



# OFFICE OF THE ATTORNEY GENERAL

---

Catherine Cortez Masto, *Attorney General*  
Eric Witkoski, *Consumer Advocate*  
Chief Deputy Attorney General

555 E. Washington Avenue, Suite 3900  
Las Vegas, Nevada 89101  
Telephone - (702) 486-3420  
Fax - (702) 486-3283  
Web - <http://ag.state.nv.us>

**FOR IMMEDIATE RELEASE**  
**DATE: Tuesday, March 4, 2008**

**CONTACT: Kathleen Delaney (702) 486-3788**  
**Nicole Moon (702) 486-3379**  
**cell (775) 230-3360**  
**[njmoon@ag.state.nv.us](mailto:njmoon@ag.state.nv.us)**

[The Nevada Attorney General's Office has joined a group of federal, state and local government agencies and national consumer advocacy organizations to launch the Tenth Annual National Consumer Protection Week ("NCPW"), March 2-8, 2008. NCPW highlights consumer education efforts in the fight against fraud in communities across the nation. This year's NCPW theme is *Financial Literacy: A Sound Investment* and is intended to encourage consumers to empower themselves to make smarter decisions about managing their money and building a solid financial foundation. As part of this year's NCPW, the Attorney General's Bureau of Consumer Protection is issuing a daily press release regarding issues particularly relevant to Nevada consumers. More information about NCPW is also available at [www.consumer.gov/ncpw](http://www.consumer.gov/ncpw). Thank you for your assistance in promoting this important event.]

## **ATTORNEY GENERAL WARNS SENIORS TO GET THE FACTS BEFORE CONSIDERING A "REVERSE" MORTGAGE**

*Las Vegas, NV--* The Attorney General's Bureau of Consumer Protection, under the direction of Consumer Advocate Eric Witkoski, today issued the following consumer advisory with important information concerning "reverse" mortgages, which allow homeowners to convert some or all of the equity in their homes to cash.

Many older Americans are turning to "reverse" mortgages to convert equity in their homes to cash, in order to supplement their retirement income, pay for health care expenses, finance home improvements, and meet a myriad of other monetary needs. To qualify for most reverse mortgage, borrowers must be at least 62 years old and live in the home subject to the mortgage. Unlike a "regular" mortgage, however, where the loan comes with the obligation to repay it in monthly installments right away, a "reverse" mortgage generally does not have to be paid back as long as the borrower remains in the home.

As with anything that sounds too good to be true, however, there is a catch. Although seniors are generally not required to repay these loans as long as they are living and remain in their homes, once they pass away or permanently leave their homes, the property essentially belongs to the lender. Under a typical arrangement, the lender places a lien on the property in exchange for the cash it provides to the borrower, which allows the lender to recoup the loan, fees and interest, by selling the home after it is vacated. This will significantly reduce or eliminate the inheritance that would have otherwise gone to the borrower's surviving loved

ones. As with all matters involving their homes, seniors should get all the facts and carefully consider the fine print before accepting the terms of a reverse mortgage.

The Attorney General's Bureau of Consumer Protection reminds seniors that whether a reverse mortgage is right for you is a big question. Consider all of your options. You may qualify for less costly alternatives. Please contact the following organizations for more information:

**AARP Foundation**

601 E Street, NW  
Washington, DC 20049  
1-800-209-8085  
[www.aarp.org/revmort/list](http://www.aarp.org/revmort/list)

**U.S. Department of Housing and Urban Development (HUD)**

451 7<sup>th</sup> Street, SW  
Washington, DC 20410  
1-888-466-3487  
[www.hud.gov/offices/hsg/sfh/hecm/rmtopten.cfm](http://www.hud.gov/offices/hsg/sfh/hecm/rmtopten.cfm)

**Federal Trade Commission**

Consumer Response Center  
600 Pennsylvania Avenue, NW  
Washington, DC 20580  
1-877-FTC-HELP (1-877-382-4357)  
[www.ftc.gov/bcp/menus/consumer/credit.shtm](http://www.ftc.gov/bcp/menus/consumer/credit.shtm) -- click on "Mortgages & Your Home"

Finally, seniors who believe they may have encountered a reverse mortgage scam should immediately contact the Attorney General's Bureau of Consumer Protection at (702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable consumer protection information, is also available on the Attorney General's website at [www.ag.state.nv.us](http://www.ag.state.nv.us).

For other valuable consumer protection information, please visit the Bureau of Consumer Protection website, [www.ag.state.nv.us/org/bcp/education.htm](http://www.ag.state.nv.us/org/bcp/education.htm) and/or the State of Nevada's general fraud information website, [www.fightfraud.nv.gov](http://www.fightfraud.nv.gov)

#####