

Managing Someone Else's Money:

Considering a Financial Caregiver

OA Month presentation – May 2021



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CFPB's Office for Older Americans

The Office for Older Americans engages in research, policy, and educational initiatives, designed to:

- help protect older consumers from financial harm
- help older consumers make sound financial decisions as they age

Learn more about us at consumerfinance.gov/olderamericans



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Considering a financial caregiver?

Know your options

Considering a financial caregiver

MANAGING SOMEONE ELSE'S MONEY

Considering a financial caregiver? Know your options

Is a loved one having trouble managing their money because of health problems or memory issues? Or are you planning ahead in case you need help in the future?

Knowing your options will help you choose what works best for your situation. An informal caregiver helps on an as-needed basis. If you need more than occasional help, it might be time to name a formal caregiver.

TYPES OF INFORMAL FINANCIAL CAREGIVERS

Consider a....	What is this?	How does this work?
Conversation partner	This allows you to give a trusted relative, friend, or professional an overview of your finances (even if you don't want to share all the details).	Ask your broker or banker to send a copy of your statements to your daughter or accountant. Ask a trusted friend or relative to join when you visit your banker or financial adviser.
Trusted contact person	You can add a "trusted contact person" to your brokerage accounts. Some banks may offer this too. It allows your financial institution to contact the trusted person in certain circumstances, like if they believe you're getting scammed.	Trusted contacts don't have access to your money—they get notified if the financial institution sees signs of financial exploitation.
Convenience account	A "convenience account" or "agency account" lets you name someone to help you deposit or withdraw money and write checks. A convenience account is not the same as a joint account, where money is jointly owned and the joint account holder automatically gets the money when you die.	A convenience account does not change the ownership of the money in the account or give your helper the right to keep the money when you die. The money belongs only to you.

Next step: Speak to your broker or banker to see what informal caregiving options are available. Take this document with you.

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Learn more at consumerfinance.gov

- Informal caregivers
- Formal caregivers
- Choosing a caregiver



Informal caregivers

- Conversation partner
- Trusted contact person
- Convenience account



Conversation partner

- Allows you to give a trusted relative, friend or professional an overview of your finances – even if you don't want to share all the details
- Examples
 - Ask your trusted friend or relative to join you when you visit your banker or financial advisor
 - Ask your banker or broker to send a copy of your statements to your adult child or accountant





Trusted contact person

- You can add a “trusted contact person” to brokerage accounts
- Some banks may offer this too
- It allows the financial institution to contact the trusted person in certain circumstances, like if they think you’re being scammed
- Trusted contacts don’t have access to your money



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Convenience account

- A “convenience account” or “agency account” lets you name someone to help you deposit or withdraw money and write checks
- Different from a joint account
- A convenience account does not change ownership of the money in the account or give your helper a right to the money when you die
- The money belongs only to you





Formal caregivers

- Power of attorney
- Guardian or conservator
- Trustee
- Government fiduciary



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Choosing a financial caregiver

- Do I trust this person?
- Do I feel comfortable sharing my wishes with them? Will they carry out my wishes the way I want them to?
- Are they willing and able to take on this responsibility?
- Will they make decisions in my best interest?
- Will they manage my money and property carefully?
- Will they be able to keep my money separate from their own?
- Will they keep good records?



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Guides for financial caregivers



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Financial caregiving is challenging

- Kristin in Virginia: “Even though I’m a financially savvy individual, I had no idea where to get help....”
- Hector in Florida: “When you have to take care of someone else’s finances, you feel more responsible for their affairs than you do for your own. It’s overwhelming.”

MSEM video – www.consumerfinance.gov/msem

About the guides

The guides help you understand your role as a financial caregiver, also called a fiduciary. Each guide explains your responsibilities as a fiduciary, how to spot financial exploitation, and avoid scams. Each guide also includes a “Where to go for help” section with a list of relevant resources.

Featured video

Managing Someone Else’s Money guides

If you are serving as a financial caregiver, navigating your role can be difficult. We’re here to help.



Find the right guide for you

The guides are tailored to the needs of people in four different fiduciary roles:

About us

We’re the Consumer Financial Protection Bureau (CFPB), a U.S. government agency that makes sure banks, lenders, and other financial companies treat you fairly.

[Learn how the CFPB can help you](#)

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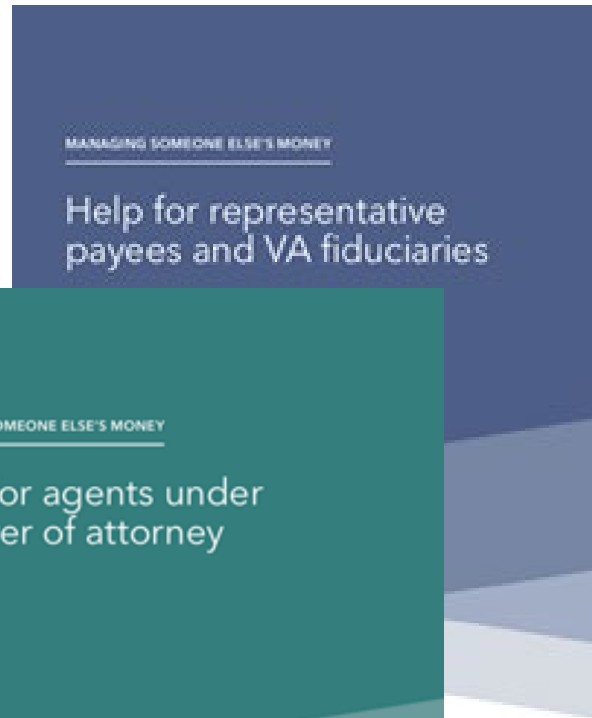
CREATE GUIDES FOR YOUR STATE

Interested in creating Managing Someone Else’s Money guides for your state?



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Managing Someone Else's Money guides



- Help for financial caregivers handling the finances for a family member or another who is unable to do so
- Guides for four common types of financial caregivers:
 - Agents under a Power of Attorney
 - Guardians and conservators
 - Trustees
 - Social Security and Department of Veterans Affairs (VA) representatives



What is a **fiduciary**?

Anyone named to manage money or property for someone else

- Agents under a Power of Attorney are named in a legal document
- The Social Security and Department of Veterans Affairs (VA) may name representative payees
- Guardians and conservators are named by a court
- Trustees may be named in a legal document or a court



What's a **power of attorney**?

- Legal document giving a financial caregiver authority to make decisions about money/property
 - “Roberto” names you Agent under a Power of Attorney.
 - You can make decisions if illness or injury leaves Roberto unable to make financial decisions
- Health care Power of Attorney is different

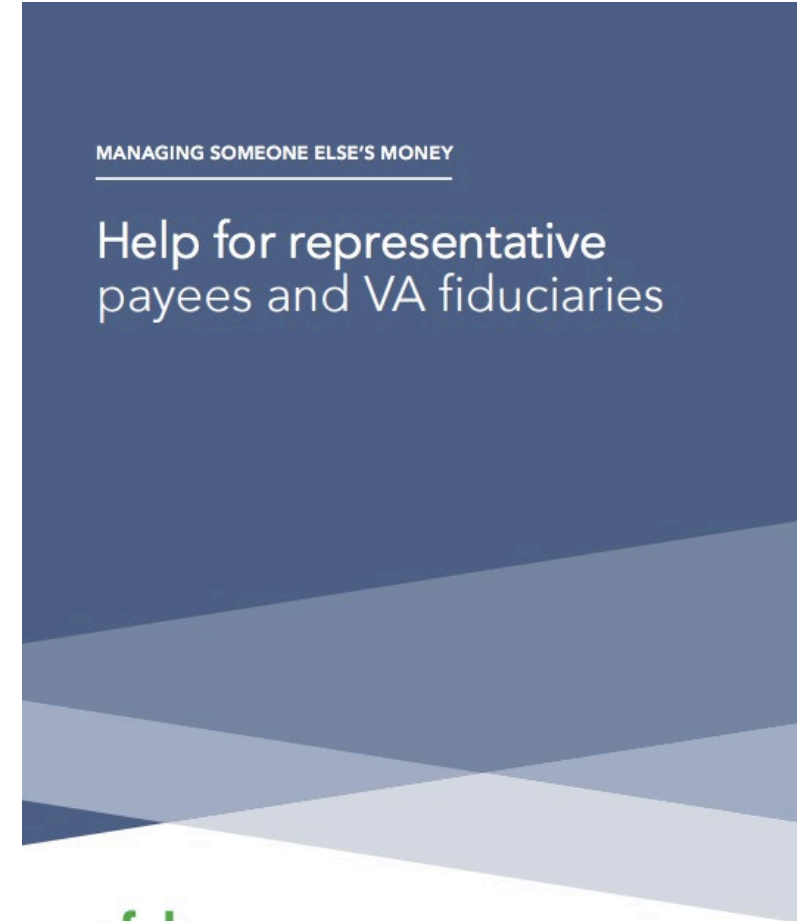




What's a **representative payee**?

What's a **VA fiduciary**?

- Government agencies may appoint someone to manage Roberto's benefits if he needs help
 - Social Security Admin. - representative payee
 - Department of Veterans Affairs - VA fiduciary
- Representative payees and VA fiduciaries only manage Roberto's benefits – not financial affairs, other property, or medical matters





What's a **guardian of property**?

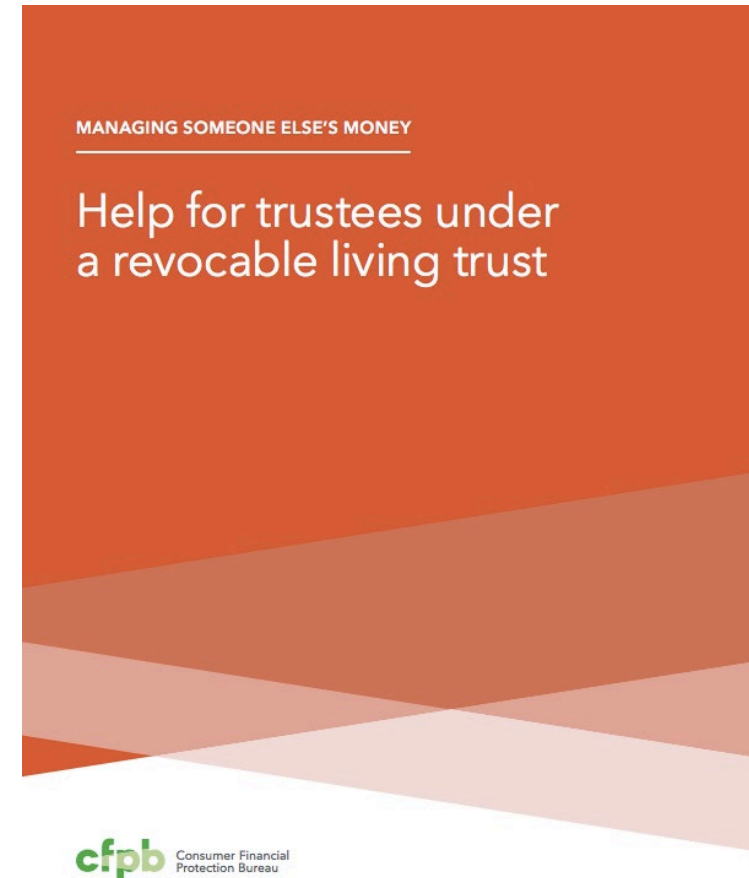
- A court names someone to manage Roberto's money and property if the court finds that he can't manage it alone
- Roberto might also have a *guardian of the person*, if he can't make his own health care or other personal decisions
- Could be same or different person
- Different states, different terms – e.g. conservator, guardian of estate





What's a **trustee**?

- Trusts differ – we're talking about revocable living trusts
- Roberto signs a legal document called a living trust, making you his trustee, and transfers ownership of money and property to the trust
- Trustee can pay bills or make other financial and property decisions if Roberto can no longer manage his money or property
- Beneficiaries receive money or property from the trust





Duties of a fiduciary

- Act only in the person's best interest
- Manage the money and property carefully
- Keep the money and property separate
- Keep good records



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Duty 1: Act in best interest

- Avoid conflicts of interest.
- Don't give loans to yourself or others.
- Get approval before paying yourself.



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Duty 2: Manage money & property carefully

- Make a list of money, property and debts.
- Protect property.
- Pay bills & taxes on time.
- Check benefits eligibility: eldercare.acl.gov or BenefitsCheckUp.org



Duty 3: Keep money & property separate

- Separate means separate.
- Avoid joint accounts.
- Know how to title property & how to sign.



Duty 4: Keep good records

- Keep a list of everything you spent money on.
- Keep receipts.
- Avoid cash.
- File reports with courts, as appropriate.



State-specific guides

- We developed state-specific MSEM guides for
 - Arizona
 - Florida
 - Georgia
 - Illinois
 - Oregon
 - Virginia
- Professionals used our Tips and Templates Guide to create their own
(Alabama, Idaho, Michigan, Nebraska, and Texas)



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Where to find Managing Someone Else's Money

Bulk order for FREE – [Pueblo.gpo.gov/CFPBPubs](https://www.pueblo.gpo.gov/CFPBPubs)

Download – consumerfinance.gov/msem

For questions about the guides – OlderAmericans@cfpb.gov



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Warning signs of financial exploitation

- Some money or property is missing
- Sudden changes in Roberto's spending or savings
- Roberto says he is afraid or seems afraid of a relative, caregiver, or friend
- A relative, caregiver, friend, or someone else keeps Roberto isolated, does not let him speak for himself, or seems to be controlling his decisions



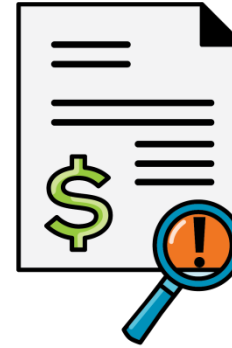
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Common examples of elder financial exploitation



Grandparent/
Imposter scams



Tax and debt
collection scams



Fake charity
scams



Telemarketer,
mail offer or
salesperson scams



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More examples of elder financial exploitation



Investment fraud
and scams



Lottery and
sweepstakes scams



Theft of money or
property by family
members,
caregivers, or
in-home helpers



Exploitation by
an agent under a
POA or person in
another fiduciary
relationship



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What you can do to help

Adult Protective Services

For elder abuse, contact Adult Protective Services.

Find contact information eldercare.acl.gov or call 1-800-677-1116.



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Contact us

CFPB – Office for Older Americans

consumerfinance.gov/olderamericans

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