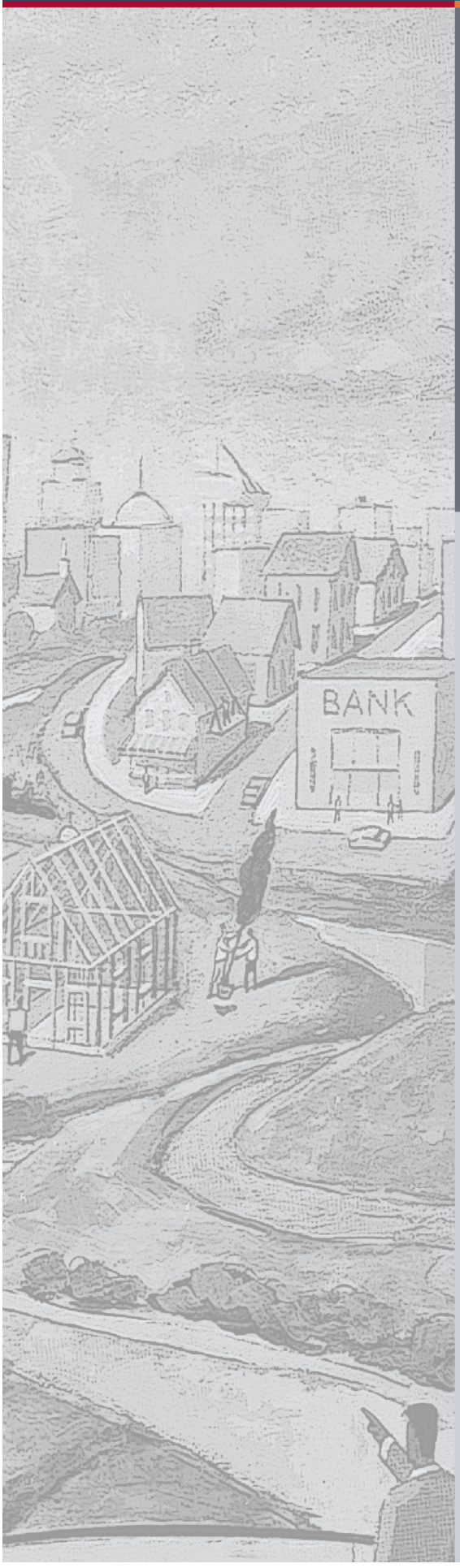
NATIONAL COMMUNITY REINVESTMENT COALITION NCRC

RESEARCH

Challenges to the Economic Security of Older Americans

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ISSUE BRIEF

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National Community Reinvestment Coalition

The National Community Reinvestment Coalition is an association of more than 600 community-based organizations that promote access to basic banking services, including credit and savings, and work to create and sustain affordable housing, job development, and vibrant communities for America's working families. Our members include community reinvestment organizations, community development corporations, local and state government agencies, faith-based institutions, community organizing and civil rights groups, minority- and women-owned business associations, and social service providers from across the nation. Their work serves primarily low- and moderate-income people and minorities.

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NATIONAL COMMUNITY REINVESTMENT COALITION NCRC

Challenges to the Economic Security of Older Americans

The recent economic crisis and collapse of real estate values has made life more uncertain for all Americans, but senior citizens have been particularly impacted. The sharp reduction in the value of most seniors' primary asset -- their home -- means that many are now especially vulnerable to financial insecurity. When combined with rampant predatory practices targeted at seniors, challenges in the workplace, including age discrimination and a lack of job training opportunities, and obstacles to "aging in place," older Americans face enormous obstacles to maintaining financial and housing security.

Because seniors are a growing segment of America's overall population, the numerous challenges confronting them are closely linked to the nation's overall well-being. According to the U.S. Census Bureau, the senior citizen population in the United States -- and around the world -- is on the brink of a boom: in the next five years, the country's older population is projected to increase by 40 percent. Today, Americans 65 and older account for nearly 13 percent of the total U.S. population; this number will rise to 20 percent by 2040,[1] and will more than double in 40 years, from 39 million today to 89 million by 2050.[2] On the global scale, the senior citizen population is projected to triple, from 516 million in 2009 to 1.53 billion in 2050.

Great changes in the racial and ethnic composition of people 65 and over are also projected. By 2030, the proportion of African American, American Indian, and Asian members of that group is expected to increase to 16.5 percent. The proportion of older Hispanics, in particular, is expected to increase from 5.6 percent to 10.9 percent.

As the U.S. population ages and the senior population becomes more racially and ethnically diverse, society and policymakers will face unique challenges to meet the needs of aging individuals. This profound demographic shift will place a new demand on healthcare, social services, and housing resources, as well as on efforts to age in place. It is a challenge that Americans must recognize and begin to address in order to ensure that seniors are able to maintain their financial and housing security in their later years and that the country as a whole prospers.

[1] http://www.urban.org/retirees/more.cfm
[2] http://seniorjournal.com/NEWS/SeniorStats/2009/20090624-SenCitPopulation.htm

Economic Insecurity

Prior to the devastating effects of the economic crisis, America's older population was already extremely vulnerable to financial and housing insecurity. According to the Institute on Assets and Social Policy, 78 percent of all senior households were in financially vulnerable positions before the full extent of the economic crisis came to bear. This vulnerability was due to a weakening of retirement savings and dramatically rising expenses, including the cost of healthcare and housing. These changes also made it more difficult for seniors to retire with sufficient resources, to remain economically secure throughout retirement, and to age in place. The situation has been especially difficult for single senior households, nearly 84 percent of whom were facing economic insecurity.[3]

As a result of this vulnerability, American adults aged 55 and older experienced the sharpest increase in bankruptcy filings between 1991 and 2007 of all age groups. In 2007, Americans over age 55 represented nearly a quarter of the one million Americans who filed for bankruptcy, up from only 8.2 percent in 1991. For seniors between ages 75 and 84, the situation was even more dire: older seniors suffered bankruptcy at a rate four times greater than senior citizens in general.[4] To make matters worse, many academics and advocates believe that bankruptcy rates have continued to increase since 2007.

The current economic crisis has created an environment that is even more hostile to America's older population. For years, seniors have faced a challenge of living on tightened budgets while trying to meet rising costs, but since the economic crisis began, they have had to face that struggle with still fewer resources. Over the first eight months of 2009, assets in retirement accounts dropped by an estimated $2.3 trillion, or 27 percent.[5] Employer-sponsored pensions have also suffered great losses. While the younger population may hope to recoup losses over time as the economy heals, Americans at or near retirement age have less time to regain their footing. Older investors who were relying on financial-asset holdings as a key source of retirement income have had to reconsider their retirement plans and make some painful choices.[6]

Many other seniors are now living in poverty. In 2008, senior citizens' median income level was $18,208,[7] with 9.7 percent of older Americans surviving on incomes below the poverty threshold. The oldest Americans had the highest poverty rates: 11.5 percent of individuals aged 80 and older were living in poverty, compared with 8.5

[3] http://iasp.brandeis.edu/pdfs/LLOLReport.pdf
[4] http://www.usatoday.com/money/perfi/retirement/2008-06-16-bankruptcy-seniors_N.htm
[5] http://www.aarp.org/makeadifference/advocacy/GovernmentWatch/RetirementSecurity/articles/aarp_issue_brief_retirement_security.html
[6] http://www.aarp.org/makeadifference/advocacy/GovernmentWatch/RetirementSecurity/articles/aarp_issue_brief_retirement_security.html
[7] http://www.ncpssm.org/ss_senior_income/

percent of individuals between the ages of 65 and 69. In addition, 30 percent of all Americans aged 80 and older had family incomes of less than 150 percent of the poverty threshold.[8] With static or decreased incomes and increasing healthcare and housing costs, more seniors are likely to be forced to live in poverty in the future. More than 70 years after the passage of Social Security, with its objective of eradicating elderly poverty, these income trends seriously threaten our nation's promise to safeguard the well-being of older Americans.

Some advocates, however, suggest that the poverty rate among seniors is actually undercounted. The National Academy of Sciences recently updated the poverty formula used by the federal government, established in 1955, to take into account the rising costs of healthcare and other factors. According to this revised formula, 19 percent of Americans 65 years and older, or nearly double the earlier number, live in poverty.[9]

The poverty rate is still worse for minority seniors. The Administration on Aging reports that African American elders are more than one-and-a-half times as likely as white elders to survive on incomes that fall below the poverty line, with more than one in four African American elders living below the poverty line.[10]

More broadly, minority seniors face a higher risk of financial and housing insecurity than their white counterparts. Many African American and Hispanic seniors are facing widespread financial insecurity during retirement. This has been exacerbated by the current economic crisis, with 9 out of 10 senior households of color lacking sufficient resources for long-term economic security.[11] More than 75 percent of these households do not have adequate financial resources from savings, Social Security, or pensions to cover essential expenses for their expected life spans. High housing expenses put the budgets of 6 out of 10 senior households of color at risk.[12] According to a recent study by the Institute on Assets and Social Policy together with Demos, a public policy organization, 91 percent of African American and Hispanic seniors do not have sufficient economic security to sustain themselves through their projected lives; only 4 percent of Hispanic seniors are financially secure.[13]

Recent studies have also shown that Hispanic seniors are coping with the current economic crisis by making increasingly difficult decisions that may impact their long-term health and financial security. One study found that 43 percent of Hispanics aged 45

[8] http://www.ncpssm.org/ss_senior_income/
[9] http://cbs2chicago.com/cbsnational/senior.citizens.poverty.2.1164568.html
[10] http://seniorhealth.about.com/library/news/blafa.htm
[11] http://seniorjournal.com/NEWS/Retirement/2010/20100505-AfricanAmericanAndLatino.htm
[12] http://www.eurekalert.org/pub_releases/2010-05/bu-nsf050510.php
[13] http://iasp.brandeis.edu/pdfs/SFSI.pdf

and older had difficulties paying for essential items such as food and utilities, and more than a third (35 percent) had cut back on their medications in an effort to cut costs.[14]

The effects of the housing and stock market meltdowns of the past two years have undoubtedly accentuated the financial challenges facing seniors. Many who were counting on the equity built in their homes to sustain them throughout their retirement have experienced massive losses, while also finding themselves unable to sell their homes. These fundamental changes have made it more difficult for seniors to enter retirement with sufficient resources and to remain economically secure throughout retirement.

A Lack of Access to Responsible Financial Services

A sharp reduction in the value of most seniors' primary asset -- their home-- has left many seniors particularly vulnerable to financial insecurity. When combined with rampant predatory practices targeted against seniors, it becomes clear that seniors are in need of access to affordable housing and responsible financial services and products.As a result of the recession and foreclosure crisis, home prices in the last several years have fallen by almost 30 percent;[15] since the crisis began, $13 trillion in home values has been lost. It is estimated that 25 percent of homeowners are underwater, meaning that they owe more on their mortgage than their home is worth.[16] It is likely that the loss of home equity and the surge in foreclosures have had a disproportionate impact on America's older population. A recent survey by NCRC reveals that 45 percent of distressed homeowners recently applying for loan modifications under the federal Homeownership Affordable Modification Program (HAMP) were 50 years and older. Homeowners between the ages of 51 and 60 formed the largest age group, representing almost one-third of survey respondents.[17]

Numerous studies point to home equity as the largest source of wealth in the United States; this is particularly true for older Americans. While homeownership helps establish long-term stability, America's senior population continues to face challenges to maintaining a secure home, including an increase in predatory, fraudulent, and irresponsible financial products targeted at seniors, which raise the risk of foreclosure.

The threat of foreclosure is real for America's seniors. A recent study by the AARP Public Policy Institute found that in 2007, homeowners 50 years and older

[14] http://www.aarp.org/research/surveys/money/econ/trends/articles/hispeconomy.html
[15] http://www.cnbc.com/id/36798965/Home_Prices_Fall_in_February_Further_Declines_Possible
[16] http://www.businessweek.com/news/2010-04-28/housing-shows-recovery-signs-after-prices-fell-to-2003-levels.html
[17] NCRC HAMP Mortgage Modification Survey, 2010, accessible via http://www.ncrc.org/images/stories/mediaCenter_reports/hamp_report_2010.pdf

accounted for 28 percent of all mortgage payment delinquencies and foreclosures of primary mortgages.[18] While the impact of foreclosure or lost home equity harms homeowners generally, it significantly impacts older homeowners, who may have less time and fewer resources to recover from financial losses. Additionally, almost twice as many homeowners today are carrying significant mortgage debt into retirement as compared to two decades ago.[19]

Millions of older homeowners will face default or foreclosure in the coming year.[20] NCRC's mortgage modification survey suggests that older distressed homeowners are having more difficulty securing affordable loan modifications from the federal Home Affordable Modification Program (HAMP) or other private programs: almost 40 percent of respondents to NCRC's survey ages 31-40 received a modification, but only 32 percent of respondents 41-50 did, and merely 26 percent of respondents 51-60.[21]

Contributing to the number of foreclosures is a rise in predatory and toxic financial products targeted at seniors. Reckless loan features, irresponsible underwriting, unnecessarily high interest rates and fees, mortgage fraud, and other unethical or illegal actions have contributed to the crippling of the housing market and mounting foreclosures.

Staggering numbers of seniors are victims of fraud. In a recent survey, one in five, or 7.3 million people, has been victimized by a swindler.[22] The dollar value of this fraudulent activity amounts to $2.6 billion each year.

The FBI reports that elderly citizens are targeted for fraud for several reasons: older Americans are most likely to have a "nest egg," own their home, and have excellent credit, all of which are attractive prizes to unscrupulous scammers; seniors often find it difficult or impossible to say "no" or to hang up the phone on telemarketers; and seniors are less likely to report fraud because they do not know where to report it, are too ashamed at having been scammed, or do not know they have been scammed until it is too late.[23] Seniors who may be experiencing cognitive problems are also more vulnerable to fraud.[24]

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[18] http://www.aarp.org/makeadifference/advocacy/GovernmentWatch/EconomicCrisis/articles/aarp_issue_brief_housing_mortgage_foreclosures.html.
[19] http://www.aarp.org/makeadifference/advocacy/GovernmentWatch/EconomicCrisis/articles/aarp_issue_brief_housing_mortgage_foreclosures.html
[20] http://www.aarp.org/makeadifference/advocacy/GovernmentWatch/EconomicCrisis/articles/aarp_issue_brief_housing_mortgage_foreclosures.html
[21] NCRC's HAMP Modification Survey, 2010.
[22] http://www.washingtonpost.com/wp-dyn/content/article/2010/06/19/AR2010061900155.html?referrer=emailarticle
[23] http://www.ofi.louisiana.gov/Consumer%20Senior%20Guide.pdf

For these reasons, senior consumers, especially minority seniors, need protection from fair lending abuse and mortgage fraud, and counseling to assist them in negotiating the complexities of mortgage finance transactions and in understanding proposed loan terms.

In addition to the risk of fraud, seniors are often exposed to a number of irresponsible financial products. For example, many credit cards and life insurance policies targeted toward seniors include high hidden costs and fees. Some tax and financial services professionals present themselves as experts to elderly citizens without any certification, or will charge extra fees to vulnerable seniors.

One product that has garnered much concern recently is reverse mortgages. When accompanied by quality estate planning and counseling, reverse mortgages can provide stable funds to seniors for home improvements, medical needs, or long-term financial security, while ensuring that they are able to stay in their homes and to age in place. Under a reverse mortgage, homeowners with little or no debt on their property borrow money against equity in the home. Unlike a traditional mortgage, in which the borrower makes regular mortgage payments, the home itself is the primary source of payment under a reverse mortgage. No payment is required until the home is sold or the homeowner dies.

Some have suggested that because of the recent economic crisis and its impact on job losses, reduced pension benefits, and declining retirement accounts, many more seniors are looking to use reverse mortgages as a means of financial security.[25] In fact, between October 2007 and September 2008, 112,100 reverse mortgage transactions were conducted, according to the National Reverse Mortgage Lenders Association. This is a record high for the industry, an increase of 4 percent from the beginning of 2007, and more than two-and-a-half times the number granted in 2005.[26]

Recently, however, advocates have begun to voice concerns about reverse mortgages and the risk of fraud for seniors. Reverse mortgages usually include expensive origination fees that can total 5-6 percent of a home's value.[27] In contrast, a typical home mortgage loan to a creditworthy borrower includes origination fees of about 1 percent. Some advocates have even begun to compare reverse mortgages to subprime lending, claiming that "some of the same lenders that sold risky subprime loans to millions of

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[24] http://www.washingtonpost.com/wp-dyn/content/article/2010/06/19/AR2010061900155.html?referrer=emailarticle
[25] http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_senate_hearings&docid=f:54129.pdf
[26] http://articles.moneycentral.msn.com/Investing/StockInvestingTrading/seniors-crushed-by-housing-crisis.aspx
[27] http://articles.moneycentral.msn.com/Investing/StockInvestingTrading/seniors-crushed-by-housing-crisis.aspx

homebuyers – fueling the real estate boom and bust – are now targeting older people with misleading claims," "perverse incentives to brokers," and aggressive marketing.[28]

Ann Jaedicke, Deputy Comptroller for Compliance Policy at the Office of the Comptroller of the Currency, recently testified before Congress about consumer protection issues associated with reverse mortgages. She noted that many seniors are vulnerable to unscrupulous lenders and may take out reverse mortgages without fully understanding the costs and consequences. This in turn may lead many to lose their homes to foreclosure. Ms. Jaedicke warned that bad actors may attempt to condition loan approval on the purchase of other high cost products or even to use the proceeds of a reverse mortgage to pay up-front fees for unneeded or excessively expensive home repair services that may never be completed.[29] In addition, under strict rules set forth by the Federal Housing Administration, which runs the dominant reverse mortgage program, seniors who fail to pay their local property taxes or hazard insurance premiums on time face an increased risk of losing their home to foreclosure.

In light of concerns about reverse mortgages, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of Thrift Supervision[30] recently issued an inter-agency guidance on reverse mortgage products to ensure that financial institutions' risk management and consumer protection practices adequately address risks raised by reverse mortgage lending.[31] Specifically, the agencies warn that borrowers do not consistently understand the terms, features, and risks of their loans, that consumers are not always adequately informed that reverse mortgages are, in fact, loans that must be repaid and not merely ways to access home equity, and that consumers may not be provided with sufficient information about alternatives to reverse mortgages that may be more appropriate for their circumstances.

Another danger to senior homeownership and financial stability is abusive home mortgage and refinance lending targeted to older Americans. In a recent report, "The Broken Credit System: Discrimination and Unequal Access to Affordable Loans by Race and Age," NCRC explored subprime lending in ten large metropolitan areas and found substantial abusive lending, pricing disparities, and the targeting of minority and elderly communities. After accounting for creditworthiness and housing market characteristics, neighborhoods with large percentages of elderly residents were still considerably more likely than those with fewer older residents to receive high cost loans, harming not only elderly homeowners but also their broader communities.[32]

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[28] http://bulletin.aarp.org/yourmoney/personalfinance/articles/reverse_mortgages_ripe_for_abuse.html
[29] http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_senate_hearings&docid=f:54129.pdf
[30] http://www.ots.treas.gov/_files/25362.pdf
[31] http://www.occ.treas.gov/ftp/bulletin/2010-30a.pdf
[32] http://www.ncrc.org/images/stories/pdf/research/ncrcdiscrimstudy.pdf

The result of these fraudulent and predatory practices has been a significant stripping of wealth for the nation's seniors. Because of inadequate oversight and enforcement of consumer protection laws, seniors have experienced a rising tide of foreclosures, which are disproportionately devastating senior communities and, in particular, senior communities of color.

As such, it is not surprising that a significant majority of surveyed Americans over the age of 50 strongly advocate for enhanced consumer financial protection reforms to ensure that they are not being targeted for irresponsible financial products that will strip them of their economic security and homes.[33]

Recently, Congress responded to these concerns by creating a new Consumer Financial Protection Bureau (CFPB) under the Dodd-Frank Wall Street Reform and Consumer Protection Act.[34] Among various other reforms, the legislation created an Office of Financial Protection for Older Americans and an Office of Financial Literacy to be housed within the CFPB. Both are tasked with facilitating financial literacy by developing programs to educate the American public on savings and loans. The CFPB, through these specialized offices, will oversee financial products and services, including credit cards, mortgages, payday loans, credit bureaus, and debt collection, and will write rules for financial products and services. The legislation also created an Office of Housing Counseling within the Department of Housing and Urban Development to boost homeownership and rental housing counseling. With proper implementation, staffing, and funding, these new offices and the CFPB can provide consumers, and especially older Americans, with the protections and services they need to maintain economic security.

However, more must be done to reverse the increase in fraudulent practices and products geared toward seniors. Because their home is often their primary asset, irresponsible financial products that lead to foreclosure or strip equity from this asset are particularly damaging to seniors' financial security.

Workforce Challenges

The recent economic downturn has had a devastating impact on employment rates, both for the population in general and for working seniors in particular. The official U.S. unemployment rate is currently 9.7 percent; that number has not dropped significantly from its recent high of more than 10 percent and is not expected to change for at least the remainder of 2010.[35] Yet while high unemployment rates have attracted much attention, there has been less consideration of how older workers have fared.

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[33] http://www.aarp.org/research/surveys/money/consumers/fraud/articles/finprotect_states.html, April 2010.
[34] http://thomas.loc.gov/cgi-bin/bdquery/z?d111:H.R.4173:
[35] http://voices.washingtonpost.com/economy-watch/2010/05/april_consumer_spending_outpac.html

Seniors without traditional employer-sponsored pensions or retiree health plans often need to work until they qualify for Social Security and Medicare. In addition, the collapse of the stock market, including a $2.8 trillion drop in retirement account balances, has further intensified financial pressures on seniors to rejoin the workforce.

Nonetheless, according to the Bureau of Labor Statistics, the unemployment rate for adults 65 years old and older has reached a 31-year high;[36] the percentage of seniors working or looking for work has increased from 20 percent to nearly 30 percent.[37]

Other seniors who lost jobs during the economic crisis have been pushed out of the workforce and into an early retirement. While the Social Security Administration had predicted there would be a 15 percent increase in retirement applications last year, the number of applications actually increased by 20 percent.[38] Because older workers can experience difficulties in finding new employment, many have chosen to take retirement benefits earlier after unemployment benefits run out. This decision, however, can have a major impact on seniors' financial security, as drawing on Social Security payments before reaching 66 years of age reduces the amount of monthly payments.

Older African Americans and Hispanics are especially likely to be unemployed during the economic crisis. And once laid off, older minority workers have remained unemployed longer than their younger counterparts.[39] In fact, twice as many Hispanics 45 years and older have become unemployed as the general population (21 percent versus 10 percent); among those who did not lose their jobs, almost one-third (32 percent) had their hours or pay reduced.[40]

These statistics highlight the need for better workforce development programs for older workers, especially as the workforce ages and people continue to work into their later years. Over the coming decade, the number of workers 55 years and older is projected to increase by a third. [41]

Unfortunately, labor and employment policies have not kept pace. Between 1979 and 2008, employment and training services funded by the Department of Labor fell by nearly 70 percent in inflation-adjusted dollars,[42] while the labor force grew by nearly 50

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[36] http://www.usnews.com/money/blogs/planning-to-retire/2009/01/30/senior-unemployment-rate-hits-31-year-high

[37] http://www.usnews.com/money/blogs/planning-to-retire/2009/01/30/senior-unemployment-rate-hits-31-year-high

[38] http://www.npr.org/templates/story/story.php?storyId=126314707

[39] http://www.urban.org/uploadedpdf/412039_older_workers.pdf

[40] http://www.aarp.org/research/surveys/money/econ/trends/articles/hispeconomy.html March 2010.

[41] http://www.urban.org/uploadedpdf/412039_older_workers.pdf

[42] Holzer, Harry J. 2008. "Workforce Development as an Antipoverty Strategy: What Do We Know? What Should We Do?" Washington, DC: The Urban Institute. http://www.urban.org/url.cfm?ID=411782.

percent.[43] In addition to inadequate funding, employment and training services are infrequently tailored to the unique needs of older workers.[44]

As a result, many seniors face difficulties working in today's climate. The workplace must evolve to provide better accommodations for workers with disabilities. More flexible work arrangements, including part-time employment, variable work schedules, and telecommuting, and better opportunities for occupational downshifting are needed so that older workers can gradually move to less demanding positions.[45]

Older workers also face age discrimination. Prior to the current economic crisis, 60 percent of those between ages 45 and 74 claimed to have seen or experienced age discrimination in the workplace. This percentage is likely be higher today: a greater number of age discrimination charges were filed with the Equal Employment Opportunity Commission (EEOC) in 2008 and 2009 than at any time since the early 1990s, according to the latest EEOC data.[46] In fact, workers filed nearly 30 percent more age discrimination charges in 2008 than in 2007.

Acting EEOC Chairman Stuart Ishimaru has explained that the increase in discrimination charges are evidence that those employers who hold negative stereotypes of older workers often underestimate the contributions older workers make to the enterprise and disproportionately select older workers for layoffs. Older workers are also more vulnerable to layoffs because they are often stereotyped by employers as costing more money and being less adaptable to change.[47] Some suggest that EEOC claims do not accurately reflect the extent of age discrimination that is occurring; many argue that it is undercounted due to a lack of awareness about federal protections and the high costs of litigation, among other reasons.[48]

In addition, it has become more difficult to bring suits against employers who discriminate against older workers. While federal law currently bars age discrimination in the workplace, a number of these protections have been minimized by recent Supreme Court decisions that curtail the ability of older workers to challenge discrimination. In fact, a 2009 decision imposes on older workers a higher standard of proof than victims of

[43] Bureau of Labor Statistics. 2010. "Labor Force Statistics from the Current Population Survey." Washington, DC: U.S. Department of Labor. http://data.bls.gov:8080/PDQ/outside.jsp?survey=ln.
[44] General Accounting Office. 2003. "Older Workers: Employment Assistance Focuses on Subsidized Jobs and Job Search, but Revised Performance Measures Could Improve Access to Other Services." GAO-03-350. Washington, DC: General Accounting Office. http://www.gao.gov/new.items/d03350.pdf.
[45] http://iasp.brandeis.edu/pdfs/FinalLLoLMAReport.pdf
[46] http://edlabor.house.gov/documents/111/pdf/testimony/20100505GailAldrichTestimony.pdf
[47] http://www.washingtonpost.com/wp-dyn/content/article/2009/07/15/AR2009071503760.html
[48] http://www.newsweek.com/id/235069

racial, gender, or disability discrimination.[49] By requiring plaintiffs to prove that age was the sole factor considered by the employer, and not merely one of many factors, older workers must overcome a very high bar. While Congress has introduced legislation to reverse this decision, it is not clear when or if it will become law.

Aging in Place

As the U.S. population grows older, many seniors and their advocates have begun to call for programs and services that allow older Americans to "age in place." Aging in place provides seniors with dignity and independence, allowing them to continue to live in their homes rather than being prematurely forced into institutional facilities.[50] But to meet this need, improved assistance programs and adjustments to housing, transportation, and healthcare services will be necessary.

One major obstacle to aging in place is a limited amount of available housing. Seniors are often forced into institutional facilities because their homes are no longer accessible: after years of living there, they begin to face restrictions because the home is not wheelchair accessible, countertops and cabinets are too high to reach, or they need extra help to access bathtubs, toilets, faucets, and other key appliances. Fortunately, several businesses in the private sector, including home designers, are beginning to realize the opportunity this presents and have started offering new products that support aging in place.

However, not enough has been done at the federal, state, or local level to plan for aging communities. In fact, nearly 46 percent of the country's communities have not yet started to plan for an aging population, and even those communities that have begun to plan have not made major progress.[51]

The benefits of aging in place, however, are clear. Providing the tools necessary to allow seniors to stay in their homes has been proven to be the most cost-effective model for aging and helps seniors maintain community ties and social engagement, and therefore to remain in better physical and mental health.[52] In light of the increasing costs of housing and healthcare, aging in place becomes a key avenue to promoting financial security.

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[49] http://www.cbsnews.com/stories/2009/06/18/politics/main5096512.shtml and http://www.employeerightspost.com/tags/gross-v-fbl-financial-services/

[50] http://www.aarpinternational.org/gra_sub/gra_sub_show.htm?doc_id=562789

[51] *The Maturing of America—Getting Communities on Track for an Aging Population*

[52] See "Living With Dignity: Aging in Place" Powerpoint, as Presented by Julie Nepveu at the 2010 HUD Policy Conference in New Orleans July 19-23, 2010

Best Practices and Financial Services Targeted to Seniors

The financial crisis has exacerbated preexisting challenges to seniors' financial security, making it more difficult for them to retire with sufficient resources and remain economically secure throughout retirement. Recently, many local governments and financial institutions have recognized the urgent need to create safe and responsible alternative financial products for America's seniors and other underbanked populations.

While the elderly have more access to bank accounts than non-elderly Americans, they are nevertheless still vulnerable to non-bank financial institutions that seek to take advantage of them. Approximately 9 million U.S. households, or 7.7 percent, are unbanked, and 17.9 percent, or 21 million households, are underbanked. According to a Federal Deposit Insurance Corporation (FDIC) survey, 6 percent of Americans 45 years and older are unbanked.[53] Nevertheless, many seniors face threats from payday lenders, who access their bank accounts and charge excessively high interest rates, creating a cycle of debt. Likewise, unscrupulous mortgage lenders target seniors for reverse mortgages: the elderly are more likely to have equity in their homes and savings accounts that can serve as reserve funds for making mortgage payments.

Survey of Bankers Community Collaborative Council and Mortgage Finance Collaborative Council Resources

To better understand the scope of financial products and banking services that are currently available to help seniors achieve financial security, live independently, and age in place, NCRC conducted a survey of the members of its Bankers Community Collaborative Council (BCCC) and Mortgage Finance Collaborative Council (MFCC), which are composed of 14 banks and 8 financial services and/or mortgage companies on these councils. Members include the largest banks in the country, as well as regional lenders. The BCCC and MFCC are collaborative forums of community and financial service industry leaders whose mission is to build stronger low- and moderate-income communities and increase the wealth of underserved populations by increasing fair access to credit, capital, and the full range of financial services. The BCCC and MFCC participants exchange information and ideas, develop and implement strategies, and influence policies to achieve these goals.

Through this survey, NCRC queried the financial institutions about the types of financial resources they provide that are targeted to this segment of the population, including banking services, financial products, counseling services, investment products, and community programs. The survey did not attempt to address the various financial resources that the BCCC and MFCC participants offer to all consumers, regardless of age. Instead, the survey focused specifically on older consumers.

[53] FDIC National Survey of Unbanked and Underbanked Households, FDIC, December 2009

It is important to note that many financial institutions choose not to differentiate between all products and those specifically targeted to seniors, due to fair housing concerns. NCRC, however, supports affirmative marketing to older Americans as a means of expanding access to credit and other financial products.

Banking Services

A number of participants in the BCCC and MFCC provide banking services targeted to the needs of older Americans. These services range from free checking services to accounts with low maintenance fees and minimal or no fees for overdraft, as well as free checks and discounts on services.

JPMorgan Chase offers a Classic Benefits program, which provides special discounts and benefits for seniors, including free basic checks, no-fee travelers' cheques, and a discount on safe deposit boxes in which the annual payment is automatically deducted from the customer's checking or savings account. In addition, there is no charge for IRAs when customers have a checking account with Chase. To assist older Americans in planning for their financial security, Chase offers two types of retirement products, a Retirement Money Market Account and Retirement Certificates of Deposit.

Regions Bank, headquartered in Birmingham, Ala., provides consumers older than 50 with a Life Green Checking Account. This checking account features no monthly fees and access to free savings accounts, online banking, and ATM transactions. Regions Bank also provides consumers older than 50 with discounts on checks, safe deposit boxes, and other items.

U.S. Bank has created banking service packages for consumers who are 55 and older. With its Silver Elite checking account, seniors have access to checking accounts with no minimum balance and no monthly service charges. In addition, the account offers free check safekeeping or check images, free basic checks, free ATM transactions, and discounts on safe deposit boxes and other features.

BB&T provides Senior Checking options for clients over the age of 55. With this account, older Americans are provided with free checks, free online banking, and can be eligible for no-penalty withdrawals based on medical emergencies.

PNC Bank has over 50 Retirement Center Branches, or bank branches located in senior communities or serving large senior populations. For example, one branch is located in the Leisure World senior retirement complex in Landsdown, Va., allowing PNC to offer essential banking services as well as convenience to senior residents.

Financial Products

Only a few BCCC and MFCC participants indicated that their institutions provide financial products, including home mortgage loans, reverse mortgages, or investment products, that are specifically designed with older Americans in mind. In fact, only four participating financial institutions, SunTrust, Quicken Loans, Bank of America, PNC Bank, through an affiliated arrangement, provide reverse mortgage services. Currently, 99 percent of the reverse mortgages made by Bank of America are under FHA Home Equity Conversion Mortgage programs and are covered by their consumer protection standards.

In addition, SunTrust also offers a home improvement loans that are available only to low- or moderate-income borrowers or in low- or moderate-income communities. This product, with available loan amounts from $1,000 - $10,000, are designed, in part, for seniors of modest means.

Counseling Services

A number of BCCC and MFCC financial institutions provide counseling services, including foreclosure prevention, pre-purchase or post-purchase counseling, or financial education courses for older Americans.

For example, Capital One Bank has teamed with nonprofits, faith-based organizations, and local governments to provide financial education courses to benefit older customers. Its curriculum, "The Elder Fraud," was designed to provide information and education to protect older Americans from scams and is available at no charge and in five languages.

Quicken Loans also provides consumers with a DVD financial education course geared to seniors seeking reverse mortgages. In addition, Quicken Loans maintains a blog aimed at helping retirees learn more about how to age in place with the help of a reverse mortgage. The site, www.retiringwise.com, provides clients with information and education in order to make decisions regarding reverse mortgages that are appropriate to their circumstances.

JPMorgan Chase provides philanthropic support to a number of nonprofits, sponsoring services, financial education, counseling, or aging in place programs for the elderly. For example, the Tempe Community Action Agency, Inc., in Phoenix, Ariz., received a grant from Chase for their Life Skills Empowerment program, which provides weekly crisis budgeting and career development classes to increase the knowledge and skills of working poor families and senior citizens most impacted by the economic crisis. In addition, Chase provided a grant to the Connecticut Association for Human Services

(CAHS) to support their community-based initiatives created to promote economic stability for low-income people and seniors through access to financial education. U.S. Bank offers a number of ongoing financial literacy courses to help its customers make prudent financial decisions. These educational opportunities include the courses "Fraud and Financial Elder Abuse" and "Identify Theft and Scams."

PNC Bank offers two classes specifically tailored for older Americans: "Money Management for Seniors" is a one-hour course that provides useful information and director for those recently retired or likely to do so in the near future and "On Your Own" is designed for people that have relied on others to take care of their finances in the past and are now tasked with handling money issues for themselves.

SunTrust offers Older Americans a service titled "GamePlan" which delivers free personal consultations for individuals who are already retired or getting ready to do so. Under this program, consumers may choose to have one-on-one conversations with a retirement consultant over the phone or to utilize the available online services, which include both live "chat," and e-mail communications options.

HSBC also supports adult education initiatives, including financial literacy workshops for low- and moderate-income adult consumers.

Investment Products

Very few BCCC and MFCC participants offer investment products that are designed for older Americans. Only Regions Bank provides seniors with a range of services, including retirement planning and trust services, which would be of particular benefit to older Americans.

Community Programs

BCCC and MFCC participants engage in community programs in a number of ways. This survey did not address the general support BCCC and MFCC participants offer to their communities but, rather, asked specifically about the programs they invest in that address the needs of older Americans. Nearly all of the BCCC and MFCC participants make significant financial and volunteer contributions to organizations and causes in their communities.

A number of participants support affordable housing programs for low- and moderate-income seniors. For example, between May 2007 and June 2010, Capital One Bank provided over $136 million in loans, $16.9 million in lines of credit, and $101 million in equity to support the development of such housing. In addition, Capital One Bank directly addresses the needs of older Americans through its work with Enterprise Community Partners and its Vulnerable Populations Initiative. Through this initiative,

Capital One Bank advocates at the state and federal level for policies and programs that lead to quality, affordable housing for seniors.

Wells Fargo provides support to a number of outstanding community programs that are specifically targeted to seniors. For example, in October 2009, Wells Fargo invested $6.1 million into the Angelus Plaza North Apartments. With 332 senior HUD Section 8 rental units, the Angelus Plaza is the largest federally supported low-income housing complex in the nation. In addition, Wells Fargo supports aging in place through its grants to various organizations. One grant goes to Southeast Baltimore's Banner Neighborhood Corporation to support its Home Maintenance Program, providing seniors with annual home inspections, maintenance, and repair services that help them keep their homes in good condition so that they can remain part of the community.

Citibank partners with several national and local nonprofit organizations to provide affordable and accessible housing opportunities for those who need it. For example, Citi partners with NeighborWorks America, Habitat for Humanity, and other organizations to provide housing opportunities for low- and moderate-income communities.

Regions Bank maintains a large portfolio of Low Income Housing Tax Credits (LIHTC) supporting affordable housing that is specifically targeted to seniors. Some of the projects that Regions Bank has been able to support include handicap-accessible and adaptable units, housing targeted to seniors with annual incomes at or below 60 percent of the area median income, and units targeted to very low income seniors in Scottsboro, Ala., Algiers, La., and Texarkana, Tex.

Quicken Loans participates in an array of community programs targeted to seniors. These include many programs that support healthy and active retirement, focusing on heart health, art rehabilitation, senior Olympics, food programs, and support for grandparents who are raising their grandchildren.

U.S. Bank has invested over $167 million in LIHTC, New Markets Tax Credits, Historic Tax Credits, and Business Energy Investment Tax Credits specifically for senior affordable housing between 2007 and the present. Over that same time period, U.S. Bank has provided over $133 million in loans and letters of credit to finance affordable senior housing projects, in addition to providing grants, annual support, and volunteer labor to organizations that provide services and support to older Americans.

JPMorgan Chase supports many affordable housing projects that are environmentally friendly and provide either on-site services or convenient access to healthcare, shopping, and transportation. For example, Chase provided a $26.1 million community development loan and a $34 million LIHTC investment in The Terraces on Tulane Avenue, which provides 200 units of affordable housing to low- and moderate-

income seniors in New Orleans. In addition, Chase provided a $17.4 million LIHTC investment in Britton Budd Senior Apartments to help fully renovate 173 high-quality affordable housing units for seniors qualifying for public housing. Tenants earn less than 20 percent of the average median income of the area, paying rent well below the market rate.

Bank of America has also been active in financing affordable housing developments for low-income seniors. The bank's Community Development Banking group has provided over $13 million in debt and equity for one such project, the Countryside Senior Apartments in Countryside, Ill. In addition, Bank of America has provided financing to a national nonprofit community development financial institution to provide technical assistance for the development of affordable assisted-living programs.

SunTrust and its subsidiary, SunTrust Community Capital, have made a strong effort to support affordable rental housing for low- and moderate-income households through financing for and investment in senior housing that is developed under the Low Income Housing Tax Credit Program.

Survey of Other Resources

Beyond members of the NCRC's Bankers Community Collaborative Council and Mortgage Finance Collaborative Council, a number of new and innovative financial partnerships, programs, and products have been developed to meet the needs of America's seniors.

In order to serve San Francisco's unbanked and underbanked residents, who generally rely on fringe non-bank institutions to meet their needs, key stakeholders have recently expanded their partnerships to extend responsible banking to traditionally underserved populations. The mayor of San Francisco, the city's treasurer, the county of San Francisco, the Federal Reserve Bank of San Francisco, and a local nonprofit, the Earned Assets Resource Network, formed "Bank on San Francisco" with the goal of bringing 10,000 of the city's 50,000 unbanked residents into the financial mainstream. Wildly successful and only one year into the pilot program, the collaborative has opened over 11,000 "Bank on San Francisco" accounts, surpassing the original goal. The goal has now doubled to serving 20,000 unbanked individuals in the city.[54]

Under the initiative, participating banks and credit unions agree to offer financial products that specifically assist the unbanked. For example, banks offer low- or no-cost products with no minimum balance requirement, adapt their internal systems to allow customers with poor banking histories to open "second chance" accounts, accept consular

[54] http://www.frbsf.org/community/issues/assets/bankonsf/index.html

identification cards as primary IDs, waive some overdraft fees for clients, expand marketing and outreach strategies in targeted low-income neighborhoods, and increase the visibility of these products throughout the city. In addition, they partner with local community-based organizations to provide financial management training and work directly with customers who are ready to enter the financial mainstream.[55]

The program has been so successful that other cities are creating similar programs. Although some of the cities have developed different plans, most will follow the "Bank on San Francisco" model. These cities include Boston, Houston, Los Angeles, Miami, New York, Providence, San Antonio, Savannah, and Seattle. In 2009, a second round of "Bank On" cities was announced and includes Bryan, Tex., Denver, Colo., Gaithersburg, Md., Indianapolis, Ind., Louisville, Ky., Newark, N.J., Rapid City, S.D., and St. Petersburg, Fla.[56] NCRC will further explore these programs to see how many of them have a component specifically geared to unbanked or underbanked elderly.

Other financial institutions have begun efforts to stem financial abuse by predators. BITS, the strategic business and technology division of the Financial Services Roundtable, a nonprofit industry consortium composed of 100 of the largest financial institutions in the United States, created a fraud prevention toolkit, called "Protecting the Elderly and Vulnerable from Financial Fraud and Exploitation."[57] The Roundtable recognized that the financial services industry is uniquely positioned to assist in detecting and preventing financial fraud and exploitation of the elderly and vulnerable. It sets forth key ways financial institutions can implement or improve their internal programs to increase education and awareness about abuse of the elderly and vulnerable. It offers key advice to institutions on how to secure seniors' accounts against fraud, maintain private financial information, recognize and identify various forms of abuse, and note red flags associated with scams.

Another collection of organizations, including the Investor Protection Trust, the North American Securities Administrators Association, the National Adult Protective Services Association, the American Academy of Family Physicians, the National Area Health Education Center Organization, and the National Association of Geriatric Education Centers, have created the Elder Investment Fraud and Financial Exploitation Project. This project teaches medical professionals and adult protective services workers to identify signs that a senior is being financially abused.[58]

A number of banks have recently begun to expand their services geared towards seniors. For example, Wells Fargo has expanded its Elder Services program -- designed to provide comprehensive help to older clients and their caregivers -- to 30 new regions

[55] http://www.frbsf.org/community/issues/assets/bankonsf/index.html
[56] http://www.nlc.org/articles/articleItems/NCW41309/Bankoncitiescities.aspx
[57] http://www.bits.org/downloads/Publications%20Page/bitstoolfeb06.pdf
[58] http://www.investorprotection.org/

across the country this year, bringing its total reach to 67 markets. Merrill Lynch's family-office group, part of its private bank aimed at the wealthiest clients, started a "Stand Ready" initiative this year that helps clients organize the details of their lives in case they suddenly become incapacitated. Bessemer Trust has expanded its focus on its "health advisory" services in recent years. Northern Trust has strengthened its training in the family dynamics involved in long-distance caregiving.[59]

Unfortunately, however, many of these new banking services can be quite expensive and are largely targeted to very wealthy seniors. Wells Fargo's Elder Services program, for example, charges up to 2 percent a year in total fees and requires seniors to have a $1 million in assets as a minimum.[60] Seniors in low- and moderate-income communities also need a broad range of financial products that are cost-effective and geared toward their needs.

Other banks and financial services companies focus on ensuring that affordable rental homes for seniors exist. When affordable rental homes are lost, seniors with modest means and few housing alternatives are destabilized. For aging seniors and others with health problems or physical limitations, stable and affordable housing is often a critical lifeline that provides ready access to vital services. Working in partnership with nonprofits, foundations, and the public sector, banks are creating new financial products to help preserve and improve tens of thousands of affordable rental homes each year. Bank regulatory agencies, such as the Office of the Comptroller of the Currency, often highlight innovative affordable housing strategies for the elderly and other underserved populations as examples of how banks can comply with their requirements under the Community Reinvestment Act (CRA).[61]

An excellent source of information about housing issues for seniors is Senior Housing News, www.seniorhousingnews.com, a blog started in November 2007 that tracks a broad range of senior housing and senior living topics.

While some new programs have been created to serve America's unbanked senior population, more should be done. More banks and financial institutions need to provide responsible financial products that respond to the unique needs of seniors, and more advocacy is needed to promote responsible products and services.

Membership Perspectives on the Challenges Facing Seniors and Resources

NCRC's mission is to increase fair and equal access to credit, capital, and banking services and products. NCRC seeks to support, create, and implement long-term

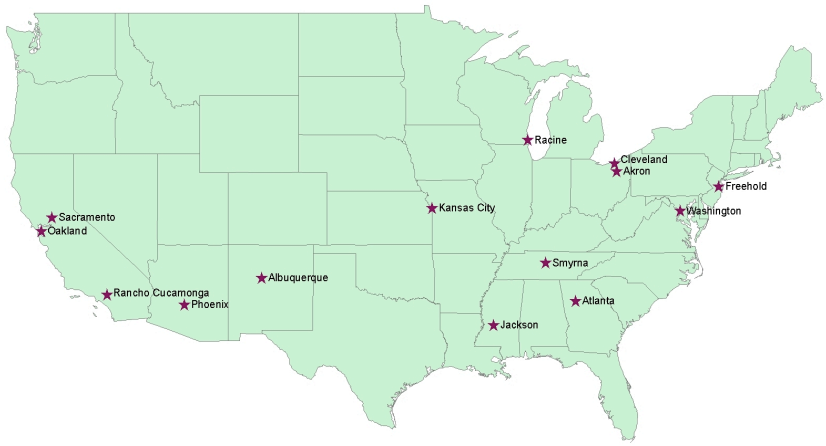
[59] http://online.wsj.com/article/SB10001424052748704256304575320903355455166.html
[60] http://online.wsj.com/article/SB10001424052748704256304575320903355455166.html
[61] See for example, http://www.occ.gov/cdd/Newsletters/spring08/articles/landscape/cdn08spring04_print.htm

solutions, which include providing tools and strategies for building community and individual economic well-being.

Since 1990, NCRC has been at the forefront of community economic development. The organization has grown to an association of more than 600 community-based groups that promote access to basic banking services, including credit and savings, and work to create and sustain affordable housing, promote job development, and build vibrant communities for America's working families. Our members include community reinvestment organizations, community development corporations, local and state government agencies, faith-based institutions, community organizing and civil rights groups, minority and women-owned business associations, and local and social service providers from across the nation.

NCRC conducted in-depth interviews with ten member organizations that provide critical services to America's low- and moderate-income seniors. These member organizations were chosen because of their geographic diversity, as well as the diversity of the services they provide.

Locations of Interviewed NCRC Member Organizations



These organizations include: the City of Oakland in Oakland, Calif; the City of Racine Fair Housing Department in Racine, Wis.; Dominion Financial Management, Inc., in Smyrna, Tenn.; the Home Repair Resource Center in Cleveland Heights, Ohio; the Housing Assistance Council, which has offices in Washington, D.C., Atlanta, Ga., Sacramento, Calif., Albuquerque, N.M., and Kansas City, Mo.; Housing Education and Economic Development in Jackson, Miss.; Inland Fair Housing and Mediation Board in

Rancho Cucamonga, Calif; the Monmouth County Fair Housing Board in Freehold, N.J.; the Pride Through Empowerment Foundation in Akron, Ohio; and the Victoria Foundation in Phoenix, Ariz.

From this, NCRC was able to ask members about their knowledge and understanding of the challenges impacting America's seniors, as well as the types of resources available to this segment of the population.

Membership Perspectives

When questioned about their personal experiences in the field while working directly with seniors or on their behalf, NCRC's membership expressed deep concern about the economic insecurity of America's older citizens and the challenges they face. Members frequency cited the following as some of the biggest obstacles to seniors' financial security: the absence of strong advocacy efforts by seniors and their allies on issues threatening their financial and housing security; disastrous effects of the economic crisis on seniors who are already financially insecure; a lack of affordable housing; a need for financial literacy; the lack of knowledge about resources, financial and otherwise, that are available to seniors; and the rising risk of predatory practices targeted to vulnerable seniors.

Stronger Advocacy

When questioned about their firsthand experiences working on behalf of low- and moderate-income seniors and the challenges impacting them, NCRC members frequently cited a need for stronger advocacy. As one NCRC member stated, "Seniors need the tools to learn how to advocate for themselves, and need others to join them in advocating on their behalf."

Many of NCRC's members who cited the need for stronger advocacy also stated that seniors themselves must determine which policy priorities are most important to them. By using a grassroots approach to advocacy, many NCRC members believe that there will be more senior involvement and that the results will be more meaningful.

In addition, NCRC members expressed a desire for an advocacy effort occurring all levels of government, including local, state, and federal, and covering all geographic areas, including rural, suburban, and urban regions.

A Lack of Affordable Housing

Another common concern was the lack of affordable housing for seniors, leaving many with few housing opportunities. Without stable and affordable housing, aging

seniors and others with health problems or physical limitations are often unable to access vital services.

Those members who cited the lack of affordable housing as a major challenge to seniors' economic security also identified some of the harmful consequences they have observed in the field. One member organization, a county-based fair housing agency, noted that the organization has seen unprecedented levels of seniors who have been forced into homelessness because they were unable to find affordable housing. Others had to dangerously cut back on necessary medications, food, and utilities in order to meet their monthly rent. Another member shared one story of a client who was evicted from her home at age 80 and forced to turn to a shelter, and another of a client living only on Social Security who spends more than 90 percent of his income on rent.

Some NCRC members held that the lack of affordable housing is particularly problematic in rural areas. One member organization that provides loans and technical support to build affordable senior housing noted that, in rural areas, subsidies may be available to seniors, but no rental properties are willing to accept them.

In addition to the need for housing to be affordable, NCRC members expressed concern that many housing options are inaccessible to older residents because the homes are not designed with physical disabilities in mind. As a result, many seniors risk further isolation from the very resources they need most.

A Need for Financial Literacy

Another challenge identified by NCRC members was the need for financial literacy. Whether as a means to protect themselves from predatory scammers looking to take advantage of them, or to ensure that seniors are best able to make financial decisions, older Americans need a financial literacy campaign that is tailored to the issues they face.

One NCRC member organization doing exceptional work with financial literacy and counseling for seniors maintained that many seniors are unaware of even the most basic financial concepts. NCRC members are providing simple tools to protect seniors' financial security, such as counseling against predatory lending, education about credit cards and other products, and seminars on consumer protection laws. As one member organization put it, "Seniors understand how to be proactive about their physical health, but they also need to know how to be just as proactive about their fiscal health."

In addition to obtaining financial literacy, many NCRC member organizations noted that seniors often do not know where they can turn when they need assistance or answers to their financial questions.

Predatory Practices

When questioned about the some of the biggest challenges facing seniors and their economic security, NCRC members cited the increased frequency of scammers, fraudsters, and other predatory actors who target vulnerable seniors. According to one NCRC member, "Seniors are being scammed left and right, and nobody is doing enough to stop it."

NCRC members agreed that seniors are often preyed upon by home repair scammers, unscrupulous landlords, deceptive credit card companies and financial advisors, and even family members, who overcharge them or intimidate them to take their money.

Membership Resources for Older Americans

In addition to interviewing members about their knowledge and understanding of the challenges impacting America's seniors, NCRC also surveyed those members about the types of services they provide for America's low- and moderate-income seniors. Overall, NCRC members offer a broad array of services to help older Americans maintain financial security, including housing counseling programs, affordable housing, financial literacy workshops, targeted financial services, and lending opportunities, as well as ensuring basic food needs and recreational services.

Housing Counseling and Affordable Housing

NCRC members provide a breadth of counseling services to seniors, including foreclosure prevention, reverse mortgage counseling, and rental counseling. Most of these organizations provide these services to all consumers; however, NCRC has documented in a recent report on the Home Affordable Modification Program that a disproportionate number homeowners seeking help through this program are 45 years and older.

Other organizations work to promote affordable housing for older Americans, whether by providing funding and technical support to other organizations that build such housing, or advocating for the need at the local and state level.

Financial Literacy Education

A number of NCRC members are currently providing critical financial literacy courses to older Americans. The subjects covered in these courses include protecting oneself from predatory lending, safely using credit cards, understanding consumer protection issues, maintaining credit health, avoiding home repair scams, learning the

rights and responsibilities of landlords and tenants, and understanding contracts and leases.

More than half of the organizations that provide financial literacy training said they specifically target the courses to meet the needs of seniors. One organization, the Pride Through Empowerment Foundation in Akron, Ohio, has created a successful approach to customizing courses: first, the organization provides its workshops in locations that are familiar and convenient to older Americans, including churches and senior centers, and in conjunction with other organizations that serve this population. Second, prior to the event, a sample group of participants is asked to complete a survey to determine the age and income level of the entire group. Pride Through Empowerment tailors its programs to those at both the older and younger spectrum of the senior population. Finally, the organization quizzes participants before and after the course in order to document areas of strength and areas for improvement.

Other organizations pair financial literacy workshops with direct services. For example, the Home Repair Resource Center, located in Ohio, provides workshops about avoiding home repair scams in tandem with a program that offers seniors no-interest loans, which do not need to be repaid until the home is sold, as well as hardship funds for their repairs. The goals of this program are to allow seniors to age in place and stay in their homes for as long as is feasible.

Other organizations, like Monmouth County Fair Housing in Freehold, N.J., pair financial education with enforcement. For example, this organization provides seniors with critical information about their rights as tenants. However, when a senior citizen reports being scammed or charged an inflated rent, the organization investigates the complaints.

Targeted Financial Services and Lending Opportunities

Some NCRC members are providing creative financial services and lending opportunities to assist older Americans and their financial needs. As mentioned above, the Pride Through Empowerment Foundation provides seniors with no-interest loans for home improvements and repairs, which do not need to be repaid until the home is sold. At the other end of the spectrum, Dominion Financial Management provides seniors with sophisticated financial management advice.

Ensuring Basic Food Needs and Recreational Services

A couple of NCRC members provide basic food and recreational services to older Americans. For example, the Victoria Foundation works closely with organizations that deliver meals to elderly housing facilities and homebound seniors, coordinate volunteer

companion and chore services, and organize recreational activities to allow older Americans to stay in their homes for as long as possible.

Policy Recommendations

To address challenges to financial and housing security for seniors, federal and state lawmakers must act boldly by enacting strong and insightful legislative and regulatory solutions. As such, NCRC has identified a number of actions that should be taken. These include but are not limited to the following:

- Promote policies and industry best practices to increase and protect the incomes and assets of the older Americans.

- Further develop safe and sound financial services and products targeted to meet the needs of older Americans.

- Reform the financial industry by imposing a fiduciary duty on all investment advisers and brokers that sell investment vehicles to act in the best interests of their clients.

- Enact regulatory reforms to the Community Reinvestment Act (CRA) to elevate the importance of basic banking services and other responsible financial products used by elderly, and in particular, low- and moderate-income elderly, populations. CRA's statutes and regulations should be updated to increase the emphasis and submission of publicly available data on bank provision of basic accounts and branches, to ensure that the elderly are receiving responsible bank products.

- Enact legislative or regulatory changes to Home Mortgage Disclosure Act to include data disclosure regarding reverse mortgages as well as of the age of the borrower, in order to ensure that seniors are receiving responsible financial products. More complete information would supply a fuller picture of seniors' financial stability. Fortunately, the Dodd-Frank financial reform legislation requires information on a borrower's age in home loan data. The Federal Reserve Board is currently considering other enhancements, which many include data disclosure of reverse mortgages transactions.

- Enact additional policies regarding reverse mortgages and other financial products that can protect seniors. The Federal Reserve Board is currently engaged in updating rules regarding disclosure to consumers about reverse mortgage terms and conditions.

- Enact legislation similar to a new Maryland law taking effect in late 2010 to strengthen protections for those creating powers of attorney. Starting in October, a document purporting to grant powers of attorney must be signed before two witnesses and notarized in order to be executed, and the new law allows heirs, government agencies, and others with an interest in the elderly person's welfare to ask the court to require that those with powers of attorney account for how he or she is handling the elderly person's affairs.[62]

- Support more financial education programs that help adults better understand their financial choices, plan for adequate financial resources for retirement, and avoid predatory lending, abuse, and fraud.

- Add "Older Adult" as a protected class under the Fair Housing Act and Equal Credit Opportunity Act. Currently, gender and race are protected classes, meaning that these laws provide opportunities to seek enhanced legal remedies for discrimination. Age likewise should be explicitly added to these statutes.

- Promote affordable housing units for seniors, and support access to rental subsidy programs to reduce the cost of rental housing in order to protect low- and moderate-income seniors from housing insecurity.

- Promote aging in place by supporting improved assistance programs and making adjustments to housing, transportation, and healthcare services necessary to meet the needs of older Americans seeking to age in place.

- Provide more support for workforce training programs for the older workers to ensure that seniors have the opportunity to obtain and maintain adequate income levels.

- Enact legislation to reverse recent Supreme Court decisions that curtail the ability of seniors to bring age discrimination suits against employers.

- Provide better accommodations for older workers or workers with disabilities. More flexible work arrangements, including part-time employment, variable work schedules, and telecommuting, and better opportunities for occupational downshifting, are needed so that older workers are able to gradually shift to less demanding positions.

[62] http://www.baltimoresun.com/business/money/bs-bz-ambrose-seniors-20100704,0,3746104,full.story

Conclusion

America's senior citizens have been significantly impacted by the recent economic crisis. Falling home prices have greatly decreased the value of many seniors' primary asset – their home -- leaving many particularly vulnerable to financial insecurity. Rampant predatory lending targeted at seniors and challenges in the workplace, including age discrimination and a lack of job training opportunities, reflect a need for critical policy changes and additional programmatic opportunities that will strengthen seniors' ability to advocate for their needs.

NATIONAL COMMUNITY REINVESTMENT COALITION NCRC

Appendix 1

The following is a list of NCRC members who were interviewed in-depth for this report. NCRC is appreciative of their time and effort to assist us.

City of Oakland, *Oakland, California*

City of Racine Fair Housing Department, *Racine, Wisconsin*

Dominion Financial Management, Inc., *Smyrna, Tennessee*

Home Repair Resource Center, *Cleveland Heights, Ohio*

Housing Assistance Council, *Washington, DC, Atlanta, Georgia, Sacramento, California, Albuquerque, New Mexico, and Kansas City, Missouri*

Housing Education and Economic Development, *Jackson, Mississippi*

Inland Fair Housing and Mediation Board, *Rancho Cucamonga, California*

Monmouth County Fair Housing Board, *Freehold, New Jersey*

The Pride Through Empowerment Foundation, *Akron, Ohio*

Victoria Foundation, *Phoenix, Arizona*