

CONSUMER PROTECTION TIPS FOR

OLDER ADULTS

Older adults face unique consumer challenges. The Department of Consumer Affairs created these tips to educate older adults about common frauds and financial issues and where to turn for help.

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CONSUMER PROTECTION TIPS FOR OLDER ADULTS:

FINANCES

To protect your money and assets, here are tips to help you.

FEDERAL BENEFIT PAYMENTS

By law, you must get federal benefit payments electronically. If you receive Social Security or Supplemental Security Income (SSI), you must get payment through direct deposit to a bank or credit union account or through a prepaid debit card.

IMPORTANT

- To set up electronic payment, visit godirect.gov or call 1-800-333-1795.
- If you do not have a bank or credit union account, the City offers safe and affordable checking and savings accounts. Programs include:
 - **NYC Direct Deposit:** You can open a free checking account if you directly deposit your paycheck. The account has no monthly fees; no overdraft option for debit card purchases or ATM withdrawals; no or low minimum balance requirements; free online banking and bill pay; free in-network ATM withdrawals.
 - **NYC SafeStart Account:** You can open a starter savings account. The account has no overdraft fees; no monthly fees if you meet minimum balances; minimum balance requirements of \$25 or even less, depending on the financial institution; ATM card or debit card.

Visit nyc.gov/dca or call 311 for more information about [NYC Direct Deposit](#) or [NYC SafeStart Account](#).



You can use IDNYC to open a checking or savings account at one of IDNYC's participating banks or credit unions. Visit nyc.gov/idnyc or contact 311 for branch locations.

PUBLIC BENEFITS

There are many public programs for older adults in need. Visit the Department for the Aging online at nyc.gov/aging for information about benefits and resources, including help with housing, rent, food, health insurance, prescription drugs, and more.

Also visit AARP online at aarp.org. You can learn about public benefits. You can also get guidance on where to ask for senior discounts.

HOME EQUITY CONVERSION MORTGAGES (OR REVERSE MORTGAGES)

A reverse mortgage is a loan taken out against your home. You do not have to pay back the loan *for as long as you live in the home*. For some, this could be a safe option for getting cash back from the value of your home to pay bills or prepare for emergencies. **To qualify for most reverse mortgages, you must own your home and be 62 or older.**

IMPORTANT

- A reverse mortgage is a loan that you must pay back ultimately. Make sure a reverse mortgage is the right loan option for you.
- A reverse mortgage reduces the amount of money you or your estate would get from the sale of your home if you move out or pass away.
- Never pay for information about reverse mortgages. Free information is on the U.S. Department of Housing and Urban Development (HUD) website at hud.gov.

STUDENT LOANS

More than 100,000 New Yorkers who are 55 and older have student loans. Nearly 17 percent are late making payments on their loan or are in default.

IMPORTANT

- The City can help you reduce debt from student loans. See FREE HELP.
- Cosigning for a private loan for a child or grandchild for school should be a last resort. You are responsible for paying the debt if your family member fails to pay the loan. Both of your credit histories will be impacted.

BEWARE OF...

MONEY SCAMS

- **Investment Schemes:** Always get proper paperwork. Read the contract before making any investments. Consult a trusted source.
- **Social Security, Medicare, and Healthcare Fraud:** Older adults are a target for scams. Never give personal or financial information over the phone, by email, text, or on social media sites. This includes Social Security and Medicare numbers, as well as prescription, insurance, and credit card information.
- **Mortgage Fraud:** Beware of people or companies that claim they can lower your mortgage payments for a fee. Also beware of anyone who promises lifelong care in exchange for your property. When it comes to your home, make sure to talk to a lawyer before you sign anything.
- **Tax Fraud:** Beware of people or companies that claim you are behind on taxes. Also beware of anyone who offers to get your property taxes reduced for a fee.

PREDATORY LENDING

Used car loans are a common type of predatory lending. Often, these loans are bad for the borrower. Like other loans, do your research and compare terms and conditions to find the best offer for you.

PREPAID DEBIT CARDS

A prepaid debit card may help you stay within budget, but beware of hidden fees.

FREE HELP

- Get free professional one-on-one financial counseling at an NYC Financial Empowerment Center. Call 311 to schedule an appointment near you or visit nyc.gov/dca for more information.
- Get a free copy of your credit report and review it carefully. Go to annualcreditreport.com or call toll-free 1-877-322-8228.
- Senior centers and naturally occurring retirement communities offer free materials and resources.

OTHER RESOURCES

- Read DCA's tips about COMMON SCAMS. Also read other DCA publications, including:
 - [10 Things Every Consumer Should Know](#)
- Department for the Aging (DFTA): Visit nyc.gov/aging for publications, including:
 - [Do Not Let Predators Take Your Home: Know the Basic Facts about Home Equity Fraud](#)
 - [Taking Care of Business: Protecting Yourself and Your Assets](#)
 - U.S. Department of Housing and Urban Development (HUD): Visit hud.gov and search "HECM" for information about reverse mortgages. You can also ask about housing counseling.
- AARP: Visit aarp.org or call 1-888-OUR-AARP (1-888-687-2277).
- Consumer Financial Protection Bureau (CFPB): Visit consumerfinance.gov and search:
 - "student loans" for information about student loans
 - "Information for Older Americans," which includes [Money Smart for Older Adults](#), produced by CFPB and the Federal Deposit Insurance Corporation
- The following organizations offer information about money scams:
 - Federal Trade Commission (FTC): Visit ftc.gov or call 1-877-FTC-HELP (1-877-382-4357).
 - New York State Division of Consumer Protection: Visit dos.ny.gov/consumerprotection or call 1-800-697-1220.
 - National Council on Aging: Visit ncoa.org and search "money scams."

- New York Legal Assistance Group (NYLAG): Visit nylag.org or call 1-212-613-5000 for free civil legal services. NYLAG fights for elderly New Yorkers to receive the public benefits and homecare they need to live dignified, independent lives.
- New York City Bar Association: Call 1-212-626-7373 for an attorney referral.

CONSUMER PROTECTION TIPS FOR OLDER ADULTS:

COMMON SCAMS

Scams targeting older adults take all forms, including phone, online, mail, even in person. Get tips to avoid getting scammed and learn about common scams. If you are the victim of a scam, it is important to report fraud. See OTHER RESOURCES for help.

HOW TO AVOID GETTING SCAMMED

- Never send money to someone you don't know based on a phone or email request. This includes sending numbers for prepaid cards like Green Dot MoneyPak.
- Never provide personal or financial information over the phone, by email, text, or on social media sites. This includes your name, date of birth, Social Security number, address, driver's license, bank or credit card numbers, and Medicare number.
- Never click on unfamiliar email links even if they are from sources you trust.
- Screen calls from unknown numbers.
- Never press keys on a telephone keypad during a robocall (prerecorded message). Hang up.
- Scammers can use caller ID "spoofing" to disguise a number to appear to be someone you know or a government agency. Hang up and contact the agency or company or family member directly to confirm a story. Do not use a number given by the caller. Take the same care with email or social media.
- Protect your computer, tablet, and smartphone against viruses and "malware" with security and firewall software. Ask a trusted source to help secure your computer, if needed.
- Be wary of offers for free or discounted products and services from anyone you don't know.
- Ask all marketing, research, or charity callers for detailed, written information that you can check yourself.
- Be wary of anyone who pressures you to act on an offer or to sign a contract right away.
- Make sure you understand a contract before signing it. Get professional help, if needed.
- Get references from anyone offering a service. Check references.

IMPORTANT

■ Internet Sales:

- If you cannot find a working number on a website, do not buy anything from that business.
- Be sure to read the online refund policy to find out if you can return an item at a storefront in person.
- Print and save all records, including the online transaction receipt, the product description, expected delivery date, and any email correspondence.
- Check your credit card statements as soon as they arrive to make sure the amount charged is correct.

■ Door-to-Door Sales:

- All door-to-door sales in NYC require a receipt or contract. The contract must include the date and the name and address of the seller. The contract must be written in the language in which the sale was negotiated.
- If the door-to-door salesperson gave you a right to cancel form, you have a right to cancel the sale within three days of signing a contract.
- If no form is given, you have a right to cancel the sale at any time.

BEWARE OF...

GRANDPARENT SCAM

You get a call or email in the middle of the night saying your grandchild has an emergency (car accident, jail, detention in a foreign country). **THE CATCH:** Your grandchild needs money right away. The caller (fake police officer, lawyer, doctor, grandchild) may sound convincing, know personal details, and appear to be calling from a number you know.

MEDICARE/MEDICAID SCAM

You get a call from someone claiming to be from Medicare or Medicaid. **THE CATCH:** The caller asks for personal information either for a “claim” or to replace your insurance card.

MEDICAL DEVICE SCAM

You get a robocall offering free medical alert devices and money-saving coupons. **THE CATCH:** The message urges you to press a button on the telephone keypad, which gives scammers information about your number. For example, Press 1 to get a free device by giving your address and credit card information. Press 5 to “stop” future calls.

CHEAP MEDICINE SCAM

You get an offer to get your medicine cheaper. **THE CATCH:** You must provide personal and financial information, including prescription, insurance, and credit card information.

LOTTERY AND SWEEPSTAKES SCAMS

You learn that you won a big prize. **THE CATCH:** You must send money before you can collect. *Legitimate lottery and sweepstakes administrators never charge fees to send your prize.*

SOCIAL SITE (DATING/FRIEND) SCAM

You meet someone online. **THE CATCH:** At some point, you are asked to send money.

INTERNAL REVENUE SERVICE (IRS) SCAM

You get a call from the IRS either threatening that you owe money or that you are owed a huge refund. **THE CATCH:** You need to confirm or provide information or payment. *The IRS will never call or email you for your personal or financial information. The IRS will never require payment by gift card.*

CHARITY SCAM

An unknown charity contacts you for a donation. *All legitimate charities must be registered with the New York Attorney General's Charities Bureau.* Ask for the charity's registration number and ask for written information. Contact the Charities Bureau to investigate the charity.

HOME IMPROVEMENT SCAM

Someone rings your doorbell and points to something on your home or property that "must be fixed" and offers to make improvements. *It is illegal to do home improvement work without a license or arrange loans as part of home improvement or repair work in NYC.* Ask someone you trust if a home repair is necessary. Never sign any paperwork or make payment until you check with the Department of Consumer Affairs (DCA) that a business is licensed.

UTILITY SCAMS

You get a call from someone claiming you owe money to a utility company. **THE CATCH:** You must pay right away or risk losing your heat or electricity or, worse, face criminal prosecution. Or someone who you don't know comes to your home asking for access to your home or for cash to perform some service.

BEWARE OF...

COMPUTER REPAIR/TECHNICAL SUPPORT SCAMS

You get a call or online message saying there is a serious problem with your computer. **THE CATCH:** The caller urges you to download a program or to provide login or other personal or financial information to fix the problem.

BLESSING SCAM

Someone tells you that something bad is going to happen to you or someone in your family unless you get a blessing on your fortune. Typically, “fortune” means cash and jewelry. You must bring your fortune in a bag to get the blessing. During the “blessing,” your fortune is stolen. In NYC, these scams have targeted the Chinese community.

LENDING CIRCLE SCAM

For many immigrant communities, informal lending circles are a way to get money when you cannot get money from a bank or credit union. Participants pay money each month. You get a payment when it is your turn. Do your research on any lending circle before you join.

FORTUNE TELLING SCAM

“Fortune telling” is illegal in New York. No one can charge money to predict your future or to get rid of a curse.

FREE HELP

- Get free professional one-on-one financial counseling at an NYC Financial Empowerment Center. Call 311 to schedule an appointment near you or visit nyc.gov/dca for more information.
- Contact 311 or visit nyc.gov/dca to check if a business is licensed by DCA, to file a complaint, or to get consumer tips.
- The New York Public Library offers classes and workshops for older adults, including computer training. Visit nypl.org.
- Senior centers and naturally occurring retirement communities offer free materials and resources.

OTHER RESOURCES

- Read DCA's tips about FINANCES. Also visit nyc.gov/dca for more information about scams.
- Visit nyc.gov/aging to download the free interactive game It's My Money! It can teach you about financial scams that use mail, phone, TV, and computers.
- The following organizations offer scam alerts and other consumer protection information:
 - Federal Trade Commission (FTC): Visit ftc.gov or call 1-877-FTC-HELP (1-877-382-4357). Report identity theft to the FTC after you file a police report.
 - Consumer Financial Protection Bureau (CFPB): Visit consumerfinance.gov or call 1-855-411-2372.
 - Department of Homeland Security: Visit dhs.gov for Cyber Tips for Older Americans.
 - New York State Division of Consumer Protection: Visit dos.ny.gov/consumerprotection or call 1-800-697-1220.
 - New Jersey Division of Consumer Affairs: Download the Anti-Fraud Toolkit at njconsumeraffairs.gov/fightingfraud.
 - AARP: Visit aarp.org or call 1-888-OUR-AARP (1-888-687-2277).
- To sign up for the National Do Not Call Registry, visit donotcall.gov or call 1-888-382-1222.
- To report an IRS scam, call the IRS at 1-800-829-1040, then file a complaint with the FTC.
- For questions about charities, visit CharitiesNYS.com or call 1-212-416-8401.

NOTES

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To protect and
enhance the daily
economic lives
of New Yorkers
to create thriving
communities.

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