

TOL Workbook for Financial Exploitation Mini-Module

**Deed Theft and Foreclosure Rescue Scams**



Developed by Kevin Bigelow

**Topic:**

Deed theft and foreclosure rescue scams are not new, and as we will see, they have changed over time. Nevertheless, the unscrupulous goals of deed theft and foreclosure rescue scams have not changed. The goals are to dupe seniors out of their money and perhaps their property by taking advantage of their limited financial means, their fears of losing their property, their lack of legal knowledge about the transfer of titles, and their trusting natures.

Resources built up over a lifetime have often been lost because these financial abuse perpetrators have convinced unwitting seniors to take their advice. With financial abuse on the rise, it is often the APS worker that first learns about these crimes, and quick action based on thorough knowledge about these types of scams may mean the difference between financial well-being and financial tragedy of the affected seniors.

**Objectives:**

At the end of this module, Participants will be able to:

- **Define quitclaim deed theft & foreclosure rescue scams**
- **Describe the indicators of the crimes**
- **Identify the steps to take in an investigation**
- **Identify partners in the field**

**Activities:**

Supervisors can use this workbook to provide training for new staff or as a refresher or supplemental training to more experienced staff on deed theft and foreclosure rescue scams. This information provided in this Supervisor Transfer of Learning Activity Workbook will include identifying and recognizing these scams, identifying the steps of investigation, and becoming knowledgeable about partners in the field who can assist with the worker and the victims when these types of scams are identified.

## **Suggested Readings:**

*Tips for Avoiding Mortgage Foreclosure Rescue and Loan Modification Scams*

Federal Deposit Insurance Commission (FDIC)

<http://www.fdic.gov/consumers/loans/prevention/rescue/watch.html>

## **Deed-Theft Scam Could Cost Grandmother Her Home**

By John M. Annese, Staten Island Real-Time News - November 11, 2009

[http://www.silive.com/news/index.ssf/2009/11/deed-theft\\_scam\\_could\\_cost\\_gra.html](http://www.silive.com/news/index.ssf/2009/11/deed-theft_scam_could_cost_gra.html)

## **Fair Lending Outreach to Elders**

By Kerstin Arusha, Bar Associations in Focus on Aging and the Law - Vol. 27, No. 3, Feb. 2005

[www.abanet.org/aging/publications/bifocal/06/feb.pdf](http://www.abanet.org/aging/publications/bifocal/06/feb.pdf)

## **Beware of Foreclosure Rescue Scams (Brochure)**

South Brooklyn Legal Services

[http://www.sbls.org/pdf/foreclosure\\_rescue.pdf](http://www.sbls.org/pdf/foreclosure_rescue.pdf)

## **Money Matters- Foreclosure rescue Scams**

Federal Trade Commission

<http://www.ftc.gov/bcp/edu/microsites/moneymatters/your-home-foreclosure-rescue-scams.shtml>

### **Learning Objective #1:**

#### **Define quitclaim deed theft & foreclosure rescue scams**

### **Learning Objective #2:**

#### **Describe the indicators of the crimes**

Both quitclaim deed theft and foreclosure rescue scams may occur in the same case. Quitclaim deed theft may be part of a foreclosure rescue scam in some situations, while in other situations it will not. In order to explore both quitclaim deed theft and foreclosure rescue scams and understand their potential interrelatedness; we will explore both objective #1 and objective #2 separately for each of these issues.

#### **Learning Objective #1A - Define Quitclaim Deed Theft:**

To understand quitclaim deed theft, first we must understand what a quitclaim deed is. A quitclaim deed can be defined as: “a document that removes any interest a person, the grantor, has in a piece of property. When signing a quitclaim deed, that person is “quitting” their right of ownership to the property. A person might sign a quitclaim deed in order to transfer a piece of property to a spouse, adult child, business, or charitable foundation.”

While some quitclaim deeds may be perfectly legal, other quitclaim deeds may have been created illegally. Some of the indicators that a quitclaim deed may be invalid and that a crime may have been committed include the following:

- Mental confusion on the part of the signer that predated the signing of the quitclaim deed.
- The suspicion that the person signing over their property may have been defrauded or coerced into signing the deed, unduly influenced, or that they may be completely unaware that the transaction took place.
- Irregularities such as: no notary being present when the grantor signed the quitclaim deed.
- Future care has been promised in exchange for the signing over of property.

Quitclaim deeds signed by persons that are not mentally competent are likely not valid. Numerous financial abuse related crimes have been committed when confused persons, and those suffering from dementia, Alzheimer’s, or confused for some medical reason were tricked into signing documents that were not in their interest.

Any suspicion that a quitclaim deed may have been executed without the grantor's knowledge, or that the grantor may have been coerced should be a red flag for financial abuse and criminal activity. In situations where seniors were not outright forced to sign their property away, they may be the victim of ongoing undue influence through which they have manipulated into signing documents that they would never have signed under other circumstances.

On investigation, irregularities with the procedure for signing the quitclaim deed may be discovered. If, for instance, the signing of the deed was not witnessed by a notary, this should send up a red flag. Sometimes notaries, when presented with a document, such as a quitclaim deed, are told by family members or others that the signer is elderly and in poor health, they may notarize the document after the fact, thinking that they are assisting the signer; however, this could also indicate that the grantor did not sign voluntarily, that they were too confused to understand what they were signing, or perhaps that the grantor did not sign the quitclaim deed at all and that their signature was forged. Any irregularities with the signing or witnessing of quitclaim deeds warrants additional investigation to see if the grantor truly intended to sign over their property.

Unfortunately, a common manipulation of financial abuse victims is the promise of future care in exchange for signing over their property. This scam plays on the fears of seniors and those suffering serious illnesses about who will take care of them in the future. The perpetrator of this type of scam will convince the victim that they are at risk, and will promise to care for them for the rest of their lives if they will only sign over their property to the perpetrator. The victim trusts the perpetrator and signs over their home, believing they are securing their future. Unfortunately, these victims are then later evicted from their property, and forced into the very circumstances they had feared, now without the assets they used to possess.

### **Learning Objective #2A - Describe the Indicators for Quitclaim Deed Theft:**

While the scams leading up to quitclaim deed theft are many and varied, the end result, if not stopped, is the same - the property owner loses their property without intending to do so. Since the worker/investigator may be the first person (other than the victim themselves) to discover the scam, it is important that they be able to recognize the indicators that were described in *Objective #1A-Define quitclaim deed theft*. Discussion of quitclaim deed theft, how it may come to light, and how to respond to it if we suspect that our clients are or will

soon be victims of this type of fraud is crucial to intervening in a timely manner.

### **Discussion Questions:**

In a new staff orientation, or at a staff meeting, ask participants to review the following brief situations. Based on the description of quitclaim deed theft described in *Objective # 1A*, identify which type of indicator of quitclaim deed theft each example represents.

**Example: Mr. Henderson's son, Robert was always critical of Mr. Henderson, and had been heard shouting at him. When Robert decided that Mr. Henderson should sign over his home to him, Mr. Henderson did not want to do so. But Robert's behavior was so threatening that Mr. Henderson was afraid not to sign over his home to Robert.**

**Answer: Type of indicator - Mr. Henderson was coerced into signing over his home to Robert**

1. Mrs. Samson quitclaimed her home over to her live-in caregiver, Betty, 6 months ago. On investigating the case you discover that Mrs. Samson was displaying symptoms of confusion as far back as three years ago, and that she was diagnosed with dementia 2 years ago. *(type of indicator: mental confusion predating quitclaim deed)*
2. Mr. Stanley lived alone in his home for two years after his wife died. When he eventually decided to sell his home and move to assisted living, it was discovered that his home no longer belonged to him. Without his knowledge, a forged quitclaim deed had been executed. *(type of indicator: victim unaware that title of their home had been transferred)*
3. When examining the quitclaim deed that Mrs. Green had signed to give her home to her daughter after she entered a nursing home, you observe that the notary signature is dated one day later than Mrs. Green's signature. When you ask Mrs. Green's daughter about this, she tells you that Mrs. Green was too ill to go to the notary's office, so they were kind enough to notarize the document at their office the next day. Mrs. Green was not present. *(type of indicator: irregularity in documentation process)*
4. Mr. Peet's son, John, convinced Mr. Peet that he might face serious problems if he did not have a caregiver in the future. John convinced Mr. Peet, that he and his wife could live at Mr. Peet's home and claim

ownership. They would have plenty of time to care for Mr. Peet, and they would then be able to care for him in his home for the rest of his life. Three months after signing the quitclaim deed, Mr. Peet was placed in a nursing home, and John sold the family home and moved to another state. *(type of indicator: future care promised in exchange for the signing over of property)*

5. After Myra Brown became ill emphysema, her niece, Rachel arrived one day and said she had come to take care of Mrs. Green. A widower, Mrs. Green initially enjoyed Rachel's company. Rachel spent many hours convincing Mrs. Green how ill she was, and that she a too weak to care for herself. Whenever Mrs. Green attempted to become more independent, Rachel would criticize her, and emphasize everything that Mrs. Green had done wrong. Although Mrs. Green's doctor said she should be recovering, Mrs. Green became more and more dependent on Rachel. When Rachel later told Mrs. Green that it would be "stupid" not to sign over her home to Rachel because Mrs. Green could no longer manage her affairs, Mrs. Green complied. *(type of indicator: Undue influence, coercion)*

### **Learning Objective #1B - Define Foreclosure Rescue Scams:**

Foreclosure rescue scams are manipulative attempts to trick homeowners out of their money and property by playing on the owners fears that they may lose their homes.

"The possibility of losing your home to foreclosure can be terrifying. The reality that scam artists are preying on the vulnerability of desperate homeowners is equally frightening. Many so-called foreclosure rescue companies or foreclosure assistance firms claim they can help you save your home. Some are brazen enough to offer a money-back guarantee. Unfortunately, once most of these foreclosure fraudsters take your money, you lose your home, too."

Source: *Money Matters*, Federal Trade Commission

**Learning Objective #2B - Describe the Indicators for Foreclosure Rescue Scams:**

Some indicators that the assistance being offered by a licensed or unlicensed mortgage broker may actually be some type of foreclosure rescue scam include:

- Demands fee in advance
- Unsolicited offers or lofty claims
- Offers to negotiate a loan modification for a fee
- Recommendation to break contact with lender and or counselor
- Advice to stop making mortgage payments
- Advice to send payments elsewhere
- Transfer ownership of property
- Verbal promises
- Document irregularities

Listed below are explanations of each of the indicators listed above. It is important for the investigator to bear in mind that there may be many variations on these themes, and criminals that perpetrate these types of crimes are skilled at making their particular 'offer' sound legitimate.

**Demands Fees In Advance** - Most transactions involving legitimate mortgage brokers involve the payment of fees at or near the end of the mortgage financing process, when some sort of escrow, loan approval, or other final validation of the transaction take place. In foreclosure rescue scams, the perpetrator will often demand that fees be paid before any other transactions or processes have taken place.

**Unsolicited Offers or Lofty Claims** - The phrase, 'if it sounds too good to be true, it probably is' may be applicable here. If a homeowner is mired in debt without means to pay off those debts or unable to afford to pay their home mortgage; painful sacrifices and difficult decisions may be required to recover from this situation. When homeowners in difficulty are approached by unknown others who make lofty claims that they can make all of their problems disappear, this should raise red flags that what is being offered is a scam, and that the homeowners in question may be at risk of becoming victims of financial abuse.

**Offers to Negotiate a Loan Modification for a Fee** - Legitimate mortgage brokers may offer assistance with refinancing a mortgage, however, they seldom offer to modify a loan for a fee. Usually mortgage brokers earn their money through loan origination fees, or other applicable fees that are listed in

the contract paperwork, and are paid as part of the loan establishment process as the process is approved and completed. Any requests for payments that do not follow the usual loan approval and funding processes should raise suspicions of a scam.

**Recommendation to Break Contact with Lender and or Counselor -**

Legitimate mortgage brokers should never attempt to limit contact or information about financial difficulties. In fact, most mortgage brokers provide prospective mortgagees with legal information about the loan process, and may even have clients sign documents stating that they have been provided with this information. Any attempts to prevent contact or information sharing with legitimate entities such as credit counselors or other government agencies is a clear indication that the mortgage broker may be up to something illegal.

**Advice to Stop Making Mortgage Payments -** Unless the mortgagee is pursuing bankruptcy and they are assisted by a legal professional, advice to stop making mortgage or other loan payments should be suspect. This type of advice is often given by scam artists in an effort to worsen the potential victim's financial crisis. Once the victim is in even more serious financial difficulties the perpetrator may be more able to manipulate them, or may seek to take title of the home themselves through manipulation or by purchasing it for far less than it is actually worth.

**Advice to Send Payments Elsewhere -** Redirecting funds from the legitimate entity that is supposed to receive them is a common tactic in cases of fraud. Sending payments or fees to another entity without confirmation from their legitimate mortgage holder is another red flag. Victims that have followed this advice have often discovered that their funds have been stolen, and that they are now even further behind in mortgage payments than they were before they accepted the 'assistance' of the unscrupulous mortgage broker or company.

**Transfer Ownership of Property-** This indicator also touches on deed theft. Under no circumstances should a property owner transfer title to another party without verification that the party they are transferring property to is legitimate, verifying that they are taking part in a legal transaction, or assuring themselves that they will receive what was promised them in return. Consultation with an attorney, the federal trade commission, or a legitimate accountant should be made before signing away any property to avoid becoming a victim of a financial abuse scam.

**Verbal Promises -** Any agreements offered by mortgage brokers or legitimate companies should be made in writing. Verbal promises are often not

enforceable, and a perpetrator who has defrauded a victim may either deny the verbal contract or disappear.

**Documents Irregularities** - As with deed theft other irregularities, such as the failure to notarize significant documents, should raise suspicions that the transaction may not be legal. Any legitimate mortgage broker or company should welcome clients checking with appropriate entities to verify the legalities of their transactions. Legitimate brokers or companies want clients to be comfortable with their loan process, so that clients will recommend them or use their services again. Any person or entity that does not welcome verification should be considered suspect.



### **Transfer of Learning Activity:**

In a new staff orientation, or at a staff meeting, discuss the following situations. Identify: A. which type of foreclosure scam indicator each situation signifies, and B. what advice staff might give clients on becoming aware of these situations.

See Handout at end of the workbook.

**Ted and Mary are in their 70's and are having difficulty paying their mortgage payments. You are investigating allegations that they may be unable to manage their funds and that they may lose their home. On meeting with them, they tell you the following:**

- We were worried about losing our home, but we were contacted by a fellow named Wally who is going to help us. He promises that he will save our home, lower our payments, and cancel our overdue house payments. *(lofty claims)*
  - a. Indicator:
  - b. Advice:
- We spoke with Wally; he says that there is a way to help us with our mortgage problems. He has a company that helps people like us. Mortgage companies don't want to negotiate with regular people; they will only negotiate with companies like Wally's. We just send our mortgage payments to Wally's company and he negotiates with the mortgage holder. *(Advice to send payments elsewhere)*
  - a. Indicator:
  - b. Advice:
- Wally told us that he would erase our back mortgage payments, lower our monthly payments, and give us \$10,000 cash. All we have to do is sign over our deed to him temporarily and that will clear all of our old debt. *(lofty claims, transfer ownership of property)*
  - a. Indicator:
  - b. Advice:
- Wally told us the most important thing to do is not to communicate with our mortgage company or any attorneys. He says if they get wind of how he's helping us, they will charge more taxes, and that could ruin the

whole deal. (*recommendation to break contact with lender and or counselor*)

a. Indicator:

b. Advice:

- Wally didn't have the forms with him, and he didn't want to delay stopping our foreclosure. He said that we could just go ahead and write a check to the company, our check will be our receipt, and the papers would come in a few days. (*Verbal promises, document irregularities*)
  - a. Indicator:
  - b. Advice:
- Wally and I shook hands on it and I gave him a check then and there. It should take care of our overdue mortgage payments. He's coming to sign papers next week. He left his card in case we had any questions; but he did say they had been having some telephone problems. (*verbal promises*)
  - a. Indicator:
  - b. Advice:

### **Learning Objective #3**

#### **Identify the steps to take in an investigation**

The steps to take in investigating possible quitclaim deed theft and foreclosure rescue scams are similar and would follow the pattern of steps for most investigations of financial abuse. These steps include:

- **Step #1: Conduct Preliminary Investigation**
- **Step #2: Verify and Cross report to Law Enforcement**
- **Step #3: Contact Legal Counsel and/or Guardian/Conservator**

At each step in the investigation, specific information and/or documentation should be explored. These areas of exploration are listed under each investigation step.

#### **Step #1 - Conduct Preliminary Investigation**

At this point in the investigation you are either assessing to see if an allegation of financial abuse is actually happening or you have discovered possible financial abuse while investigating some other type of allegation.

Considerations regarding possible deed theft:

- Determine relationships (relatives, partners, persons living in the home)
- Interview (the victim, perpetrator, and other relevant parties separately)
- Assess for physical or cognitive deficits
- Access public records (perform a title search if needed; who is named on the title, when was title changed)

Considerations regarding possible foreclosure rescue scams:

- Is there paperwork documenting this transaction? (title search, purchase agreement, any addendums, lease agreement, bank records, forged documents)
- Did the elder understand the transaction? (Were they promised anything in return for their actions? Were they confused, or did they lack decision-making ability at the time of the transaction?)
- Default and/or trustees sale notices? (Did they receive notifications? Did the predator use undue influence?)
- Were phony senior designations used to get the elder to trust the predator? (examples of such designations include: Certified Senior

Advisor, Registered Financial Gerontologist, or Certified Elder Planning Specialist)

## **Step #2 - Verify and Cross report to Law Enforcement**

For both quitclaim deed theft and foreclosure rescue scams:

- Cross report to police, sheriff's department, or other appropriate enforcement agency
- Sometimes the threat of legal prosecution will convince the perpetrator to return property or stop ongoing theft (consider your safety if talking with the perpetrator)



## **Step #3: Contact Legal Counsel and/or Guardian/Conservator**

For both quitclaim deed theft and foreclosure rescue scams:

- Do they have a “Life Estate?”(a legal agreement that protects the client when they sign over their home to a relative in that it guarantees they can remain in the house for their lifetime)
- Is conservatorship or guardianship needed? ( a private attorney or the Public Guardian’s office may be able to assist)
- Alternate arrangements – private fiduciary or case management (would the client benefit from these services)

## **Learning Objective #4**

### **Identify partners in the field**

Partners in the field include a variety of professionals that the worker can, and often should contact when a case of deed theft and foreclosure rescue scams is identified. Cross-reports must be made to the appropriate law enforcement personnel, and this may eventually result in contact with the local District Attorney's office if prosecution is pursued. Other partners in the field (such as those identified below) may be appropriate to contact in order to assist the client with their legal/financial situation:

- Dept. of Public Records
- Financial Institutions
- Law Enforcement
- District Attorney/Elder Abuse Unit  
(to prosecute Burglary, Theft, false pretenses)
- Private Attorney/Legal Services  
(to assist with Elder Financial Abuse issues and Real Estate Law)

### **Discussion Questions:**

In a new staff orientation or at a staff meeting, discuss the 'partners in the field' listed above. Discuss the function of each group listed, and ask staff to discuss any cases or personal experiences working with any of these partners on a case and how these partners might be able to assist a client that is a victim or potential victim of deed theft or a foreclosure rescue scam.

### **Transfer of Learning Activity:**

In a new staff orientation or at a staff meeting, read the following two vignettes. Read through each vignette a step at a time, asking the group to answer the questions verbally before moving on to the next step in the vignette.

See Handout at end of the workbook.

## **Vignette #1: Mr. Goldman**



You are assigned the case of Mr. Goldman. The report you receive is that Mr. Goldman is confused, experiencing financial difficulties, and may lose his home. When you meet with Mr. Goldman, he is initially very hesitant to let you into his home. He tells you “they told me not to talk to anyone else or it will kill the deal and I can lose my home. Do you want me to lose my home?” After you reassure Mr. Goldman that you have no intention of causing him to lose his home, he allows you inside. Mr. Goldman is a widower, 77 years old; his wife died 5 years ago. The home is sparse, with minimal furniture. He tells you that he refinanced his home to help pay for his wife’s medical bills, and that the variable rate mortgage has been going up every few months and now he is unable to pay the mortgage. He is several months behind in his mortgage, but he tells you, “that’s going to be okay, when this deal goes through...” then he makes a gesture like he is locking his lips and throwing the key away.

You learn that Mr. Goldman’s mortgage is ‘upside down’ and he owes more on his home than it is currently valued at, so he has been unable to refinance his mortgage. When you ask if he has plans to move, he tells you “not now” and winks. Mr. Goldman is hesitant to tell you anything, but eventually he agrees to tell you about the ‘deal’ that will save his home. He tells you that “out of nowhere” this nice guy who is a mortgage broker called up and told him that he likes to help people in trouble. The mortgage broker, named Gary, told Mr. Goldman that there is a secret that many people don’t know about mortgages, and that if Mr. Goldman will trust him, he can save his home. When you ask

Mr. Goldman the name of Gary's mortgage firm, he tells you that he does not know, and doesn't care. He says Gary is a Certified Elder Planning Specialist, so he must know what he's talking about. Mr. Goldman tells you that Gary told him not to make any more payments on his mortgage "because you might as well save your money, we're going to eliminate that mortgage soon anyway." You ask if Gary has discussed this plan with anyone else, and he says emphatically "no! Gary told me not to talk to anyone!" As the story unfolds, you hear how Gary has told Mr. Goldman that he will renegotiate his mortgage, and if the mortgage company won't listen to reason he may have to have Mr. Goldman temporarily sign over his home to Gary, to "eliminate the old mortgage" and start fresh.

You become concerned that Mr. Goldman is about to become a victim of a Rescue Mortgage Scam, and possibly deed theft. You advise Mr. Goldman not to sign over his home, but he says, "I lived in this house 12 years with my wife, and I'm not going to lose it." He says that Gary has made an appointment to come to his home tonight, and that Gary told him, "it looks like we will have to have you sign over the house to me temporarily, just for a few weeks, then everything will be fine."

**You have assessed that Mr. Goldman is at risk, what steps would you need to take next?**

***Potential answers:***

- ***Contact law enforcement,***
- ***Consider contacting 'Gary' and letting him know that you are concerned about his transaction with Mr. Goldman and have contacted police,***
- ***Talk to Mr. Goldman about any family members that he may have to see if he will allow you to contact them to provide emotional support to Mr. Goldman and to help him solve his problems.***

**Vignette #1: Mr. Goldman (continued)**

After explaining about foreclosure rescue scams and deed theft, Mr. Goldman begins to have doubts about Gary's 'deal'. He allows you to call Gary and speak to him. Gary seems quite anxious when you speak to him by phone, and although he denies that he was going to have Mr. Goldman sign over his property, he says that on reconsideration, he does not feel that he will be able to help Mr. Goldman after all.

You contact law enforcement, and an officer comes and takes a report. He tells Mr. Goldman that it is fortunate that he met you because they have had a number of these deed theft/fraud cases where victims have lost their homes and savings. He tells you that he will be referring this case to their fraud detective who will be contacting Mr. Goldman. Mr. Goldman has a daughter who lives about an hour away. He is embarrassed and ashamed at having been duped, but at your urging, he calls his daughter, tells her about what has been going on and she agrees to visit. He hands you the phone and you explain the situation to his daughter, who thanks you for helping her father. She agrees to keep you informed about what happens to her father.

**Now Mr. Goldman is out of immediate danger, however, he is still having financial difficulties and is still in danger of losing his home. Who can you connect Mr. Goldman and (if he wishes) his daughter with to help?**

***Potential answers:***

- ***Suggest accountant, fiduciary or case management resources.***
- ***You may discuss power of attorney and/or conservatorship resources with his daughter in case Mr. Goldman's mental status worsens.***

## Vignette #2 - Mr. & Mrs. Stephenson



See Handout at end of the workbook.

You receive the case of Mr. and Mrs. Stephenson. The report that initiated the investigation was that Mr. and Mrs. Stephenson are both in poor health, and that Mr. Stephenson is becoming increasingly confused. Mrs. Stephenson's mental status is better, but she suffers from severe mobility problems. Reportedly Mr. Stephenson has been asking neighbors for food.

You make a home visit to the Stephensons. They are friendly, and pleasant, but reluctant to talk about finances. Mr. Stephenson seems confused at times, but he tells you that he still handles the home finances. Mrs. Stephenson suffers from partial paralysis to her right leg, and is able to ambulate only slowly using a leg brace and a walker. Her mental processes seem clearer; however, she tires easily, and tends to defer to her husband in financial matters.

Gradually, the Stephensons disclose their financial situation. Their only son, Gregg, died years ago, and their daughter, Marjorie, is married and lives with her husband and children in New Jersey. The only family member that they have had much contact was a nephew named Bob. Bob is close in age to their deceased son and used to visit them a lot a few years ago. It is because of Bob that they are in difficult financial straits. Bob reminded the Stephensons of their own deceased son, so when he asked them for money to finance his new business and guaranteed they would make a lot of money, they lent him \$10,000. Unfortunately, the business went under, and with the rising cost of their home mortgage, and Mrs. Stephenson's medical bills, they are having

difficulty paying their mortgage. Several times they have not had money for food. The Stephensons have not told their daughter, because they are embarrassed.

You offer the Stephensons some food resources, referrals to local food banks, etc. You offer to make a referral to In-Home Supportive Services, and tell them that you will make a referral to a local meals on wheels resource. You leave your case open to make a follow up visit within four weeks. In the meantime, you make the referrals that you've promised to make, and have spoken to Mrs. Stephenson twice by phone. When you visit the Stephensons four weeks later with the expectation of closing your case, you discover that something significant has changed.

When you visit, you learn that their nephew, Bob, has returned, and is living with the Stephensons. Bob is away from the house in the Stephensons' car when you visit so you speak with the Stephensons alone. You learn that Bob returned two weeks ago. At first the Stephensons were angry with him for losing their savings, but they reluctantly allowed him to stay with them. He began doing things to help out around the house, and told the Stephensons that he wanted to make up for what happened by taking care of them both. He agreed to help with their mortgage problems. He promised to 'fix' their mortgage problems if they would sign their home over to him. He agreed not to sell the home, and to take care of the Stephensons for the rest of their lives. The Stephensons tell you that they signed over their house the day before to Bob, and said they felt better knowing that they would be taken care of now.

While you are visiting, an appraiser comes to the door and tells the Stephensons that Bob has asked him to appraise the house for possible sale. They tell the appraiser angrily that the house will not be sold, and he leaves.

You have discovered different risk factors, an apparent attempt to financially abuse the Stephensons (again). You suspect that they are victims of deed theft.

### **What actions do you take now?**

#### ***Potential answers:***

- ***Contact law enforcement***
- ***Interview Bob***
- ***Encourage the Stephensons to contact an attorney***

## **Vignette #2 - Mr. & Mrs. Stephenson (continued)**

You have cross reported to law enforcement, and an officer came to the Stephenson's home and took a report. The report was passed on to a detective with the local police department. You have spoken with Bob by telephone (he refused to meet with you in person). Bob has not been back to visit the Stephensons. The assigned Police Detective is attempting to locate Bob, but his address is unknown. Bob had not yet filed the quitclaim deed, and he has agreed not to do so at this point. The Stephensons records have been flagged and they have signed a statement indicating that they want to rescind the quitclaim deed they had signed over to Bob.

Unfortunately, the Stephensons are still in financial difficulties. Delivered meals, some of which will be donated if the Stephensons cannot afford to pay for them, are being delivered. An In-Home Supportive Services referral for approval of assistance has been filed and results are pending. Despite these interventions, the Stephensons are still in some financial difficulty.

**What can you do at this time to assist the Stephensons and to help assure that they will be protected from Bob should he re-enter the picture?**

### ***Potential answers:***

- **Encourage the Stephensons to contact their daughter for emotional support and assistance.**
- **Provide them with information and referrals for private fiduciary or case management services.**
- **Consider behavioral health referral for Mr. Stephenson to help assess if conservatorship may be in order and to establish his baseline functioning in case he should deteriorate and conservatorship become necessary.**

**Conclusion:**

Deed theft and foreclosure rescue scams are only two manifestations of financial abuse that clients may face. However, these two often related crimes have the potential to have devastating consequences for the clients that fall victim to them. Very often, the largest asset and resource available to seniors is their home, and they have spent many years making payments and acquiring equity in their homes. If they lose this valuable financial resource, there may be no way to recovery from this loss. Spending their final years in poverty or with very limited financial resources is an unfair and tragic end to their lives. Adult Protective Services Social Workers or other investigators may be the first or only person to uncover the trap that they may have fallen into, or are about to fall victim to. APS Social Worker assessments and intervention skills can make a crucial difference in their lives.



## Handout - Transfer of Learning Activity:

**Ted and Mary are in their 70's and are having difficulty paying their mortgage payments. You are investigating allegations that they may be unable to manage their funds and that they may lose their home. On meeting with them, they tell you the following:**

- We were worried about losing our home, but we were contacted by a fellow named Wally who is going to help us. He promises that he will save our home, lower our payments, and cancel our overdue house payments.
  - a. Indicator:
  
  - b. Advice:
  
- We spoke with Wally; he says that there is a way to help us with our mortgage problems. He has a company that helps people like us. Mortgage companies don't want to negotiate with regular people; they will only negotiate with companies like Wally's. We just send our mortgage payments to Wally's company and he negotiates with the mortgage holder.
  - a. Indicator:
  
  - b. Advice:
  
- Wally told us that he would erase our back mortgage payments, lower our monthly payments, and give us \$10,000 cash. All we have to do is sign over our deed to him temporarily and that will clear all of our old debt.
  - a. Indicator:
  
  - b. Advice:

- Wally told us the most important thing to do is not to communicate with our mortgage company or any attorneys. He says if they get wind of how he's helping us, they will charge more taxes, and that could ruin the whole deal.
  - a. Indicator:
  
  - b. Advice:
  
- Wally didn't have the forms with him, and he didn't want to delay stopping our foreclosure. He said that we could just go ahead and write a check to the company, our check will be our receipt, and the papers would come in a few days.
  - a. Indicator:
  
  - b. Advice:
  
- Wally and I shook hands on it and I gave him a check then and there. It should take care of our overdue mortgage payments. He's coming to sign papers next week. He left his card in case we had any questions; but he did say they had been having some telephone problems.
  - a. Indicator:
  
  - b. Advice:

## Handout - Transfer of Learning Activity

### Vignette #1: Mr. Goldman

You are assigned the case of Mr. Goldman. The report you receive is that Mr. Goldman is confused, experiencing financial difficulties, and may lose his home. When you meet with Mr. Goldman, he is initially very hesitant to let you into his home. He tells you “they told me not to talk to anyone else or it will kill the deal and I can lose my home. Do you want me to lose my home?” After you reassure Mr. Goldman that you have no intention of causing him to lose his home, he allows you inside. Mr. Goldman is a widower, 77 years old; his wife died 5 years ago. The home is sparse, with minimal furniture. He tells you that he refinanced his home to help pay for his wife’s medical bills, and that the variable rate mortgage has been going up every few months and now he is unable to pay the mortgage. He is several months behind in his mortgage, but he tells you, “that’s going to be okay, when this deal goes through...” then he makes a gesture like he is locking his lips and throwing the key away.

You learn that Mr. Goldman’s mortgage is ‘upside down’ and he owes more on his home than it is currently valued at, so he has been unable to refinance his mortgage. When you ask if he has plans to move, he tells you “not now” and winks. Mr. Goldman is hesitant to tell you anything, but eventually he agrees to tell you about the ‘deal’ that will save his home. He tells you that “out of nowhere” this nice guy who is a mortgage broker called up and told him that he likes to help people in trouble. The mortgage broker, named Gary, told Mr. Goldman that there is a secret that many people don’t know about mortgages, and that if Mr. Goldman will trust him, he can save his home. When you ask Mr. Goldman the name of Gary’s mortgage firm, he tells you that he does not know, and doesn’t care. He says Gary is a Certified Elder Planning Specialist, so he must know what he’s talking about. Mr. Goldman tells you that Gary told him not to make any more payments on his mortgage “because you might as well save your money, we’re going to eliminate that mortgage soon anyway.” You ask if Gary has discussed this plan with anyone else, and he says emphatically “no! Gary told me not to talk to anyone!” As the story unfolds, you hear how Gary has told Mr. Goldman that he will renegotiate his mortgage, and if the mortgage company won’t listen to reason he may have to have Mr. Goldman temporarily sign over his home to Gary, to “eliminate the old mortgage” and start fresh.

You become concerned that Mr. Goldman is about to become a victim of a Rescue Mortgage Scam, and possibly deed theft. You advise Mr. Goldman not to sign over his home, but he says, “I lived in this house 12 years with my wife, and I’m not going to lose it.” He says that Gary has made an appointment to come to his home tonight, and that Gary told him, “it looks like we will have to have you sign over the house to me temporarily, just for a few weeks, then everything will be fine.”

**You have assessed that Mr. Goldman is at risk, what steps would you need to take next?**

**Vignette #1: Mr. Goldman (continued)**

After explaining about foreclosure rescue scams and deed theft, Mr. Goldman begins to have doubts about Gary's 'deal'. He allows you to call Gary and speak to him. Gary seems quite anxious when you speak to him by phone, and although he denies that he was going to have Mr. Goldman sign over his property, he says that on reconsideration, he does not feel that he will be able to help Mr. Goldman after all.

You contact law enforcement, and an officer comes and takes a report. He tells Mr. Goldman that it is fortunate that he met you because they have had a number of these deed theft/fraud cases where victims have lost their homes and savings. He tells you that he will be referring this case to their fraud detective who will be contacting Mr. Goldman. Mr. Goldman has a daughter who lives about an hour away. He is embarrassed and ashamed at having been duped, but at your urging, he calls his daughter, tells her about what has been going on and she agrees to visit. He hands you the phone and you explain the situation to his daughter, who thanks you for helping her father. She agrees to keep you informed about what happens to her father.

**Now Mr. Goldman is out of immediate danger, however, he is still having financial difficulties and is still in danger of losing his home. Who can you connect Mr. Goldman and (if he wishes) his daughter with to help?**

## Handout - Transfer of Learning Activity

### Vignette #2 - Mr. & Mrs. Stephenson

You receive the case of Mr. and Mrs. Stephenson. The report that initiated the investigation was that Mr. and Mrs. Stephenson are both in poor health, and that Mr. Stephenson is becoming increasingly confused. Mrs. Stephenson's mental status is better, but she suffers from severe mobility problems. Reportedly Mr. Stephenson has been asking neighbors for food.

You make a home visit to the Stephensons. They are friendly, and pleasant, but reluctant to talk about finances. Mr. Stephenson seems confused at times, but he tells you that he still handles the home finances. Mrs. Stephenson suffers from partial paralysis to her right leg, and is able to ambulate only slowly using a leg brace and a walker. Her mental processes seem clearer; however, she tires easily, and tends to defer to her husband in financial matters.

Gradually, the Stephensons disclose their financial situation. Their only son, Gregg, died years ago, and their daughter, Marjorie, is married and lives with her husband and children in New Jersey. The only family member that they have had much contact was a nephew named Bob. Bob is close in age to their deceased son and used to visit them a lot a few years ago. It is because of Bob that they are in difficult financial straits. Bob reminded the Stephensons of their own deceased son, so when he asked them for money to finance his new business and guaranteed they would make a lot of money, they lent him \$10,000. Unfortunately, the business went under, and with the rising cost of their home mortgage, and Mrs. Stephenson's medical bills, they are having difficulty paying their mortgage. Several times they have not had money for food. The Stephensons have not told their daughter, because they are embarrassed.

You offer the Stephensons some food resources, referrals to local food banks, etc. You offer to make a referral to In-Home Supportive Services, and tell them that you will make a referral to a local meals on wheels resource. You leave your case open to make a follow up visit within four weeks. In the meantime, you make the referrals that you've promised to make, and have spoken to Mrs. Stephenson twice by phone. When you visit the Stephensons four weeks later with the expectation of closing your case, you discover that something significant has changed.

When you visit, you learn that their nephew, Bob, has returned, and is living with the Stephensons. Bob is away from the house in the Stephensons' car when you visit so you speak with the Stephensons alone. You learn that Bob returned two weeks ago. At first the Stephensons were angry with him for losing their savings, but they reluctantly allowed him to stay with them. He began doing things to help out around the house, and told the Stephensons that he wanted to make up for what happened by taking care of them both. He agreed to help with their mortgage problems. He promised to 'fix' their mortgage problems if

they would sign their home over to him. He agreed not to sell the home, and to take care of the Stephensons for the rest of their lives. The Stephensons tell you that they signed over their house the day before to Bob, and said they felt better knowing that they would be taken care of now.

While you are visiting, an appraiser comes to the door and tells the Stephensons that Bob has asked him to appraise the house for possible sale. They tell the appraiser angrily that the house will not be sold, and he leaves.

You have discovered different risk factors, an apparent attempt to financially abuse the Stephensons (again). You suspect that they are victims of deed theft.

**What actions do you take now?**

### **Vignette #2 - Mr. & Mrs. Stephenson (continued)**

You have cross reported to law enforcement, and an officer came to the Stephenson's home and took a report. The report was passed on to a detective with the local police department. You have spoken with Bob by telephone (he refused to meet with you in person). Bob has not been back to visit the Stephensons. The assigned Police Detective is attempting to locate Bob, but his address is unknown. Bob had not yet filed the quitclaim deed, and he has agreed not to do so at this point. The Stephensons records have been flagged and they have signed a statement indicating that they want to rescind the quitclaim deed they had signed over to Bob.

Unfortunately, the Stephensons are still in financial difficulties. Delivered meals, some of which will be donated if the Stephensons cannot afford to pay for them, are being delivered. An In-Home Supportive Services referral for approval of assistance has been filed and results are pending. Despite these interventions, the Stephensons are still in some financial difficulty.

**What can you do at this time to assist the Stephensons and to help assure that they will be protected from Bob should he re-enter the picture?**