

# *Financial Protection Strategies*



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# The Fair Lending Project for Seniors

## A Unique Partnership

*Council on Aging*  
Silicon Valley



Project Sentinel



# Goal I: Raise awareness of predatory home lending among seniors

- Community presentations & partnerships
- Development & distribution of materials
- Press (print & TV)



# Goal II: Increase reporting of abusive lending among seniors

- Development of screening tool
- Universal screening of 2,500 seniors at partner sites
- Training senior service providers to administer screenings



# Goal III: Prevent elders from losing their homes or equity



- Intensive case management
- Legal consultations & evaluations
- Legal representation

# Successes and Accomplishments

## First Two Years:

- **Screenings:** Screened 5,105 seniors for predatory lending risk. Conducted 5 screening tool training sessions, at which 53 case managers and senior care providers learned how to administer the tool.
- **Legal and Social Work:** Attorneys provided 64 legal consultations to clients and agencies and 32 legal evaluations. Provided legal representation to 13 clients. Social worker/case manager provided case management to 281 clients.
- **Outreach:** Conducted 48 community presentations—double the original outreach goal. 1,920 total seniors attended presentations.
- **Materials:** Developed an English-language brochure which Project partners translated into Spanish, Vietnamese and Chinese. 3,675 total brochures were distributed in year one of the Project. Also developed easy-to-understand fact sheets on reverse mortgages and foreclosure.
- **Media:** Published articles in local magazines and newsletters and appeared on radio programs and cable access shows. Staff were interviewed for stories that appeared in the Mercury News, New York Times and LA Times.
- **Legislative:** Met with local representatives to discuss predatory lending trends and practices in California. Spoke with the chief investigator of the US Senate Special Committee on Aging regarding lending abuses targeting seniors.

# Top Challenges

## *Have lawyers, will litigate?*

Lenders and title companies are not responding to document requests

Clients are calling too late in the process

Clients can't make loan payments during litigation

## *Take care of the loan, take care of the elder?*

Problem of interlocking scams

Shortcomings of elder outreach and education

Challenge of tailoring the social work services to meet the elder's needs

# Surprise!

## Financial elder abusers in the senior centers

Examples

Effects on outreach

Policy ideas



\*\*\*New educational focus for 2009\*\*\*

Reverse mortgage alternatives

Loan modification scams

# Ending on a happy note



Mr. C's story

Mr. C is an 85-year-old legally blind, nearly deaf man with dementia. Three years ago, loan brokers came into his home and coaxed him into signing loan documents he could neither see nor understand. The terms of the loan were misrepresented to him, his income and assets were falsified, and he was stated to hold jobs as both a crossing guard and a landscaper. We sued the lender and brokers in federal court. As a result, the lender agreed to forgive \$225,000 of the debt, which lowered the principal balance to a more manageable \$315,000. The loan was changed from an adjustable rate mortgage at 8% interest to a 30-year-fixed mortgage at 5% interest. Mr. C also received a settlement from one of the brokers totaling \$40,000. We are still in the process of settling out with the lender and a second broker. As a result of this legal advocacy, Mr. C is able to keep his home.