

Elder *Care*

**FINANCIAL
AWARENESS**

YOUR CREDIT

PRESENTER GUIDE

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WELCOME, PRESENTERS

Welcome to the ElderCare program and thank you for putting in the time to teach this important material to senior citizens.

The unfortunate rise of financial elder abuse is extremely disturbing and we hope that the advent of this program will end the exploitation of some of our most valued citizens. As you use the ElderCare program, remember that senior citizens have wisdom to share and allow their experiences and thoughts to season your lessons. Be patient, and speak clearly.

You have the entire Participant Guide in this packet, and it's often best to teach from that information. Elaborate when it is necessary. Introducing outside scenarios and experience is encouraged so that seniors apply the information to their everyday lives. Be creative: remember, this is valuable information, and seniors will appreciate the time you put in to help them!

Topics You'll Be Covering

- Recognizing how credit repair and counseling services can be scams.
- Learning how to protect individuals from different financial scams.
- Demonstrating the steps to take if a person suspects being a victim of a financial scam.

Presentation Pointers

- Complete your presentation in an hour or less.
- Be sure to allow opportunities for interactive communication.
- Senior citizens are NOT teenagers or young adults—they do not process or retain information in the same way a young adult does.
- Presenters should gauge the level of “senior savvy” by asking interactive topical experience questions at the beginning of the presentation.
- Seniors are wise and proud—they may not be willing to ask questions if they don't understand.
- Seniors learn best from one another. Consider asking them if their friends have experienced any of these situations, and encourage them to share their experiences.

FINANCIAL AWARENESS INTRODUCTION

The goal of the ElderCare program is to stop financial abuse of senior citizens and give you the tools to take control of your finances.

After going through this program, you will be able to:

- Recognize common financial scams.
- Understand the negative effects scams can have on your financial resources.
- Identify trustworthy sources of financial advice and assistance.

Be S.M.A.A.R.T.

Stop! Take time to think through any financial decisions you make.

Make decisions on your own time, not because others pressure you to decide quickly. Never fall for high-pressure sales tactics.

Avoid businesses that contact you directly. You know your needs best and can contact services when you need them.

Ask questions about any financial deal you make. Know what you are entering into and that it is exactly what you want.

Research your options before making decisions.

Talk to people you trust before making a financial decision.

A recent study estimates that the elderly are swindled out of nearly \$3 billion each year.

Another study found that 1 in 5 senior citizens had been the victim of a financial scam.

43% of Americans spend more money than they earn.

YOUR CREDIT

OBJECTIVE: To educate seniors on the many ways to repair damaged credit and the ways that credit services can leave them vulnerable to a scam.

TYPES OF SCAMS COVERED:

- *Credit Counseling*
- *Debt Management Programs*
- *Debt Settlement Services*
- *Debt Consolidation Services*
- *Credit Repair Services*

YOUR CREDIT | CREDIT REPAIR & COUNSELING

This lesson should be used to educate seniors about ways to repair damaged credit and the types of credit counseling and debt management opportunities available to them. By the conclusion of the lesson, participants should be able to:

- *Understand what credit counseling is and the possible credit counseling scams.*
- *Identify the similarities and differences between credit counseling and debt management programs.*
- *Develop an understanding of credit repair services and possible scams.*

<i>Objectives</i>	Participants should gain a basic understanding of credit counseling, debt management programs, debt settlement and consolidation, and credit repair. By understanding the dangers and characteristics of these common debt and credit solution services, participants will develop a response plan to help combat the aggressive sales tactics used by those offering these services. Also, participants will be able to determine the services that they actually need and avoid those that they do not.
<i>Information</i>	Discuss the various forms of debt relief and credit repair services offered by companies. For each category, discuss the potential scams associated with each and the ways that participants can guard themselves from pitfalls.
<i>Verification Activity</i>	Group discussion of a real-life hypothetical situation. Decide what actions the group thinks would be appropriate to take in the hypothetical circumstances.
<i>Summary</i>	Participants will leave the presentation being able to recognize the common characteristics, benefits and dangers of credit repair and credit counseling schemes. The presentation will help participants develop a response plan if they are confronted with a potential credit repair/counseling scam.

YOUR CREDIT

Receiving an outside opinion on your financial affairs can be helpful in rebuilding your credit.

Credit Counseling

Credit counselors review your accounts and debts, and they offer advice on how to solve your financial problems. Receiving an outside opinion on your financial affairs can be helpful in rebuilding your credit.

PROTECT YOURSELF

Watch out for services that charge high fees or have hidden fees.

Be suspicious of services that ask for details about your financial affairs, like account numbers and balances, before you have begun their program or received counsel.

Debt Management

Debt management is more involved than credit counseling. You pay money to an agency and they use that money to pay your debts. The debt management company negotiates with your creditors to pay your unsecured debts.

PROTECT YOURSELF

Ask if the organization is licensed to do business in your state.

Do not use organizations that do not inform you of the fees involved with their program.

Be suspicious of debt management programs that have complicated fee schedules and high fees for late payments.

Debt Settlement Services

Debt settlement services claim they can reduce your debts for less than you owe without harming your credit history.

PROTECT YOURSELF

Some services that represent themselves as viable companies but actually just take your money and do little to help with your credit.

These services often charge high fees for something that you could do yourself. There is also no guarantee that a creditor will accept the service's plan.

Debt Consolidation Services

Debt consolidation services involve borrowing money by using your home as collateral to pay off your debts. This is often done through a second mortgage or a home equity line of credit.

PROTECT YOURSELF

Understand deadlines on when you have to pay the money back, because consolidation costs can add up quickly.

Remember, you can lose your home if you don't pay the money back.

Credit Repair Services

A credit repair agency can offer to remove negative information from your credit report in order to improve your credit rating.

PROTECT YOURSELF

These companies often take a fee and provide little to no assistance. There is little that they can legally do for you that you can't do yourself.

Do not use services that counsel you to commit fraud by creating a new "credit identity" for yourself. This could involve registering for an Employment Identification Number instead of using your Social Security number.

Be suspicious of companies who don't contact any of the three major credit reporting companies (Experian, Equifax or Transunion), or ask you to do so.

Remember, there is no magic plan for debt reduction!
Careful budgeting and planning may be the best solution to reducing debt. If something sounds too good to be true, then it probably is.
