

ELDER FINANCIAL ABUSE: KNOW THE RED FLAGS AND AVOID LIABILITY



WARNING SIGNS & RED FLAGS

Many if not most elderly people are fully able to be full participants in the management of their own affairs. Sometimes, though, conditions such as dementia and Alzheimer's Disease can prevent them from making rational, reasoned decisions." The Alzheimer's Association tells family members to consider these signs in considering whether a person may suffer from dementia:

- Poor judgment and decision making
- Making a bad decision once in a while
- Inability to manage a budget
- Missing a monthly payment
- Losing track of the date or the season
- Forgetting which day it is and remembering later
- Difficulty having a conversation
- Sometimes forgetting which word to use
- Misplacing things and being unable to retrace steps to find them

While title and settlement agents typically don't come into contact with the subject until the closing, it's important to be aware of red flags and proceed cautiously when encountering irregularities or unusual situations. Here are other signs to consider when evaluating whether a party to the transaction might be suffering from reduced mental capabilities:

- Never get to speak directly with the elder person involved in the transaction
- The appearance of disorientation or lack of understanding
- The person seems unaware of dates and times
- The person seems to lack understanding of what the transaction is all about
- Recent, uninsured deeds in the chain of title (this comes up over and over in many flavors of fraud and forgery)
- Change in contact person or other authorized user
- Elder borrower not allowed to speak for him or herself
- No documentation to support third-party's authority
- Use of powers of attorney or change in grant of POA
- Free and clear property
- Documents signed outside of escrow
- Sales or loan proceeds paid over to somebody other than the borrower or seller
- Holder of POA wants funds disbursed to him/herself

By Jeremy Yohe | August 2017 Title News Edition

To read more: www.alta.org/title-news/2017/v96i08

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