The CFPB's Work to Protect Older Adults from Fraud and Financial Exploitation

The CFPB's Office for Older Americans works to help protect older consumers from financial harm at key moments in their financial lives. Specifically, the office:

- Identifies and addresses emerging consumer protection risks;
- Coordinates consumer protection efforts on behalf of older adults with other federal agencies and state regulators to promote consistent, effective, and efficient enforcement of laws that protect older Americans;
- Helps older consumers make sound financial decisions as they age; and
- Helps older adults recognize warning signs of unfair, deceptive, or abusive practices and protect themselves from such practices.

The CFPB works with federal partners, state and local governments, the private sector, aging services providers, and nonprofits to coordinate efforts and maximize its reach to older Americans, their families, and caregivers. Our focus areas include elder financial exploitation and fraud prevention and response, older adult housing insecurity, older adult debt, long-term services, and support consumer financial protections and caregiver rights, and financial security.

Highlights of the CFPB's work to protect older Americans include:

Older Adults and Medical Debt

In October 2024, the CFPB and the Centers for Medicare & Medicaid Services (CMS) issued CMS issued a joint statement to protect millions of Medicare recipients living at or below the poverty line from unlawful medical bills. One in eight Medicare recipients fall into the Qualified Medicare Beneficiary group. Federal law generally prohibits healthcare providers who accept Medicare from billing these people – referred to as "QMBs" – for cost-sharing, such as co-pays or deductibles. The agencies' joint statement emphasized that traditional Medicare providers and suppliers, Medicare Advantage providers and suppliers, and debt collectors can be sanctioned by CMS or be liable under federal law for improperly billing these recipients.

Protecting Homeowners from Illegal Collection Tactics on "Zombie Mortgages"

In April 2023, the CFPB issued an advisory opinion making clear that it may be illegal for debt collectors subject to the Fair Debt Collection Practices Act (FDCPA) to use or threaten to use judicial processes, such as foreclosure, to collect a debt after a state's statute of limitations expires. This practice was most often observed when debt collectors attempted to foreclose on dormant second mortgages, known as "zombie" mortgages. This equity-stripping practice has especially impacted older adults. The CFPB's advisory opinion clarifies that a covered debt collector who brings or threatens to bring a state court foreclosure action to collect a time-barred mortgage debt may violate the FDCPA and its implementing regulation. Director Chopra also hosted a listening session on this topic in Brooklyn, New York—a hotbed of zombie second mortgage foreclosures.

Tackling Nursing Home Debt Collection

The CFPB released an issue spotlight highlighting the difficulties and experiences of caregivers, including how nursing home facilities pursued them over their friends' or family members' alleged debts. Based on the findings in the report, the CFPB and the Centers for Medicare & Medicaid Services (CMS) issued a joint letter confirming that a nursing care facility may not require that a third-party caregiver personally guarantee payment of a nursing home resident's bills as a condition of the resident's admission to the facility. The CFPB also issued a circular confirming that certain practices involving the collection of nursing home debts may violate the Fair Debt Collection Practices Act and the Fair Credit Reporting Act.

Director Chopra also hosted a virtual discussion with advocates, service providers, community leaders, and members of the public to explore challenges around nursing home debt collection practices and the adverse impact they can have on the financial wellbeing of caregivers, their families, and friends.

Shutting Down a Telemarketing Scammer that Targeted Older Americans

The CFPB permanently barred BrightSpeed Solutions and its founder Kevin Howard from the payment processing, consumer lending, deposit-taking, and financial-advisory services, and permanently barred BrightSpeed and Howard from engaging in debt collection and telemarketing activities with respect to consumer financial products or services.

The CFPB's action came after the CFPB found that BrightSpeed and Howard knowingly assisted companies profiting from fraudulent services and products. BrightSpeed and Howard processed payments for companies that claimed to offer technical-support services and products to consumers over the internet, but in reality the companies tricked consumers into purchasing expensive and unnecessary antivirus software or services. Many of the targeted consumers were older adults unaware of clickbait scams and that the software and services they purchased were actually available for free.

Raising Awareness About Elder Financial Exploitation

The CFPB recently updated its Elder Fraud Prevention and Resource Network Development Guide with new information, which was informed by the need to pivot to virtual convenings during the pandemic and an effort to target traditionally underserved groups of older adults, including LGBTQ+ older adults. The CFPB led a series of webinars for community networks in February through May 2023, which was viewed more than 6,000 times.

The CFPB also published a report providing the first comprehensive description of the experience of how older adults recover from elder financial exploitation. The report presents a framework for financial recovery derived from insights from CFPB's one-on-one interviews with older adults, caregivers, and professionals, as well as existing literature across a range of disciplines that the CFPB examined to better understand recovery from elder financial exploitation.

The report outlined factors that influence whether older adults recover their money when they experience financial exploitation, including health of the older adult, relationship to the perpetrator, training of investigators, and the method of payment used—for instance, whether they paid by credit card versus with an emerging payment method, like peer-to-peer or cryptocurrency.