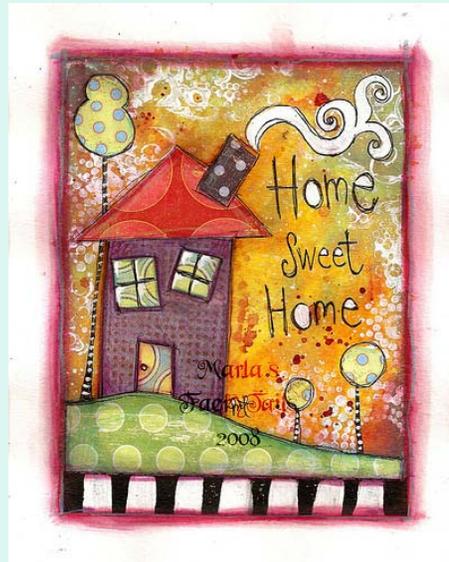


# Scam & Eggs: A Breakfast Seminar on Consumer Protection



September 21, 2009

Federal Reserve Bank, St. Louis, MO

Teresa Perez  
Community Affairs Officer  
[tperez@fdic.gov](mailto:tperez@fdic.gov)  
816.234.8151

Terry Lee  
Community Affairs Specialist  
[telee@fdic.gov](mailto:telee@fdic.gov)  
816.234.8127



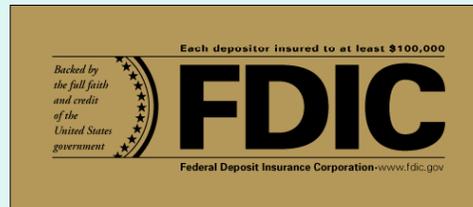
Kansas City Regional Office  
Kansas City, MO

# Financial Institution Regulatory Agencies

- Office of the Comptroller of the Currency (**OCC**) - supervises banks containing “National or NA” in their name
- Office of Thrift Supervision (**OTS**) - supervises thrifts; formally savings and loans
- **Federal Reserve** - supervises state-member banks that are members of the Federal Reserve
- Federal Deposit Insurance Corporation (**FDIC**) - insures deposits of banks and thrifts; supervises state banks not members of the Federal Reserve
- National Credit Union Administration (**NCUA**) - supervises federal credit unions

# What do the regulators do?

- FDIC insures deposits in a bank account to \$250,000



- Examine banks to make sure they are operating **safely and soundly**
- Examine banks to ensure they follow **consumer laws and regulations**
- Work with the **general public** to help them with their rights with loans, bank accounts, credit cards, etc., through outreach and the complaint process
- Work in the areas of financial education, affordable housing, small business development, and neighborhood preservation

**FDIC** Federal Deposit Insurance Corporation

FDIC 75 YEARS

FDIC

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**New Deposit Insurance Limits**  
 Congress has temporarily increased FDIC deposit insurance from \$100,000 to \$250,000 per depositor through December 31, 2009. Changes have also been made to other account types. For more information visit: [Deposit Insurance Coverage Summary](#)

- Quick Links By User**
- We've collected these convenient links to help you navigate the site.
- ▶ [Bankers](#)  
Resources for banking professionals.
  - ▶ [Consumers & Communities](#)  
Information, alerts, and advice.
  - ▶ [Analysts](#)  
Databases, research and analysis.
  - ▶ [Investors](#)  
Current assets for sale by the FDIC.
  - ▶ [Press](#)  
FDIC news and announcements.
  - ▶ [Contractors/Vendors/Outside Counsel](#)  
Doing business with the FDIC.
  - ▶ [En Español](#)  
Enlaces a páginas web de FDIC disponibles en español.

- What's New** [view all](#)
- FDIC to Host IADI Conference**  
October 22, 2008  
The 7th annual conference will be held at the FDIC offices in Arlington, VA on October 29-30. [read more...](#)
  - FDIC Board Meeting**  
October 17, 2008  
Board of Directors will meet in open session at 2:00 p.m. on Thursday, October 23, 2008. [read more...](#)
  - FDIC Temporary Liquidity Guarantee Program**  
October 14, 2008  
This Webpage contains information on the FDIC's new program. [read more...](#)
  - Bank Closing Information for Meridian Bank, Eldred, IL**  
October 10, 2008

- Press Releases** [view all](#)
- FDIC to Host 7th Annual Conference of the International Association of Deposit Insurers**  
October 22, 2008  
[read more...](#)
  - Joint Release/Agencies Encourage Participation in Treasury's Capital Purchase Program, FDIC's Temporary Liquidity Guarantee Program**  
October 20, 2008  
[read more...](#)
  - Joint Release/Agencies Announce Decision on Regulatory Capital Impact of Emergency Economic Stabilization Act of 2008 on Fannie Mae and Freddie Mac Preferred Stock**  
October 17, 2008  
[read more...](#)

**Sign up for our Free Online Subscription Service**

[Sign up](#) to receive email updates of

**Consumer Resources**

[MyFDICinsurance.gov](#)



Suze Orman

The FDIC's national public service campaign designed to help consumers learn about the benefits and limitations of deposit insurance; featuring personal finance expert Suze Orman and a link to EDIE the Estimator.

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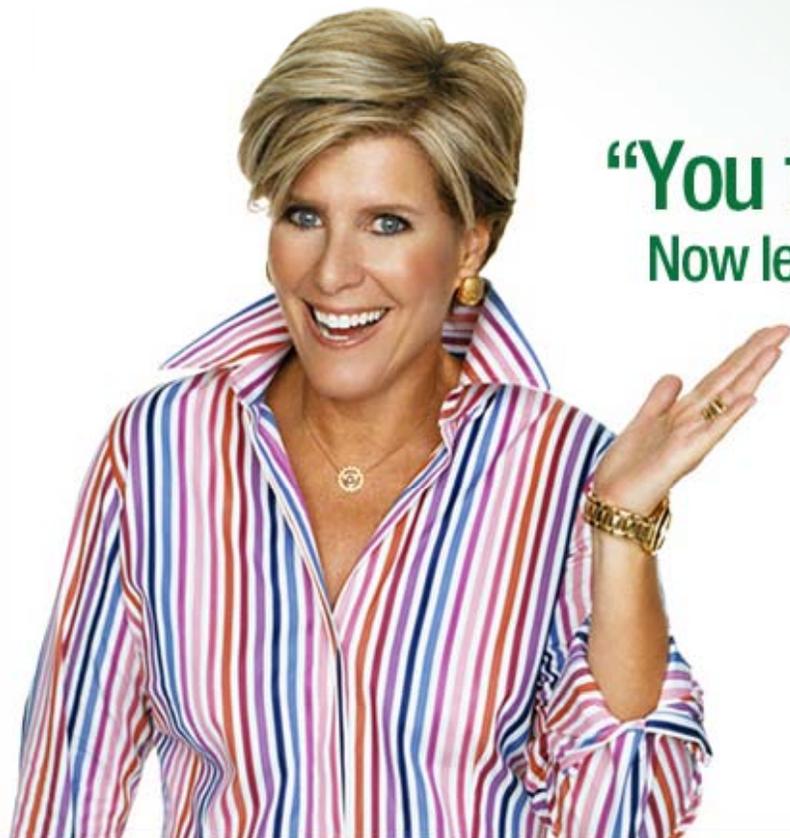
**FDIC Call Center: 1-877-275-3342**  
 (1-877-ASKFDIC)  
 7:00 am - 8:00 pm ET; Monday-Friday  
 8:00 am - 8:00 pm ET; Saturday-Sunday  
*(temporary hours)*

- Top Search Results**
- [Quarterly Banking Profile](#)  
FDIC the Estimator



The more you know,  
the safer your money.

Welcome to **myFDICinsurance.gov**



**“You found us. Great.  
Now let’s make sure all of your money is protected.”**

A few minutes with EDIE can give you endless peace of mind. You’ll know if the money you have in deposit accounts at FDIC-insured banks is fully protected. If it’s 100% FDIC-insured, you can’t lose a penny, no matter what.

**GET STARTED**

The screenshot shows the 'EDIE The Estimator' web application. At the top, it says 'GO TO FDIC.GOV' and 'FDIC The more you know, the safer your money.' The page has a navigation menu with 'HOME', 'EDIE THE ESTIMATOR', 'STEP-BY-STEP TUTORIAL', 'FDIC INFO', and 'CONTACT US'. Below the navigation, there is a main heading 'EDIE The Estimator' and a sub-heading 'Step 1 - Enter Your Information'. The form includes a text input for 'Institution', a radio button for 'Personal Account', and a radio button for 'Business Account'. A note states: 'Note: Once you enter an institution name, it will be set for the duration of your session or until you click "Start Over".' At the bottom of the form, there is a 'Report' button and a note: 'Once all of your accounts are entered for this bank, click on the Report button. If you see a red exclamation point and red shading on your report, it indicates monies which appear to not be covered by FDIC insurance, based on the information you have entered.' The next step is 'Step 2 - Read Your Report'.



## Foreclosure Prevention

[Home](#)

Foreclosure Prevention Tool Kit

[Consumer Resources](#)

[Community Resources](#)

[Financial Institution Resources](#)

[News and Events](#)

### Foreclosure Prevention Tool Kit

This page provides quick access to several resources to help homeowners, community stakeholders, and the banking industry help prevent unnecessary foreclosures and stop foreclosure "rescue" scams that promise false hope to consumers at risk of losing their homes.

#### Resources:

- [Is Foreclosure Knocking at Your Door?](#) This brochure explains how mortgage modification programs can help those at risk of foreclosure save their home. Organizations that need a bulk supply of the brochure for distribution to community stakeholders should email [communityaffairs@fdic.gov](mailto:communityaffairs@fdic.gov).
- [Beware of Foreclosure Rescue Scams.](#) This brochure provides information on common scams, tips for detecting fraudulent deals, and resources for reporting criminal activity. Organizations that need a bulk supply of the brochure for distribution to community stakeholders should email [communityaffairs@fdic.gov](mailto:communityaffairs@fdic.gov).
- [Spring 2009 edition of FDIC Consumer News](#), features advice for consumers on avoiding foreclosure rescue and loan modification schemes.
- [The Your Own Home module of the FDIC's Money Smart curriculum](#) encourages homeowners to promptly seek help to avoid foreclosure and avoid

Pages

Attachments

Comments

### Foreclosure Prevention Resources

#### Government Mortgage Modification Programs

- Making Home Affordable
  - [www.MakingHomeAffordable.gov](http://www.MakingHomeAffordable.gov)
  - [www.FinancialStability.gov](http://www.FinancialStability.gov)

#### Hope for Homeowners (H4H)

- <http://portal.HUD.gov>
- (800) CALL-FHA or (800) 225-5342

#### Foreclosure Mitigation Assistance/Counseling

- U.S. Department of Housing and Urban Development (HUD)
  - [www.HUD.gov](http://www.HUD.gov)
  - [www.HUD.gov/offices/hsg/stfh/hcc/fc](http://www.HUD.gov/offices/hsg/stfh/hcc/fc)
  - (800) 569-4287

#### • Homeownership Preservation Foundation (HopeNOW)

- [www.995hope.org](http://www.995hope.org)
- (888) 99-5-HOPE or (888) 995-4673

#### • NeighborWorks America

- [www.FindsForeclosureCounselor.org](http://www.FindsForeclosureCounselor.org)
- [www.NW.org/network/home.asp](http://www.NW.org/network/home.asp)

#### FDIC Foreclosure Prevention Website

- [www.FDIC.gov/foreclosureprevention](http://www.FDIC.gov/foreclosureprevention)
- (877) ASK-FDIC or (877) 275-3342

#### Report Foreclosure Scams

- Federal Trade Commission
  - [www.FTC.complaintAssistant.gov](http://www.FTC.complaintAssistant.gov)
  - [www.FTC.gov/bcp/menus/consumer/credit/mortgage.shtml](http://www.FTC.gov/bcp/menus/consumer/credit/mortgage.shtml)
  - (877) FTC-HELP or (877) 382-4357

- State Attorney General Contact List at [www.NAAG.org/attorneys\\_general.php](http://www.NAAG.org/attorneys_general.php)

- State, County, City Consumer Protection Offices at [www.ConsumerAction.gov/state.shtml](http://www.ConsumerAction.gov/state.shtml)

### Talk to a Counselor

If you are having trouble making your mortgage payment, talk to a counselor who can help you assess your financial situation and work with your lender or servicer to see if you can avoid foreclosure.



#### Avoid Foreclosure Scams

Non-profit counseling agencies provide free or low cost foreclosure prevention counseling services. There is no need to pay a private company for these services.



Call HOPENOW at (888) 995-4673

The HOPE NOW Alliance includes a number of non-profit counseling agencies, which have HUD-approved counselors across the United States. These organizations provide borrowers in-depth debt management, credit counseling and overall foreclosure counseling.

### Make a Budget, Find a Solution

Professionally trained and certified counselors can help you to evaluate your current financial situation. Counselors also will help you to figure out what options are available and help you find a solution.



FDIC-023-2009

### FEDERAL DEPOSIT INSURANCE CORPORATION

## Is Foreclosure Knocking at Your Door?



### Save Your Home Mortgage Modification Programs are Available



FDIC: Beware of Foreclosure Rescue and Loan Modification Scams - Windows Internet Explorer

http://www.fdic.gov/consumers/loans/prevention/rescue/index.html

File Edit View Favorites Tools Help

FDIC: Beware of Foreclosure Rescue and Loan Modifi...

Home Deposit Insurance Consumer Protection Industry Analysis Regulations & Examinations Asset Sales News & Events About FDIC

Home > Consumer Protection > Loans & Mortgages > Beware of Foreclosure Rescue and Loan Modification Scams

## Beware of Foreclosure Rescue and Loan Modification Scams

Home

- [Beware of Unethical Mortgage Foreclosure Rescue and Loan Modification Operators](#)
- [Watch Out for the Common Foreclosure Rescue and Loan Modification Scams](#)
- [Warning Signs](#)
- [Protect Yourself](#)
- [Caught in a Foreclosure or Loan Modification Scam?](#)
- [General Resources](#)
- [Foreclosure Prevention Homepage](#)

### Beware of Foreclosure Rescue and Loan Modification Scams

If It's Too Good to be True, It Probably Is

[Printable version - PDF 640k \(PDF help\)](#)  
[En Español](#)  
[Reprintable FDIC Brochures](#)

To protect yourself from opportunity hunters and frauds:

- Contact your lender or mortgage loan servicer and try to negotiate a payment plan.
- Work with reputable non-profit housing or financial counselors.
- Report suspicious activity

Read more inside or go to the resources section on the back panel for whom to contact for immediate help.



**FDIC** Federal Deposit Insurance Corporation

**FDIC 75 YEARS**

Bank deposits insured to at least \$250,000

**FDIC**

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Home > Consumer Protection > Consumer News & Information > FDIC Consumer News

## FDIC Consumer News

### Spring 2009

**Buyer Beware: How to Protect Yourself from Foreclosure Frauds, Easy Money Schemes and Other Costly Deals**

[Foreclosure Rescue and Loan Modification Scammers Still Prey on Stressed Homeowners: Our Latest Tips](#)

[Beware of Various Frauds Tied to the Economic Slowdown](#)

[Sounds Good...But Are the Costs Greater Than the Benefits?](#)

[Blank Checks from Your Credit Card Issuer Carry Risks and Costs](#)

[For More Information About Avoiding Fraud and Costly Deals](#)



FDIC: Money Smart - A Financial Education Program - Windows Internet Explorer

http://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html

File Edit View Favorites Tools Help

FDIC: Money Smart - A Financial Education Program

FDIC Federal Deposit Insurance Corporation

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Home > Consumer Protection > Financial Education & Literacy > Money Smart - A Financial Education Program

## Money Smart - A Financial Education Program

[Money Smart Home](#)

[Money Smart Adult Financial Education Curriculum](#)

[Money Smart for Young Adults](#)

[Money Smart News](#)

[Success Stories](#)

Computer-Based Instruction

[Portable Audio Version](#)

[Order Money Smart](#)

[Train-the-Trainer Program](#)

[Spotlight On...](#)

[Alliance Members](#)

### Computer-Based Instruction

The Money Smart Computer-Based Instruction (CBI) is a friendly and easy to use learning tool that teaches the 10 modules of the Money Smart curriculum through a computer. The CBI can complement formal classes or enable people to study independently at their own pace.

Each module generally takes between 20-30 minutes to complete. Students receive ongoing feedback and, upon successful completion of each module, can print out a personalized certificate of completion.

The CBI is available online or on CD-ROM. The following links allow you to access the online CBI version of Money Smart.

- [Enter Money Smart CBI Online \(English Version\)](#)
- [Entra en Money Smart CBI Online \(Versión en Español\)](#)

If your computer does not meet the [minimum requirements](#) or you have difficulty accessing

Local intranet 100%

# Consumer Questions or Complaints

**FDIC Call Center: 1-877-275-3342**  
**(1-877-ASKFDIC)**

7:00 am - 8:00 pm ET; Monday-Friday

8:00 am - 8:00 pm ET; Saturday-Sunday

[www.fdic.gov](http://www.fdic.gov)



# General Consumer Regulations

- **Truth in Lending Act** - creditors must clearly and conspicuously disclose the costs and terms of credit.
- **Truth in Savings Act** - requires depository institutions to provide interest and fee disclosures for deposit accounts.
- **Equal Credit Opportunity Act** - prohibits discrimination in any aspect of a credit transaction based on race, color, religion, national origin, sex, marital status, age, income from public assistance, exercised any right under the Consumer Credit Protection Act.
- **Fair Housing Act** – prohibits creditors involved in residential real estate transactions from discriminating based on race, color, religion, sex, handicap, familial status, or national origin.
- **Fair Debt Collection Practices Act** – prohibits unfair, deceptive, and abusive practices related to the collection of consumer debts.
- **Unfair or Deceptive Acts or Practices** – state statutes; Section 5 of the Federal Trade Commission Act prohibits unfair or deceptive acts or practices in or affecting commerce, and applies to all persons engaged in commerce, including banks.

# Some Recent Changes to Consumer Laws

- **RESPA** – Good Faith Estimate should be more reflective of actual closing costs at closing
- **Truth in Lending Act**
  - Establish consumer protections specific to higher-priced mortgages
  - Establish new consumer protections related to appraisers and servicers
  - Expand early disclosure requirements
  - New prohibitions against deceptive advertising
- **Credit Card Accountability Responsibility and Disclosure Act of 2009**
  - 45 days notice before a rate increase
  - Right to cancel card before rate increase or any account change
  - Under age 21, need a cosigner

# Issues and Trends

- Making Home Affordable Program working slower than expected and hoped
- Increase in loss of employment
- Forbearance plans to decrease foreclosures
- Commercial loans
- Agricultural loans
- Consumer Financial Protection Agency

# Report Suspicious Activity

- State Attorney General's Office
- Federal Trade Commission
- State, county and city consumer protection offices



# URGENT: MORTGAGE CAKE SALE

*Our 23 year old daughter was hospitalized for 30 days last November after having been diagnosed with an autoimmune disease ... She was released from the hospital on Dec 3rd... Two days later my husband lost his job of 22 years as VP of Finance for a high end custom builder... 3 days later I lost my job with a ministry whose income had also declined with the current economic climate. Our daughter required 24/7 care thru mid February but has had a miraculous recovery since... physically and mentally and will be continuing her education... this fall. Unfortunately neither my husband nor I have found jobs. So... after 8 months of unemployment and mounting expenses... our mortgage company is trying to take us into foreclosure. I saw a news story on a lady who 'baked her way out of foreclosure'... and felt like I could do the same.....*

Teresa Perez  
Community Affairs Officer  
[tperez@fdic.gov](mailto:tperez@fdic.gov)  
816.234.8151

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