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DOWNEASTER GUIDE TO ELDER FINANCIAL PROTECTION



State of Maine
Bureau of Consumer Credit Protection
Department of Professional and Financial Regulation



Maine Bureau of Consumer Credit Protection

Consumer Assistance Line:

1-800-DEBT-LAW
(1-800-332-8529)

TTY: Please Call Maine Relay 711

Foreclosure Prevention Hotline

1-888-NO-4-CLÖZ
(1-888-664-2569)

www.Credit.Maine.gov

The Maine Bureau of Consumer Credit Protection was established in 1975 to enforce a wide variety of consumer financial protection laws, including:

- Consumer Credit Code (Title 9-A MRS)
- Truth-in-Lending Act
- Fair Credit Billing Act
- Truth-in-Leasing Act
- Fair Credit Reporting Act
- Fair Debt Collection Practices Act
- “Plain Language” Contract Law
- Predatory Lending Laws

The Bureau licenses financial service providers, conducts periodic examinations of creditors to determine legal compliance, and responds to consumer complaints and inquiries. The Bureau also conducts educational seminars and provides speakers to advise consumers and creditors of their legal rights and responsibilities.

DOWNEASTER GUIDE TO ELDER FINANCIAL PROTECTION

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Bureau of Consumer Credit Protection ♦ State of Maine

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, have been employed at various jobs, or both. Many of you own your own home 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 your hard work is that you are frequently targeted for financial scams. Certain people out there will take advantage of your trust, trying to separate you from your savings, your benefits 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 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, and we'll do our best to provide assistance to you.

William N. Lund, Esq.
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 4 chapters:

Chapter 1

- Stopping unwanted telemarketing calls
- Reducing or eliminating junk mail

Chapter 2

- Protecting yourself against identity theft

Chapter 3

- Recognizing and stopping financial exploitation

Chapter 4

- Your insurance questions answered
- Information on Maine Licensed Professionals

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

Sincerely,

David Leach, MPA
Principal Examiner
Bureau of Consumer Credit Protection

Jessie Guest
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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 service, magazine subscriptions and investment opportunities.

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

Being placed on the Registry is not effective immediately — it takes about a month. Therefore, if you receive any calls within 31 days after registering, 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, 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. Being added to the Registry is **free** and is available for both home (land line) and cell phone numbers.

***Note: According to the Do Not Call Website, companies you do business with may call you, as can charities, political organizations and telephone surveyors.**



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

Clean Up Your Mailbox!

Mainers who do not wish to be solicited for credit card offers can “opt out” by calling a toll free hotline, **1-888-5-OPT-OUT (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.

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

Financial scams are more common than ever! It is important to recognize different types of scams 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! Some of the more common financial scams are:

- Canadian Advance Fee Loan Scam
- Nigerian Scam
- “Bank Examiner” Scam

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

www.DMAchoice.org

This service is free

- Telemarketing Fraud
- Demand Draft Scam
- Fake Check Scam
- Charity Scam

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

Canadian advance fee loans 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™, Green Dot and MoneyGram™ to locations in Canada. In this type of scam, the loan never materializes after the advance fee is sent. Advance fee loan scams are a multi-billion dollar problem, in which the victims rarely recover the stolen funds. Always remember that legitimate lenders won’t ask for advance payments



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 government agencies. Always check our public agency resource listings (beginning on pg. 18) before committing to a questionable new financial transaction.



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” call centers are notoriously noisy!

Unclaimed Fortunes: “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 hundreds of thousands of dollars to your bank account. Don’t fall for this long-running scam. Bottom line: Never wire money or provide bank account information in response to promises of big money payoffs from foreign countries. Strangers don’t send complete strangers large sums of money!

“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, claiming to be 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 offers to take the bag of cash back to his “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, do not withdraw your funds. Instead, immediately contact real bank personnel or the police to report this criminal activity.

Scams:
\$Your Money\$



\$Crooks' Pockets!\$

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? Easy: they want to create a check-like instrument called a demand draft. Once the crooks have a person's banking information, they use a machine to enter the victim's account number and the bank's transit/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 information to unknown solicitors!!

“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 and ask you to wire them the excess money that was mistakenly added, or to wire money for fees and taxes related to your “prize.” You might not realize that it's a scam until you find out that the crook's check has bounced, the account has been closed or the funds are unavailable!

Charities:
Be an Informed Giver!

Charity fraud can occur by telephone, mail or 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 to a well-known business. Pushy campaigning or offers of a courier service to rush donations

are tipoffs of potential rip-offs.

To check to see if a charity is licensed in Maine, call the Maine Office of Professional and Occupational Regulation at 207-624-8603.

Charities often pay fundraisers to gather funds for their organization in exchange for a percentage of each donation collected by 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!

Federal Trade Commission

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

Consumer Response Center: 1-877-382-4357 ♦ www.ftc.gov

National Consumer Law Center — Boston, MA

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

1-617-542-8010 ♦ www.nclc.org

Phone Busters and RECOL (Reporting Economic Crime On-Line)

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

1-888-495-8501 ♦ www.phonebusters.com 1-888-495-8501 ♦ www.recol.ca

Better Business Bureau — Marlborough, MA

This non-government organization provides information for consumers on businesses and charities, and provides consumer outreach.

1-800-422-2811 ♦ www.boston.bbb.org

Investment Scams: Investigate Before Investing!

Imagine, for a moment, that you have been offered an investment opportunity with very high returns, 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 Office of Securities is a wonderful resource for an elder who has investments, questions about investment firm licenses or practices, or who thinks they have been offered a phony investment or retirement product.

The Office of Securities recommends asking these questions if you are thinking about investing, or if you get a call from a possible investment scammer¹:

- 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?

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 such scams, due to the buildup of assets such as home equity and IRA's over their lifetimes.

Phrases associated with investment scams include²:

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

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 individual, call the Office of Securities! **They welcome your call at 1-888-624-8551|TTY 711 or visit them online at www.investors.maine.gov**

For additional information on investments, call the above toll-free 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!”***

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

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

Chapter 2: Identity Theft

What It Is, How It Occurs, and How to Protect Yourself

Identity theft occurs when a thief steals personal information and uses it for financial gain. This can include taking out loans in a consumer's name, applying for housing or government benefits, or gaining access to credit card, bank, credit union, investment or retirement accounts. The thief assumes the identity of the victim, and goes on an illegal spending spree.

Means of Identity Theft:

- **Dumpster Diving** is the practice of looking through trash or discarded documents to find personal information. Crooks search through trash at retail stores, restaurants, and gas stations looking for credit and debit card numbers and information from consumers. If a carbon receipt is used by the merchant, always ask for that receipt.
- **Shoulder Surfing** is committed by looking over someone's shoulder while he or she is entering private information 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 being 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, through a direct mail solicitation or by fax.

The Federal Trade Commission's Report on Identity Theft³

- ✓ 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
- ✓ The median value stolen by identity thieves was \$500

³Statistics: U.S. Department of Justice, *Identity Theft Reported by Households, 2005-2010*

- **File breaches** occur when a business, educational facility, non-profit, medical facility, or government agency's paper or electronic files are compromised, hacked or stolen by an outside party. The thief uses the affected consumers' personal information to commit identity theft.
- ✓ 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 file freeze form. **Only 7% of victims put a freeze on their report!**⁴

If You Believe That You Are a Victim of Identity Theft:

- ✓ Contact the financial institutions in charge of your personal accounts to place a fraud alert or a "freeze" on all your potentially affected accounts.
- ✓ File a report with local police/sheriff's department to create record for future use in correcting your credit report or stopping debt collectors from calling. Be sure to keep a copy. **74% of victims do not contact the police.**



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 (see pg. 9 for instructions)
-

⁴Statistics: 2006 *Final Report on Identity Theft*. Federal Trade Commission.

What is a Credit Report?

A credit report records your credit history and personal information.

Among other things, it includes where you live, whether you pay your bills on time, and if you have been sued or filed for bankruptcy. 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 major credit reporting bureaus: Equifax, Experian and Trans Union.

To obtain your report you must submit a request by telephone, mail or the Internet. Be sure to order your free report to check for errors and possible cases of identity theft. If your family

has a tradition of naming the new generation after the previous one, be aware of the potential for credit report mix-ups between similarly-named relatives.

It is important for the safety of your personal information to stay updated on your credit report! Think of this annual request like a medical check-up, except it's for your "credit health!"

Be an Alert Banking Consumer

Keeping current on your bank accounts is a powerful tool to help you detect identity theft. To protect yourself:

- ✓ Always check your bank statements when they arrive
- ✓ If you suspect a problem with an account, call your financial institution immediately

Free Credit Report Ordering Information

Call 1-877-322-8228 is the quickest method for safely obtaining (once a year) free copies of your credit reports. You may also make your request in writing:

Annual Credit Report Request Service
P.O. Box 105283
Atlanta, GA 30348-5281

Or online at:

www.AnnualCreditReport.com

If you make that request online, have your printer ready. Once you answer a series of personal financial questions to confirm your identity, your credit reports will be displayed on the computer screen.

- ✓ Be careful whom you trust. Never give your personal bank account information to an unknown caller
- ✓ 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 and review your free credit reports once every year

If you have questions about your accounts or have a dispute with a bank or credit union, contact the Maine Bureau of Financial Institutions, which regulates state-chartered financial institutions including banks, credit unions and non-depository trust companies. Toll-free: 1-800-965-5235 | TTY: 207-624-8563.



Improve Your Financial Literacy!

Free

Downeaster Guide: Consumer Credit 101

A guide to auto buying and financing, shopping for loans, credit cards, mortgages, debtor rights, and responsible borrowing.

Call 1-800-332-8529 for your free copy!

Credit Scores

Bureau staff are often asked how credit scores work. Credit scores, which range from 300-850, reflect the contents of a consumer's credit reports and indicate the credit-worthiness of an individual. The higher the score, the lower the risk to the lender.

How do you increase your credit score? Pay your bills on time, don't overextend yourself with credit, carefully plan future spending, and correct any errors on your credit reports.

Bounce vs. Overdraft Protection

Many banks offer "bounce" protection on returned, bounced and NSF checks. Traditional overdraft protection extends 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

The Bureau of Consumer Credit Protection receives calls each month from concerned citizens who think their Social Security number or other personal information has been stolen. Whether it was a failure to shred financial records, a data breach at a store or a case of individual identity theft, the Bureau can assist!

After contacting local law enforcement and obtaining a police report, file freeze forms can be mailed out to you by the Bureau to effect a lock-down of your credit reports. A file freeze allows only you and your chosen creditors to view your credit file. For more information on file freezes, visit www.Credit.Maine.gov, click on "Publications," and select "Consumer File Freeze Information."

Reverse Mortgages

Unlike traditional mortgages where borrowers make monthly payments to a lender, reverse mortgages allow elder homeowners to receive payments as long as they stay in their home (primary residents only). A homeowner can give up a portion of their home's equity in exchange for cash (lump sum, equal monthly payments, or a line of credit) that lets them maintain a comfortable lifestyle and afford daily expenses like food, utilities and taxes. Reverse mortgages are becoming increasingly popular in throughout the United States. Before taking out a reverse mortgage, interested homeowners must attend a counseling session to obtain all necessary information about the process.

To be eligible for a reverse mortgage all borrowers/homeowners must be 62 or older and own their home outright or have a high equity position. The homeowners remain responsible for property insurance, municipal taxes and home maintenance. The loan must be repaid when the borrower(s) die, vacate, or sell their home. There are lenders' fees, and other significant costs associated with this program. For additional information about reverse mortgages, contact:

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

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 advantage⁵.

DID YOU KNOW?

- According to the National Center for Elder Abuse, **five million** elders are abused in the United States every year⁶.
- **Eighty Four** percent of this abuse (emotional, financial, and physical) goes unreported⁷.
- More than **14,000** elders are abused in Maine every year, and **less than 10%** of these cases are reported⁸.

- 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.

Financial Exploitation and Debt Collection

Throughout the year, staff at the Bureau of Consumer Credit Protection 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.

The Perils of Cosigning - Another Form of Potential Abuse

Why think twice about cosigning? The Bureau has received 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 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.

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

⁶2005. *Fact Sheet: Elder Abuse Prevalence and Incidence*. National Center for Elder Abuse. Federal Administration on Aging.

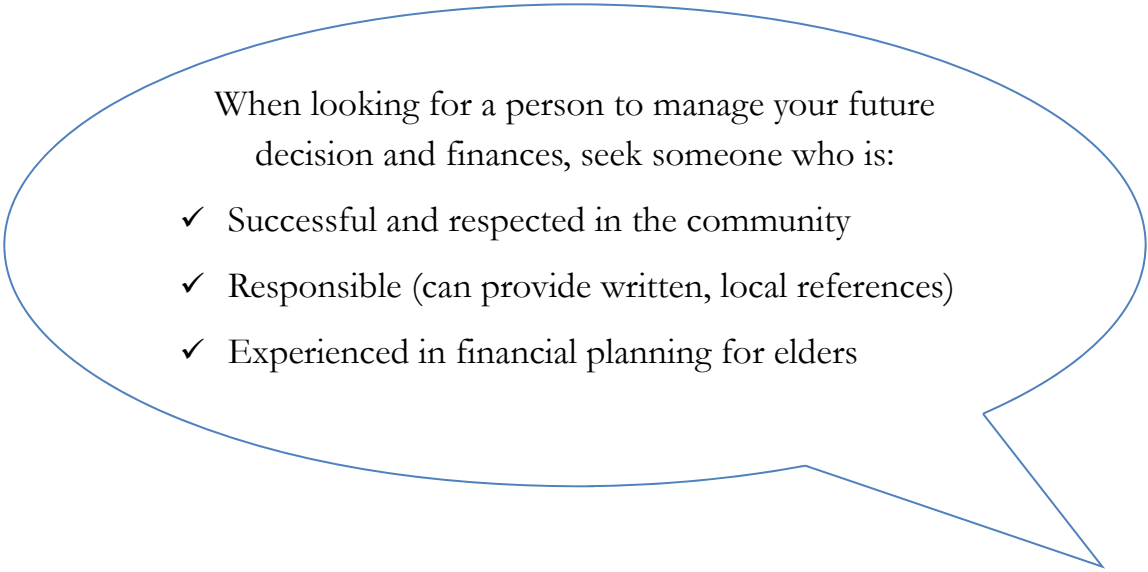
⁷Ibid

⁸2006. *Elder Abuse, Neglect and Exploitation*. Report prepared for Maine Department of Health and Human Services by University of Maine Center on Aging.

Whether an elder chooses to assist an individual is a personal decision. We advise seniors to carefully consider the effect that choice of assuming all or part of a debt will have on their personal financial position.

The Bureau of Consumer Credit Protection is in charge of enforcing both the state and federal Fair Debt Collection Practices Acts (FDCPA), and receives more complaints about debt collection than any other type of financial issue. 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, must verify debts in writing upon the consumers' request, and must cease all contact if requested to do so in writing. For more information about your rights under the FDCPA, contact the Bureau at 1-800-332-8529.



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

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

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, or will beneficiary
- Lack of knowledge about income or bank account balances¹⁰

¹⁰1998. *National Elder Abuse Incidence Study*. The Federal Administration on Aging.

Plan Ahead to Avoid Being a Victim of Elder Abuse

Forty percent of all elder abuse involves financial exploitation, and **sixty percent** that elderly financial exploitation is perpetrated by adult children⁹. 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.

Maine State Government experts advise elders to seek and meet independent counsel — meaning a person outside of family, friends, and health care providers — **privately**. This is one of the safest ways to ensure that an elder is making their own decisions about future plans.

Downeaster Common Sense Guide
**Finding, Buying and Keeping
Your Maine Home**

FREE

This booklet contains
valuable information for
both new and long-time
homeowners!

Call 1-800-332-8529 for your free copy!

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. **Powers of Attorney can be as narrow or as broad in their involvement as you would like.**

You, as the elder, act as the “principal” to appoint a person to handle your personal business matters. This appointed person is called the “agent,” and is authorized to spend principal’s money, sell property, enter into contracts and carry-out other legal or financial affairs for the principal

Agents that sign Power of Attorney contracts **should understand that the elders are not losing their rights.** Rather, the agents are helping the elders

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.

¹⁰2004. Seth Blodgett, Maine Office of the Attorney General. Power Point. *The Impact of Financial Abuse on the Elderly*.

with their decisions until they are unable to do so. **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 do not consult the principal before acting on his or her behalf. Agents sometimes justify these actions by claiming that their behavior is the result of stress induced by elder care or the feeling that they are somehow entitled to be rewarded.

DO NOT allow this abuse to happen. Carefully think about and observe the

person you are considering to appoint as your agent. Make sure they are 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.

Under a 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, and are aimed to ensure better protection of consumers’ personal information.

Experts urge elders to realize they are **not alone** in financial exploitation. People should feel safe at any age. Do not be afraid to reach out or speak out!

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.

An educational effort, called Senior\$afe, was launched in early 2014 to enhance this training of bank and credit union employees and to raise public awareness about elder financial exploitation. This initiative is led, in part, by the Maine Office of Securities and the Bureau of Financial Institutions here at the Department of Professional and Financial Regulation. More information about Senior\$afe can be obtained by calling the Office of Securities at 1-877-624-8551 (toll free in Maine) or visiting www.investors.maine.gov.

If You Are a Victim of Financial Exploitation

- ✓ Contact the local police/sheriff's department
- ✓ Contact **Adult Protective Services** in the Maine Office of Aging and Disability Services toll free, 24 hours a day at:

Voice: 1-800 624-8404
TTY: Please Call Maine Relay 711

To report abuse, neglect or exploitation in a nursing home facility licensed by the Maine Department of Health and Human Services, call the Complaint Unit at:

Voice: 1-800-383-2441
TTY: Please Call Maine Relay 711

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**: 1-800-750-5353

or

Maine Office of Aging and Disability Services: 1-800-624-8404

Operators 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 direct phone lines to the Attorney General's Office

are
1-800-436-2131, TTY: 207-626-8865.

Do not hesitate to call or get help!

Chapter 4: Insurance and Professional Occupational Licensing in Maine

Your Insurance Questions Answered!

The Maine Bureau of Insurance regulates the insurance industry in Maine. If you believe you are being targeted by an insurance scam or have a general question about insurance contact the Bureau of Insurance toll-free at 1-800-300-5000 | TTY: Please Call Maine Relay 711. The Bureau of

Insurance publishes several brochures regarding auto, health, homeowners, and life insurance, including *Ten Things You Should Know About Buying Auto Insurance*, *Are You Eligible or Do You Have Medicare?*, *Contacts for Residential Property Insurance*, and *Ten Things You Should Know About Buying Fixed Deferred Annuities*. These brochures are available by calling 1-800-300-5000.

Get On Board the “SHIP”

SHIP is an acronym for Maine’s **S**tate **H**ealth **I**nsurance Assistance **P**rogram. SHIP’s **free** services include:

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

SHIP services are available through:

- Legal Services for the Elderly, toll free voice and TTY: 1-800-750-5353 (additional contact information pg. 18).
- State SHIP Office at the Office of Aging and Disability Services
Toll free: 1-800-262-2232 | TTY: Please Call Maine Relay 711

¹¹ *About Maine SHIP*. The Maine Bureau of Insurance, 2008.

Licensed Maine Professionals

The Maine Office of Professional and Occupational Regulation issues more than 100,000 professional and occupational 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: Please Call Maine Relay 711.

Partial Listing of Boards/Commissions

Board of Nursing Home Administrators	Board of Electricians
Board of Real Estate Appraisers	Board of Pharmacy
Board of Chiropractic Licensure	Board of Veterinary Medicine
Real Estate Commission	Board of Plumbers
Board of Complementary Health Care Providers	Board of Nursing
Board of Licensure in Medicine	Board of Charitable Solicitations

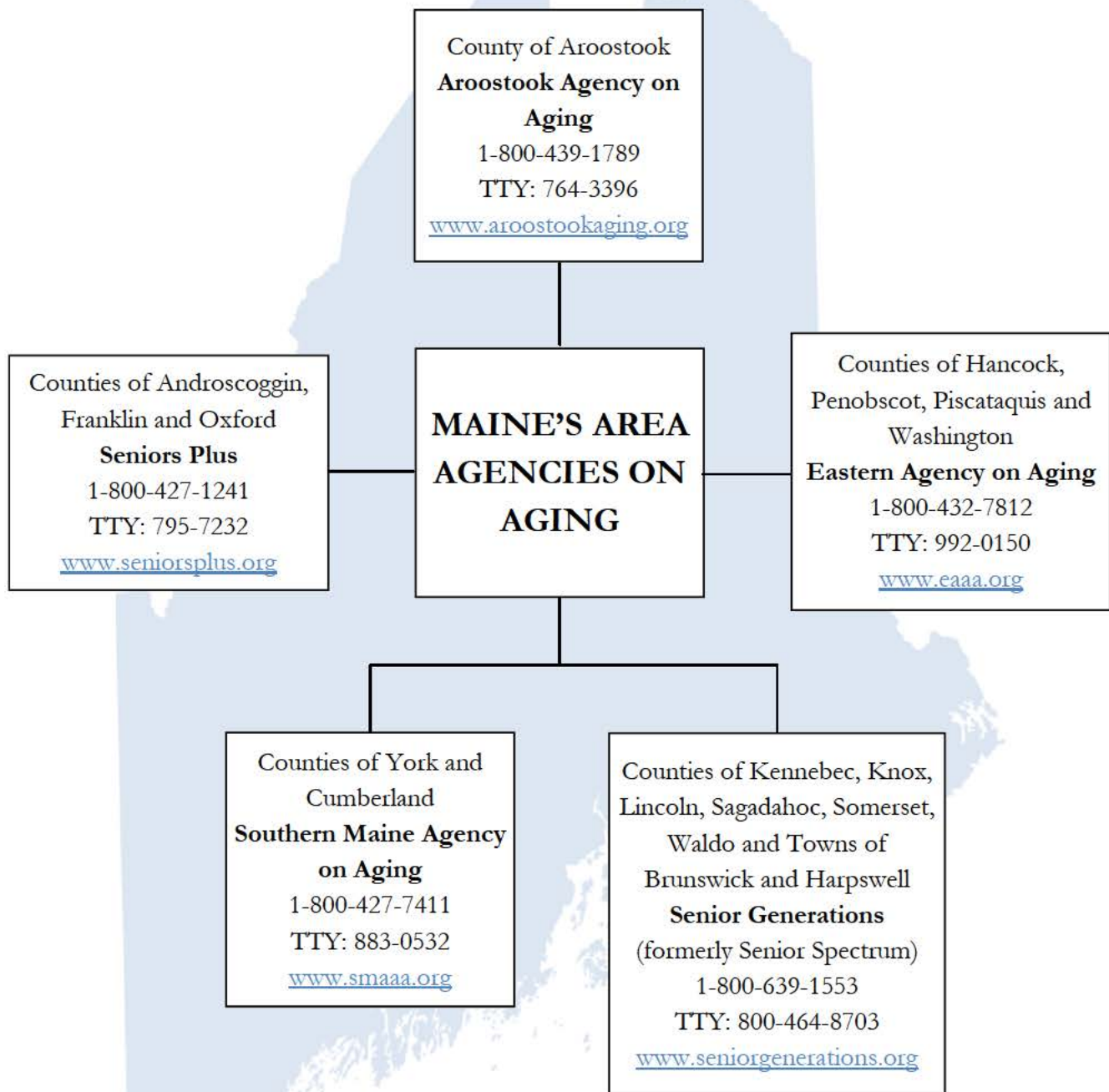
A Word About Hearing Aids

Good hearing should not be a source of stress for anyone. The Office of Professional and Occupational Regulation is an excellent resource for an elder who is thinking of obtaining a hearing aid. Hearing aids are available through licensed audiologists and hearing aid specialists, 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, hearing is precious, and you should be perfectly satisfied.

For questions, concerns, a history of complaint actions against licensed hearing aid specialists, or to file a complaint, contact the Office of Professional and Occupational Regulation at 207-624-8603 | TTY: 888-577-6690 or visit www.maine.gov/pfr/professionallicensing

Maine's Area Agencies on Aging 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.



PUBLICATIONS

Be sure to check out other free booklets from the
Bureau of Consumer Credit Protection:

- **Downeaster Common Sense Guide: Finding, Buying and Keeping Your Maine Home:** This guide is a resource for first time homebuyers, and provides an overview of the mortgage lending process, types of mortgage lenders and loans, and other related topics.
- **Downeaster Common Sense Guide to Student Loans:** A comprehensive guide for the prospective college student on the world of student loans. This book covers loan types (public and private), the FAFSA process, how to apply for scholarships and grants, and the rights of a student debtor in the repayment/collection process.
- **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.

These guides are free to Maine residents. Out-of-state orders are \$6.00 each, or at a volume discount of \$4.00/copy on orders of 50 or more (shipping included).

To order, call 1-800-332-8529 (in-state) or 1-207-624-8527 (outside of Maine).

NOTES

Filing a Complaint

The Maine Bureau of Consumer Credit Protection administers state laws relating to consumer credit, debt collection, and other non-bank financial activities. To file a complaint online, visit our website at:

www.Credit.Maine.gov

Our office mailing address is:

Bureau of Consumer Credit Protection
Department of Professional and Financial Regulation
#35 State House Station
Augusta, ME 04333-0035

Or, call our in-state consumer hotline at:

1-800-332-8529 (1-800-DEBT-LAW)
TTY 1-888-577-6690

Consumer Resources

Maine Bureau of Consumer Credit Protection	1-800-332-8529 TTY: Maine Relay 711
Maine Bureau of Financial Institutions	1-800-965-5235 TTY: Maine Relay 711
Maine Bureau of Insurance	1-800-300-5000 TTY: Maine Relay 711
Maine Foreclosure Prevention Hotline	1-888-664-2569 (1-888-NO-4-CLÖZ)
Maine Office of the Attorney General	Telephone: 1-800-436-2131 TTY: 207-626-8865
Maine Office of Aging and Disability Services	1-800-262-2232 TTY: Maine Relay 711
Maine Office of Securities	1-877-624-8551 TTY: Maine Relay 711
Maine Public Utilities Commission	1-800-452-4699 TTY: 1-800- 437-1220
2-1-1 Maine	2-1-1 TTY: 2-1-1
Legal Services for the Elderly	1-800-750-5353
Pine Tree Legal Assistance	1-207- 622-4731 TTY: Maine Relay 711
Consumer Financial Protection Bureau (CFPB)	1-855-411-2372 TTY: 1-855-729-2372
Federal Communications Commission (FCC)	1-888-225-5322 TTY: 1-888-835-5322
Federal Deposit Insurance Corporation (FDIC)	1-877-275-3342 TTY: 1-800-925-4618
Federal Reserve Consumer Help	1-888-851-1920
Federal Trade Commission (FTC)	Toll-free: 1-877-FTC-HELP (1-877-382-4357) TTY: 1-866-653-4261



Bureau of Consumer Credit Protection

35 State House Station

Augusta, ME 04333-0035

www.Credit.Maine.gov