



NEIGHBORHOOD WATCH NEWS

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Log onto www.lapdonline.org today! You can view information on crime in your neighborhood; you can get the monthly newsletter and sign up for e-policing, a real-time way to get information from LAPD to you!

Unfortunately, many different scams target the elderly. Those who have been victimized are not only stripped of their dignity, but are often swindled out of their life savings. The following information will describe how some consumer scams and fraudulent schemes operate and how you can protect yourself.

TELEMARKETING SCAMS

Fraudulent telemarketers, who know an elder is likely to have retirement savings, good credit, and the time to talk on the phone, often victimize seniors. Many telemarketers are very aggressive, persuasive, and intimidating.

Keep in mind that if it sounds too good to be true, it probably is! You have the right to refuse calls from telemarketers. Just say "no" and hang up the phone.

REAL ESTATE FRAUD

Most seniors' primary asset is their home. When seniors are victimized through mortgage loan fraud or when caretakers and others defraud them out of title to property, elders risk losing their home or tying up title in a legal mess.

Fraud artists search public records to find mortgage-free homes or homes with significant equity, many of which are owned by seniors. Posing as the homeowner, these criminals fraudulently obtain mortgage loans and disappear with the money. When mortgage payments are not made, the lender forecloses, which could result in the senior losing his or her home or having to pay a lawyer to clear the title.

Protect yourself:

- If you receive a letter from a mortgage company notifying you of a mortgage on your home that you never applied for, immediately call the L.A. County **Department of Consumer Affairs Real Estate Hotline at 1-(800) 973-3370**. Also notify the mortgage company that you did not apply for the loan. The L.A. County Real Estate Hotline helps prevent homeowners, particularly seniors, from becoming victims of real estate fraud.
- If you receive a notice from the County regarding the recording of a deed, call **1-(800) 973-3370**. When a loan, lien and/or deed to real property are recorded in L.A. County, the owner is sent a copy of the document and a postcard with notification. If you receive such information, read it carefully. If you don't understand it, ask someone you trust to look it over.
- Some lenders violate consumer protection laws by targeting seniors with offers of mortgage loans that do not fully disclose the cost of a loan. The senior is then committed to repaying a high-cost loan he or she can't afford and risks losing the home. **The law requires mortgage lenders to make full disclosure of all costs of a loan and payment amounts. Never sign anything without being sure you know the full consequences of what you're signing.** If you have any doubts, discuss them with someone you trust.

REAL ESTATE FRAUD (continued)

- Do not give any personal information such as your Social Security number to a stranger or loan salesperson. Do not give personal identification information to a stranger on the phone or to a loan salesperson that comes to your door. Never provide personal information in response to a mail solicitation.
- If you are told that your loan documents are ready for "closing" but you have not received any disclosures in advance specifying the amounts of the closing costs and fees, ***do not sign any closing documents*** until you have had a chance to review all the fees and closing costs.

When to suspect a mortgage lender may be up to no good:

- You are urged to take out a second mortgage on your home in a "can't miss deal" in order to get out of debt (from credit cards, etc.) fast. The fraud artist submits false financial information so that you qualify for the new loan, but then he/she pockets your closing costs. Now you're stuck with unaffordable mortgage payments.
- A lender's representative contacts you about refinancing your mortgage. You're told you are under no obligation, but the representative asks you for personal identification information (Social Security number, etc.). Now the thief can use ***your*** personal information to obtain a loan or other bogus credit.
- Caretakers and/or caregivers may persuade seniors to sign a deed conveying property to the caretaker/caregiver or sign loan documents in order to take out a mortgage against the senior's property. The caretaker/caregiver can then appropriate the property or money for her or his own use.

Do not take out a loan or convey property unless trusted family members or friends agree that it should be done and they witness the proposed transaction!

REVERSE MORTGAGES

A reverse mortgage is a home equity loan that allows homeowners to convert some of the equity in their homes to cash while they retain ownership. Reverse mortgages work much like traditional mortgages, but in reverse. Rather than making a payment to your lender each month, the lender pays you. Unlike conventional home equity loans, most reverse mortgages do not require any repayment of principal, interest, or servicing fees as long as you live in your home. Funds you obtain from a reverse mortgage may be used for any purpose – personal expenses or housing expenses such as taxes, insurance, and maintenance costs. ***However, all reverse mortgages come with the risks associated with traditional home mortgages – the main one being that you may lose your home if you do not repay the loan.***

Protect yourself and beware:

- Reverse mortgages are designed for people who are "house-rich, but cash-poor." Because your home is such a valuable asset, you should consult with your family, attorney, or financial advisor before applying for a reverse mortgage.
- Although they provide a monthly payout, ***reverse mortgages are rising-debt loans***. Each payment will have to be repaid with interest. ***Keep in mind that if you move, sell your home, reach the end of the loan term or pass away, the loan will become due and you or your heirs will have to repay the loan, either in full or by refinancing the loan into a traditional (forward) mortgage. You may even lose your home.***
- One of the best protections you have with reverse mortgages is the Federal Truth-in-Lending Act, which requires all lenders to inform you about the plan's terms and costs. The law requires lenders to disclose the Annual Percentage Rate (APR) and payment terms. On plans with adjustable rates, lenders must provide specific information about the variable rate feature. On plans that provide you with a credit line, lenders must also inform you of any charges to open and tap the account. ***Be sure you understand all the terms of the reverse mortgage and do not sign any document until the terms have been explained to you or to someone you trust.***

ENCINO:

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Contact Officer Trulik for information on the next Encino Neighborhood Watch Meeting.

HEALTH FRAUD

Fraudulent miracle cures abound and seniors are primary targets of the quacks who peddle them. Those suffering from serious illnesses such as cancer, arthritis, and heart problems desperately try "cures". These cures often divert you from traditional medical treatment. Current health scams include: male potency drugs, miracle weight-loss pills, and sure-fire cancer cures.

Protect yourself:

- Discuss any health care product with your doctor or a reputable health care professional.
- For serious illnesses, don't be pressured into buying any health product that claims to be able to cure your illness or save your life.
- Be sure that the health product does not conflict with medications you are already taking.
- Do not stop taking prescription medication without first discussing it with your physician.
- Prior to making a purchase, ask for written details on any costs for returning a product. Fraudulent remedies with "money back guarantees" often include undisclosed charges.



LAKE BALBOA:

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SWEETHEART SCAMS

Seniors may also be susceptible to what are known as "sweetheart scams." These cons are much like other consumer scams, except what these con artists are peddling is their time and affection – all in an attempt to get the victim's money. Often, they promise a love relationship, but seldom do they follow through. Meanwhile, the victim's confidence is gained, the con artist begins to tap and exploit the senior for money, personal expenses, car repairs, etc. Once they get what they want, the scam artists often disappear, leaving the senior feeling exploited and ashamed.

Beware when:

- A stranger approaches you at a store, library, park, or another everyday setting and quickly shows interest in you and seems to want to spend time with you. He or she may be trying to pull a sweetheart scam. ***Be particularly careful if the interested person is much younger and appears too eager to go out with you, especially since you just met.***
- You go out on a date with someone new, and they soon ask you to help them financially.

RESEDA:

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**Next Neighborhood Watch Meetings – Thursday, October 14 and Thursday, November 11
7:00 p.m. - L.A.P.D. Community Room**

STAGED AUTO COLLISIONS

Organized fraud rings target seniors for staged auto collisions in several ways. These con artists can intentionally cause an accident with a senior in order to collect on fraudulent insurance claims. Some may then ask for cash for the alleged damages and request that the settlement be confidential, telling seniors not to report the "accident" because they could lose their license or insurance. Finally, some criminals may steal money or identification cards and credit cards from the senior's wallet or purse at the accident scene. If you leave your car, take your purse or wallet with you.

Most people who are victims of staged collisions don't realize the "accident" was staged. Auto collision stagers target seniors and drivers of expensive cars or business vehicles. They choose victims they anticipate have insurance and/or money to pay for the alleged damages.

- Notify law enforcement of any auto collision involving injury or death. *If anyone claims to have been seriously injured, call "911."* Inform the Department of Motor Vehicles of collisions resulting in more than \$500 damage.
- Keep a disposable camera in your car. If you can do so safely, take photographs of the vehicles involved in the collision and of the passengers. *Photo documentation is helpful in criminal investigations and prosecution, but never put yourself in harm's way to take the photos.*

TARZANA:

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Contact Officer Scoggins for information on the next Tarzana Neighborhood Watch Meeting.

PRIZE AND SWEEPSTAKE FRAUD

Beware:

- If the first thing you hear from a telemarketer is, "Congratulations! You have just won a ____ (trip to Las Vegas, \$5,000 prize, etc.)," be careful. They often want *your* money.
- When you're told to send money in order to claim your prize or a sweepstakes requires you to buy a product in order to receive your prize. *As a common rule, never buy anything over the phone unless you initiated the call.*
- If you are asked to call a "900," "976" or other unknown telephone number in order to claim a prize. Making such calls can result in a very expensive phone bill – one that you will be responsible for. In California, it is a crime to require a person to call a "900" or "976" telephone number in order to collect a prize. If this happens to you, immediately report it to the L.A. County Department of Consumer Affairs at (213) 974-1452.

When to suspect a telemarketer may be up to no good:

- When the telemarketer does not give you their telephone number and name when you ask for it and quickly changes the topic so as to distract you;
- When the telemarketer uses pressure tactics, telling you the award expires today unless you act immediately;
- When the telemarketer asks you for your social security number, birth date, or credit card number;
- When the telemarketer asks you to "wire" the money as soon as possible to ensure you receive your prize or limited-time only special price. *Remember, you can always say, "I'm not interested, good-bye, and hang up."*