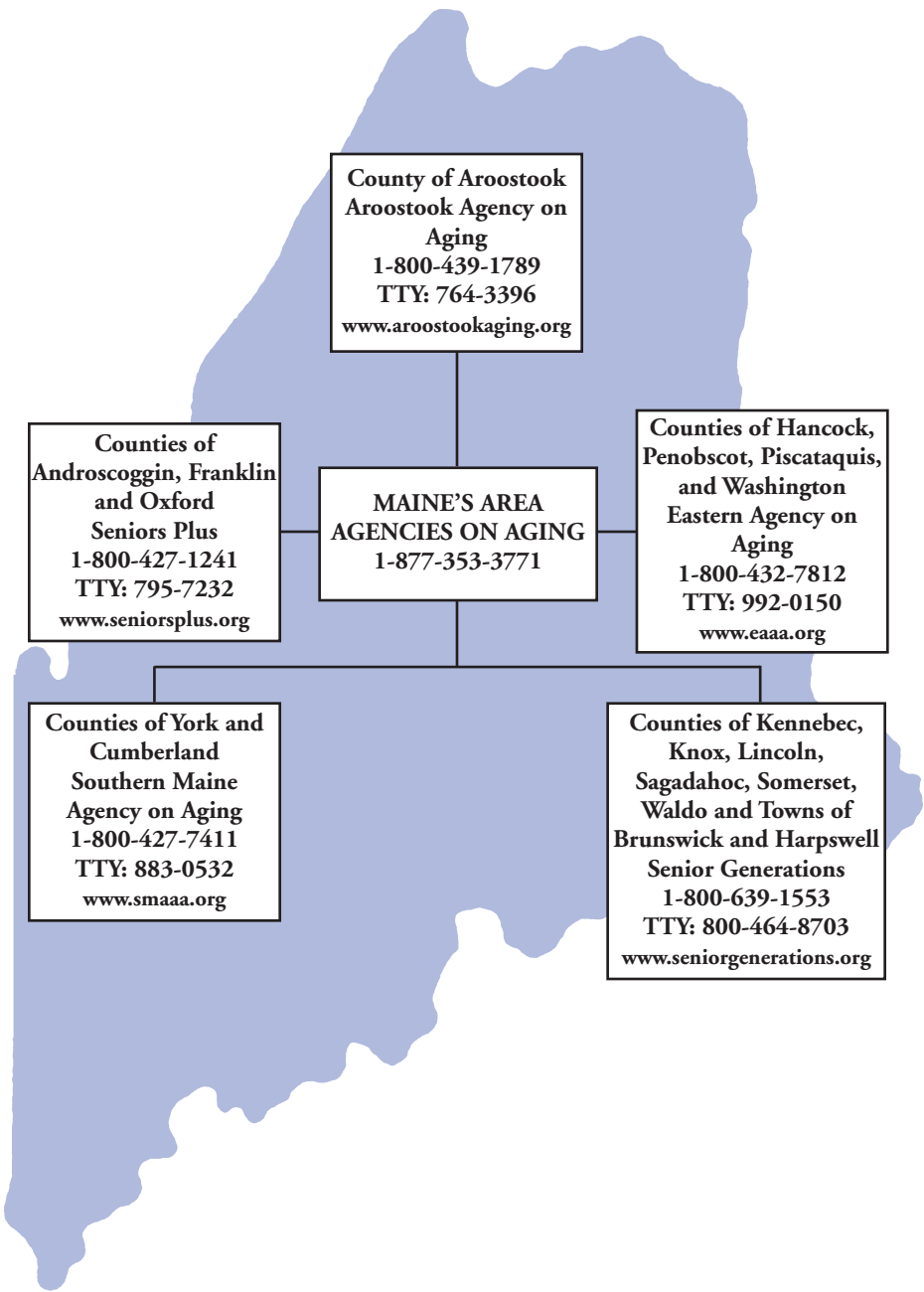
Provides free legal assistance to low-income Mainers.

Telephone (Augusta Office): 1-207- 622-4731

TTY: 711

Online: [www.ptla.org](http://www.ptla.org)

**Maine's Area Agencies on Aging** (see next page) were established to assist Maine's elderly population in continuing to comfortably live in their homes. Their services range from issues involving healthcare to heating to personal money management.



**County of Aroostook**  
**Aroostook Agency on Aging**  
1-800-439-1789  
TTY: 764-3396  
[www.arostookaging.org](http://www.arostookaging.org)

**Counties of Androscoggin, Franklin and Oxford**  
**Seniors Plus**  
1-800-427-1241  
TTY: 795-7232  
[www.seniorsplus.org](http://www.seniorsplus.org)

**MAINE'S AREA AGENCIES ON AGING**  
1-877-353-3771

**Counties of Hancock, Penobscot, Piscataquis, and Washington**  
**Eastern Agency on Aging**  
1-800-432-7812  
TTY: 992-0150  
[www.eaaa.org](http://www.eaaa.org)

**Counties of York and Cumberland**  
**Southern Maine Agency on Aging**  
1-800-427-7411  
TTY: 883-0532  
[www.smaaa.org](http://www.smaaa.org)

**Counties of Kennebec, Knox, Lincoln, Sagadahoc, Somerset, Waldo and Towns of Brunswick and Harpswell**  
**Senior Generations**  
1-800-639-1553  
TTY: 800-464-8703  
[www.seniorgenerations.org](http://www.seniorgenerations.org)

## Federal Government Contacts:

### **FDIC (Federal Deposit Insurance Corporation)**

Ensures public confidence in U.S. financial systems by insuring deposited money in banks and other financial institutions

Toll free: 1-877-275-3342

TTY: 1- 800-925-4618

Online: [www.fdic.gov](http://www.fdic.gov)

### **NCUA (National Credit Union Administration)**

Supervises credit unions and insures member deposits at these institutions

Consumer Assistance Hotline 1-800-755-1030

Online: <http://www.ncua.gov>

### **Federal Reserve Consumer Help**

This new resource is designed to provide consumers with information and support (complaint assistance) regarding banking related issues.

Toll free: 1-888-851-1920

[www.federalreserveconsumerhelp.com](http://www.federalreserveconsumerhelp.com)

### **FTC (Federal Trade Commission)**

Protects and informs consumers about credit, identity theft, debt collection and a variety of other pertinent issues regarding the business and financial matters

Toll-free helpline: 1-877-FTC-HELP (1-877-382-4357);

TTY: 1-866-653-4261

Online: [www.ftc.gov](http://www.ftc.gov)

### **FCC (Federal Communications Commission)**

Regulates all types of communication (radio, TV, satellite, cable, and wireless/cell phones), both internationally and in the United States

Toll-free:1-888-225-5322

TTY: 1-888-835-5322

Online: [www.fcc.gov](http://www.fcc.gov)

Be sure to order (1-800-332-8529) other free Bureau of Consumer Credit Protection credit-related booklets by contacting our agency:

- **Downeaster Pocket Credit Guide:** This handy booklet offers credit shopping advice and features extensive rate tables used for furniture and appliance financing, home improvement loans, auto loans and mortgage loans.
- **Downeaster Guide to Debt Collection and Repossession:** Provides an explanation of rights and duties under the Fair Debt Collection Practices Act, and includes answers to frequently-asked questions about repossessions.
- **Downeaster Guide to Credit Bureaus and Credit Reports:** This booklet answers the twenty-two most commonly-asked questions about Maine's Fair Credit Reporting Act. An order form for free credit reports is attached.
- **Downeaster Guide to Consumer Rights:** This guide provides an extensive listing of your rights in a variety of consumer transactions, including: Credit Reports, debt collection, mortgage companies, loan brokers, non-bank ATMs, rent-to-own, debt management companies, and more!
- **Downeaster Guide: Consumer Credit 101 (booklet):** This comprehensive booklet explains the "ins and outs" of : auto-buying and financing, credit cards, mortgage loans, buying land, debt collection rights, credit reports and credit histories, plus a partial listing of Maine and federal credit laws and regulations.
- **Downeaster Guide: Consumer Credit 101 (DVD video):** This ten-chapter, four hour DVD covers the topical areas of the Credit 101 booklet, but in greater detail! Consumer credit experts from Maine and across America join agency staff in discussions of important financial literacy topics. \$10.00 for in-state orders, \$20.00 for outside Maine (USA) orders.

\* These guides are **FREE** to Maine residents and only \$2.00 each for out-of state individuals. Checks can be made payable to our agency. The "Credit 101" DVD can be purchased by Maine residents for \$10.00, \$20.00 for out-of-state orders.

**Please Note:** This booklet is not intended to be a complete discussion of all statutes applicable to consumer credit. If you require further assistance, consider contacting an attorney or our agency for additional help.

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The State of Maine Bureau of Consumer Credit Protection

# NOTES