

Attorney Timothy P. Crawford, CPA, CELA*, CAP**
wanted to share this information with you.

Consumer Financial Protection Bureau (CFPB) Makes Report to Congress on Reverse Mortgages

GREATER MILWAUKEE AREA OFFICES IN BROOKFIELD, GLENDALE, MILWAUKEE, OAK CREEK & RACINE

Your Asset Protection Law Firm

840 Lake Avenue, Suite 200

Racine, WI 53403

(262) 634-6659

E-mail: tpc@execpc.com

Website: www.TpcLaw.com

The Dodd-Frank Act, which created the Consumer Financial Protection Bureau (CFPB), specifically recognized the unique financial needs of older Americans. The CFPB's Office of Older Americans is dedicated to protecting this population. In that effort, the CFPB has taken a special look at reverse mortgages, the one financial product only sold to people over age 60.

The study finds that reverse mortgages are complex products that are difficult for consumers to understand. Borrowers are also increasingly using reverse mortgages in ways that are different from what was intended. Nearly half of recent borrowers were in their 60s, and nearly 3 out of 4 borrowers took all of their money upfront in a lump sum. The CFPB is concerned that these borrowers will have fewer resources to pay for everyday and major expenses later in life.

Deceptive marketing is a long-standing problem in this market, with many older Americans receiving solicitations implying that a reverse mortgage is a government benefit rather than a loan. Prospective borrowers are required to attend counseling, but these deceptive advertisements, and an increased array of product options, make the counselor's job very difficult. The CFPB has submitted a Notice and Request for Information to gather public input on follow-up questions about reverse mortgages. It is seeking feedback on the factors most important to consumers when they are considering a reverse mortgage, the way consumers use reverse mortgage proceeds, the longer-term outcomes of reverse mortgage borrowers, and certain practices that may differ depending on the type of business that is offering the reverse mortgage.

Additionally, the Office of Older Americans released a four-page Consumer Guide to Reverse Mortgages and a new and improved set of answers to common reverse mortgages questions on Ask CFPB. It is also taking complaints on reverse mortgages through its complaint system.

**“Those Who Plan Ahead Win.
Those Who Don’t Plan Ahead Lose.”**

This article is for informational purpose only and is not intended as legal advice. It is recommended that you call Timothy P. Crawford for a free conference to discuss your situation in more detail. Attorney Crawford can be reached at 1-262-634-6659. Please refer to this article when you call.

*Attorney Timothy P. Crawford is a Nationally Board Certified Elder Law Attorney (**CELA**). He has been Board Certified by the National Elder Law Foundation which has been approved as the Sole Certifying Organization for Elder Law Attorneys by the American Bar Association.

Timothy P. Crawford was invited to join the Council of Advanced Practitioners (CAP**) of the National Academy of Elder Law Attorneys (**NAELA**) in August of 2005. **CAP** is a small group of premier elder law attorneys, all of whom have been members of NAELA for at least 10 years, are certified as elder law attorneys by the National Elder Law Foundation, and are AV rated by Martindale Hubbell, a service that provides an independent rating of the quality of attorneys, as one of the top attorneys in the nation.

Attorney Timothy P. Crawford has been selected as a **Fellow** of NAELA. **Fellow** is the highest honor bestowed by the Academy. Selection as a **Fellow** signifies that his peers recognize the lawyer as a model for others and as an exceptional lawyer and leader.

Attorney Timothy P. Crawford has a superb rating of 10 out of 10 with A V V O.

A V V O has awarded to Attorney Timothy P. Crawford the A V V O Client’s Choice Award.

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