



A Nonpartisan Public Policy and Research Office of the Connecticut General Assembly

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*With 21 volunteer  
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## **Aging Committee**

### **Testimony on SB 163: An Act Concerning Protections for Consumers Applying for Reverse Mortgages**

#### **Deb Migneault**

##### **Senior Policy Analyst, Connecticut's Legislative Commission on Aging**

Senator Flexer, Representative Serra and esteemed members of the Aging Committee, my name is Deb Migneault and I am the Senior Policy Analyst for Connecticut's Legislative Commission on Aging. As you know, Connecticut's Legislative Commission on Aging is the non-partisan, public policy and research office of the General Assembly, devoted to preparing Connecticut for a significantly changed demographic and enhancing the lives of the present and future generations of older adults.

Reverse mortgages can be a helpful tool for financial planning for older adults. However, they are complex financial planning products that should be well understood before committing. Unfortunately, reverse mortgage scams exist and older adults sign for a loan that is not appropriate for their situation and end up in damaging and difficult financial situations.

The Commission has received calls into our office about predatory lending scams of this type. Generally family members have called after being very concerned about an older adult who did not understand the type of loan they were signing.

Financial elder abuse and exploitation is a growing social problem in Connecticut and nationally, a 2011 MetLife study estimated that older adults lose at least \$2.9 billion due to financial abuse and exploitation. Additionally, there are 74,000 people in Connecticut living with dementia; this number is expected to increase to 91,000 by 2025. This population of people is particularly at risk of reverse mortgage predatory lending scams. The Commission on Aging supports efforts that seek to better inform potential borrowers and family members about these financial planning products.