

Attorney Timothy P. Crawford, CPA, CELA*, CAP**

wanted to share this information with you.

National Consumer Law Center Says Seniors at Risk From Reverse Mortgages

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Abuses and abusers from the subprime mortgage market have begun showing up in the reverse mortgage market, putting at risk the equity and savings of millions of seniors. That's the main finding of "Subprime Revisited: How the Rise of the Reverse Mortgage Lending Industry Puts Older Homeowners at Risk," a report issued today by the National Consumer Law Center. "In the reverse mortgage market, seniors face some of the same aggressive lending practices that were common in the subprime lending boom," said Tara Twomey, an NCLC attorney and author of the report. "Well-funded marketing campaigns and perverse incentives to brokers are targeting seniors' home equity and using reverse mortgages as their tools." Annual reverse mortgage volume has topped 110,000 units and \$17 billion, with top banks like Wells Fargo and Bank of America and large insurance companies like Genworth and MetLife leading the way. Despite a slowdown in originations due to the recession, reverse mortgage originations in 2009 still continue at a record pace. As the new NCLC report notes: "Many of the same players that fueled the subprime mortgage boom — ultimately with disastrous consequences—have turned their attention to the reverse market. Lenders, including some of the nation's largest banks, view that market as a source of profits that have dried up elsewhere. Mortgage brokers see it as a new source of rich fees. Predators who once reaped profits from exotic loans have now focused on wresting more wealth from vulnerable seniors. And securitization, which allowed subprime loan originators to disassociate themselves from the downside risks of abusive lending, is becoming commonplace in the reverse mortgage industry." U.S. Senator Claire McCaskill said today's report validates the need for regulatory improvements in this industry in order to protect America's seniors as well as our tax dollars. "We've seen this movie before and it didn't have a pretty ending. Abuses in the subprime lending market almost brought down our economy. Now we're seeing similar abuses with reverse mortgage lending — something needs to be done before more lifesavings are depleted and more tax dollars are drained," Sen. McCaskill said. This report describes the growth of an aggressive and dangerous reverse mortgage sales culture that has outstripped the limited resources and uncertain funding for the counseling agencies that current laws rely on to prevent reverse mortgage abuses.

**“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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