

# Elder Real Estate Fraud and Financial Exploitation Prevention

## Background

**Elder Real Estate Fraud and Financial Exploitation refers to a broad range of actions including, but not limited to:**

- ✓ Forging a signature on legal or financial documents
- ✓ Defrauding older adults out of money or property
- ✓ Coercing or unduly influencing the signing of a legal or financial document
- ✓ Inappropriate utilization of authority under a Power of Attorney (POA)
- ✓ Non-disclosure of critical information

**Criminals targeting older adults for these crimes can include family members, trusted friends or advisors, unscrupulous professionals, or complete strangers.**

**Statistics show the amount and impact of elder fraud and financial exploitation:**



**\$1.9 billion**

According to the Federal Trade Commission (FTC) adults 60 and older lost more than \$1.9 billion to scams in 2023.<sup>1</sup>



**1,498 victims**

According to the FBI's Internet Crime Complaint Center (IC3) 2023 report, people over 60 lost more than \$65 million to real estate scams, impacting approximately 1,498 victims.<sup>2</sup>



**14% increase**

According to the FBI's Internet Crime Complaint Center (IC3) 2023 report, elder fraud and financial exploitation has increased almost 14% since 2022.<sup>3</sup>

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

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

<sup>1</sup>[https://www.ftc.gov/system/files/ftc\\_gov/pdf/CSN-Annual-Data-Book-2023.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/CSN-Annual-Data-Book-2023.pdf) (page 14)

<sup>2</sup>[https://www.ic3.gov/Media/PDF/AnnualReport/2023\\_IC3ElderFraudReport.pdf](https://www.ic3.gov/Media/PDF/AnnualReport/2023_IC3ElderFraudReport.pdf) (pages 7 and 8)

<sup>3</sup>[https://www.ic3.gov/Media/PDF/AnnualReport/2023\\_IC3ElderFraudReport.pdf](https://www.ic3.gov/Media/PDF/AnnualReport/2023_IC3ElderFraudReport.pdf) (Introduction Page)

## Legislative Initiatives

**These are examples of legislative initiatives that can help states combat and limit the prevalence of Elder Real Estate Fraud and Financial Exploitation:**

- ✔ **Banning Unfair Service Agreements:** Prohibiting unfair and deceptive long-term residential real estate agreements that purport to create liens, run with the land, and result in financial loss. <sup>4</sup>
- ✔ Enacting and enforcing the **Uniform Law Commission's (ULC) Uniform Power of Attorney Act (UPOAA)**, which provides protections to guard against financial exploitation by those acting in official representative capacity. <sup>5</sup>
- ✔ Enacting the **Uniform Law Commission's (ULC) Real Property Transfer on Death Act (URPTODA)**, which provides for easier and less costly transfer of property to heirs. <sup>6</sup>
- ✔ Combating deed theft through consumer and practitioner education, expanded use of multi-factor authentication and free property record monitoring services.
- ✔ Requiring wholesaler licensing to track securitization of contractual agreements. Wholesalers target people experiencing financial hardship, using high-pressure tactics to persuade them to sign agreements to sell their homes, often resulting in a loss of equity and transfer of generational wealth. <sup>7</sup>

## Expanded Enforcement

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

Offices of state attorneys general and district attorneys

State and local Adult Protective Services (APS)

Federal, state, and local law enforcement

Consumer Financial Protection Bureau (CFPB)

## Education and Outreach

Consumers, practitioners, advocates, law enforcement and other interested parties can access these resources for professional continuing education and public awareness:

**AARP BankSafe Initiative**, which helps the financial industry better meet consumers' financial needs and safeguard their assets.

**AARP Fraud Watch Network™**, which equips consumers with reliable, up-to-date insights, alerts, and fraud prevention resources to help spot and avoid scams.

**AARP's The Perfect Scam Podcast**, an award-winning podcast that explores real scams from the viewpoints of victims and law enforcement.

**ALTA Homeclosing101**, which provides consumers with information about buying and selling property.

**NAR Fraud, Negligence, and Liability**, which provides resources on avoiding real estate related fraud scams.

**NCLC's Surviving Debt**, which provides precise, practical advice from the nation's consumer law experts on how to deal with crushing debt affecting millions of Americans.

<sup>4</sup> <https://alta.org/advocacy/housing-opportunities/non-title-recorded-agreements-for-personal-service>

<sup>5</sup> <https://www.uniformlaws.org/committees/community-home?CommunityKey=b1975254-8370-4a7c-947f-e5af0d6cb07c>

<sup>6</sup> <https://www.uniformlaws.org/committees/community-home?CommunityKey=a4be2b9b-5129-448a-a761-a5503b37d884>

<sup>7</sup> <https://legiscan.com/AL/bill/SB228/2023#:~:text=Relating%20to%20residential%20real%20estate,long%20term%20right%20to%20list>  
<https://phila.legistar.com/LegislationDetail.aspx?ID=4662611&GUID=6938C87C-76E9-409A-9F06-EC1A0871E841&Options=ID%7CText%7C&Search=&FullText=1>