



PROTECT YOURSELF FROM FRAUD

Resources to Help You Achieve Financial Security

ABOUT US

The Department of Financial Protection and Innovation (DFPI) helps protect consumers by regulating financial services, fostering responsible innovation, and establishing and enforcing financial regulations that promote transparency and accountability in the state of California. We empower all Californians to access a fair and equitable financial marketplace through education and to prevent potential risks, fraud, and abuse.

The DFPI licenses and oversees credit repair and consumer credit reporting companies, debt collectors, debt relief companies, broker-dealer and investment advisors, payday loan providers, state-chartered banks and credit unions, student loan servicers, and more. For a full list of the industries and professionals that the DFPI oversees, visit dfpi.ca.gov.

The DFPI investigates all claims of unlawful, unfair, deceptive, and abusive practices by financial service providers.

If you have any questions about the DFPI or would like to submit a complaint, contact us at:



TOLL-FREE 1-866-275-2677
TTY 1-800-735-2922
dfpi.ca.gov

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DO YOUR OWN RESEARCH

Make smart financial choices.

At the DFPI, we believe the more information you have, the more empowered you can be. We work hard to provide Californians with information, financial education, fraud and scam alerts, resources, and tools to check if your financial provider is licensed with us.

This publication is just one resource designed to help you identify fraud, avoid scams, safeguard personal and financial data, and know your rights. It also contains valuable tips on doing your own research. Think of this as a helpful starting point in your financial decision-making.



Top 10 Do Your Own Research Tips

- 1. If It Sounds Too Good to Be True, It Probably Is.** When it comes to a potential investment or other financial opportunity, always trust your instincts. If it doesn't feel right, it probably isn't!
- 2. Research Every Detail.** Before committing to anything financial, review legal documents, revenue reports, leadership information, etc. If you can't find anything or a contact can't provide more information, don't proceed.
- 3. Know Your Rights.** Be sure to review the **Know Your Financial Rights** section on **page 33** to familiarize and protect yourself from harassment and unfair practices. Every Californian has debt collection, private student loan borrowing, and other consumer rights.
- 4. Avoid Spending or Investing More Than You Can Afford to Lose.** Markets can be volatile, and unexpected costs can occur. Be smart with how much you invest or spend so you don't get hit with losses you can't come back from.
- 5. Don't Send Money Without Doing Your Own Research.** Even if you trust the person telling you about a potential investment, they may not have all the facts. Be sure to confirm the details, especially if you don't really know them or have never met in person.
- 6. Nothing Is Guaranteed.** There's no such thing as an investment without risk! If you are being promised little to no risk with guaranteed high returns, it's probably a scam.
- 7. Be Suspicious If You're Told to Keep Quiet.** Legitimate financial programs, assets, or investments are generally registered or licensed with a state or federal regulator, such as the DFPI or Securities and Exchange Commission (SEC).
- 8. Avoid Anything Not Provided in Writing.** All agreements, contracts, and terms should be documented and kept for your records. This can help you keep track if changes are made without your knowledge.
- 9. Get a Second Opinion.** If you aren't sure about a financial matter, consult a third party such as an attorney, certified accountant, or licensed financial advisor.
- 10. Verify Everything.** Always check whether an advisor, professional, financial product, or institution is registered or licensed at dfpi.ca.gov/verify. The **Check Before You Invest** form on **page 67** of this booklet is another great tool you can use to help verify the information of the person or company you are working with.

Don't forget to share this information with friends, family, and members of your community. It can make all the difference in reducing financial risks.

To get started doing your own research, visit dfpi.ca.gov/consumers.



Think you've been the victim of a scam?

Visit dfpi.ca.gov/submit-a-complaint or call 1-866-275-2677 to submit a complaint.

COMMON FRAUDS AND SCAMS

Scammers are always finding new ways to cheat victims out of their money. Whether it's through investment fraud or some other type of financial scheme, their tactics range from easy to elaborate. Read through this section to see how some of the most common frauds and scams work and what you can do to protect yourself.



INVESTMENT FRAUD AND SCAMS

Understanding the risks and rewards of investing can be complicated. Learn what to look out for to help you make smart investment choices.

Affinity Scams

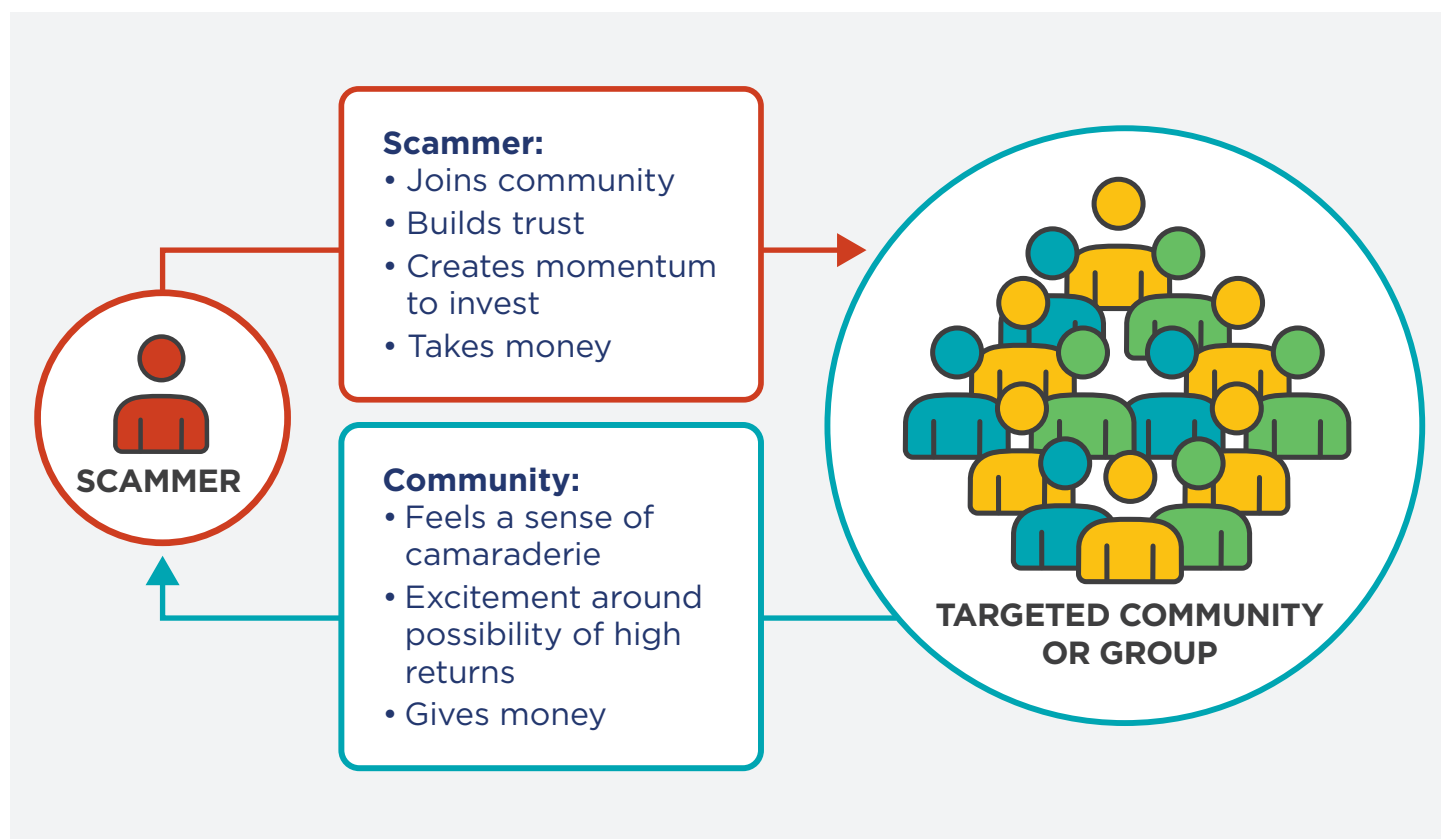
WHAT IT IS: Affinity fraud refers to an investment scam that preys upon members of identifiable groups, such as religious or ethnic communities, the elderly, or professional associations.

HOW IT WORKS: People who promote affinity scams frequently are, or pretend to be, members of these associations. They often enlist respected leaders from within the targeted groups to convince others that a fraudulent investment is legitimate and worthwhile. Military ties can also be exploited in some cases by fellow servicemembers or veterans to commit affinity fraud.



Scamming the group

Many scams can be considered affinity fraud because of the way they target their victims. Ponzi and pyramid schemes are just two examples. They can occur online, in social media groups, in chat threads, or in real life among a group of people in a community like a church.



Because these scams are so well-developed, they often feel authentic. Some scammers have an office, an “official” site, or even staff. It’s part of an intentional effort to create legitimacy, build trust, and then take victims’ cash.



If you think you’ve been the victim of an affinity scam, submit a complaint with the DFPI. See the **Resource Guide** on page 59 for more information.

Bait-and-Switch Schemes

WHAT THEY ARE: Bait-and-switch schemes are used by dishonest salespeople to change the details of financial agreements, investment products, or contracts.

HOW THEY WORK: Scammers may alter the interest rates, terms and conditions, results, or other important details of an agreement. They may also try to convince you to buy products or investments that you cannot afford, are not in your best interest, or may be entirely different from what you were originally promised.



Avoid anything not provided in writing. Never sign a blank form, and always check to make sure your paperwork or contract matches the terms you originally agreed upon.

Commodities Fraud

WHAT IT IS: This type of fraud includes attempts to sell you futures or options on commodities, including precious metals, foreign currency (also known as “forex”), energy resources like crude oil, or agricultural products such as corn or soybeans.

HOW IT WORKS: Investing in commodities is very risky and even experienced investors can incur large losses very quickly. Fraudsters may try to deny these risks, make false claims, or improperly disclose information. They may also attempt to sell you commodities that they do not have or charge you high fees for storing the commodities.



Verify the credentials of any salesperson trying to sell you futures, precious metals, or commodities options. Always ask for financial documentation and report fraud to the DFPI.

Crypto Scams

WHAT THEY ARE: Crypto scammers use a variety of tactics to lure and scam victims. These scammers take advantage of the fact that many victims are not experienced and knowledgeable about crypto assets.

HOW THEY WORK: Here's an overview of some of the most common crypto scams and the methods scammers use. Remember, scammers will sometimes combine these methods with other schemes to maximize the effectiveness of the scam and the amount of money they can steal.



Fake Crypto Assets: This type of scam can take many forms. In one version, scammers name their crypto assets very similar to another popular crypto asset, like Bitcoin, in hopes that investors will not notice or may think these are associated.



Imposter Scams: In these schemes, scammers claim to be from a legitimate company and that something has gone wrong with a user's account. They will ask for account information for verification purposes. In reality, these scammers are using the information to hack into the account to steal crypto assets.



Mining Scams: This type of scam invites people to invest in a crypto "mining operation," promising returns. But the scammers may not even have mining equipment, or their setups are too small to provide the promised returns.



Rug Pulls: As with "pump-and-dump" fraud (see [page 11](#)), scammers may hype up a crypto asset to rapidly increase its price. Then they sell their own crypto assets at the resulting inflated price. Afterward, the value of the crypto asset will deflate, leaving any remaining investors to take large losses.



Romance Scams/Pig Butchering Scams: In these schemes, scammers create the feeling of a trusting romantic relationship or friendship. They build elaborate stories about who they are and may even claim to be crypto experts. This can go on for weeks or months. Then scammers claim to need money, in an attempt to leverage the trust they've earned to convince their victim to invest in crypto assets or transfer crypto assets to them. When the person finally realizes the relationship is fake, the scammer has already disappeared with the money or crypto assets.



Withdrawal Fee Scams: Scammers promise large profits to victims who purchase crypto assets from them. But when victims try to withdraw their earnings or crypto assets, suddenly the scammers say investors need to pay "taxes" or "fees" to get their money back. In reality, there are no profits, and the original investment is gone. The supposed "taxes" and "fees" are just more ways the scammer is attempting to get additional money.



Learn more about crypto assets on [page 27](#).



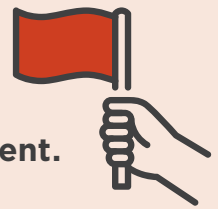
BEWARE: If you have been a victim of a crypto scam, you may be tempted to use a nongovernment “cyber-forensic” service or company to recover your assets or money. However, these third-party companies can be expensive and ineffective. As with any financial matter, **avoid investing more than you can afford to lose.** You should also **avoid sharing financial or personal information** with someone you meet online who says they are a friend, family, or financial expert.

Always check the DFPI’s crypto scam tracker (dfpi.ca.gov/crypto-scams) to keep up-to-date on the latest crypto scams.

RED FLAG ALERT

Be suspicious if:

- Someone pushes you to use **crypto assets as a form of payment.**
- Someone pressures you with **FOMO (“Fear of Missing Out”)** to get you to invest.
- Your personal or **financial information (such as crypto wallet information) is requested.**
- You receive **unsolicited calls, texts, and emails** from someone claiming to be from a legitimate company or government agency.



“Free Meal” or “Free Lunch” Seminars

WHAT THEY ARE: Seminars that offer free meals and information about investment opportunities, insurance products, wills, and trusts are often called “free lunch” seminars.

HOW THEY WORK: Older adults are frequently invited to these seminars, but these events are rarely about education. The goal is to recruit new clients and sell products. They may try to sell you unsuitable investments or convince you to replace your existing investments. If they do not disclose their fees and commissions, it may be difficult to accurately compare products and services.



There’s no such thing as “free,” “guaranteed,” or “no risk.” Remain cautious of these seminars. These may be schemes to obtain your personal and financial information.

Ponzi Schemes

WHAT THEY ARE: These are schemes that rely on new investors to pay earlier investors. They use incoming funds to create the illusion that the investment provides dependable returns.

HOW THEY WORK: Ponzi schemes are run by fraudulent portfolio or investment managers who lure investors on the promise of low risk and high returns, but the money is never really invested. In most cases, the manager steals the funds for their personal use. When an investor asks to withdraw their money, the manager simply uses another investor's money to pay them back. This type of scheme eventually collapses, and the investors almost always lose all their money.

Ponzi schemes can sometimes be confused with pyramid schemes. For more information on both, see **“Pyramid vs. Ponzi: Which Scheme Is It?”** on pages 13–14.



Research all investments thoroughly. Always ask to view financial documents to see if an investment is regulated. Contact the DFPI if you think you are the target or victim of a Ponzi scheme. See the **Resource Guide** on page 59 for more information.

RED FLAG ALERT

Be suspicious if: An investment manager **cannot provide proof of a securities license**. All money managers in California must be registered with the DFPI or have a securities license. You can check if they are registered or licensed at dfpi.ca.gov/verify.



Promissory Note Fraud

WHAT IT IS: A promissory note is a form of debt that companies sometimes use, like loans, to raise funding for their operations. The company promises to return the note buyer's funds and make fixed-interest payments in exchange for borrowing the money. Promissory notes have set terms, or repayment periods, ranging from a few months to several years. Some promissory notes can be legitimate investments, while others turn out to be fraudulent.

HOW IT WORKS: Promissory note fraud involves persuading life insurance agents and other financial professionals to sell these “guaranteed” or “insured” products to ill-informed investors by promising a high fixed rate of return and a low level of risk. In some cases, those perpetrating the scam pay commissions to sellers from the money collected and embezzle the rest of the funds. In other situations, promissory note fraud takes the form of a Ponzi scheme, and the old investors are paid with the proceeds from new investors. Investors who consider buying promissory notes should research them thoroughly.



Verify a salesperson's credentials. Anyone selling promissory notes must be registered with the DFPI. Contact the DFPI to verify whether a seller is properly licensed and in compliance with California's securities laws. See the **Resource Guide** of this booklet on **page 59**.

You can also check with the SEC at sec.gov/edgar to see if a promissory note is registered. Most promissory notes are securities and must be registered with the SEC. Remember that securities are never guaranteed and there is always some risk involved.

Pump-and-Dump Fraud

WHAT IT IS: Because of supply and demand principles, the general price of a stock or other security will go up or down through the regular activities of its buyers and sellers. However, in a pump-and-dump scheme, fraudsters create a buying frenzy that will “pump” up the price of a stock and then “dump” shares of the stock by selling their own shares at the inflated price.

HOW IT WORKS: This type of illegal securities fraud involves artificially inflating the price of a stock through false and misleading positive statements to sell the stock at a higher price. Once the fraudsters dump their shares and stop hyping the stock, the stock price typically falls and investors lose money.



Research all investments thoroughly using multiple sources before investing in a trending stock or accepting an influencer's hype. False or misleading information about a company's stock price or future may be spread through sources such as social media, investment research websites, investment newsletters, online advertisements, email, internet chat rooms, direct mail, newspapers, magazines, and radio.

Pyramid Schemes

WHAT THEY ARE: Many affinity fraud scams involve pyramid schemes. New investors must pay a fee and recruit others to earn extra money or commissions.

HOW THEY WORK: Recruitment is key to pyramid schemes. Like Ponzi schemes, they rely on money from new investors to pay existing ones. But unlike Ponzi schemes, the people at the top must continue to recruit more people, who then must recruit more people to continue the scheme. Pyramid schemes may also require recruits to sell products to earn commissions.



Be aware that the person telling you about an investment may not have done their research. Ask for financial statements that prove how revenue is generated with any investment opportunity.

RED FLAG ALERT

Be suspicious if:

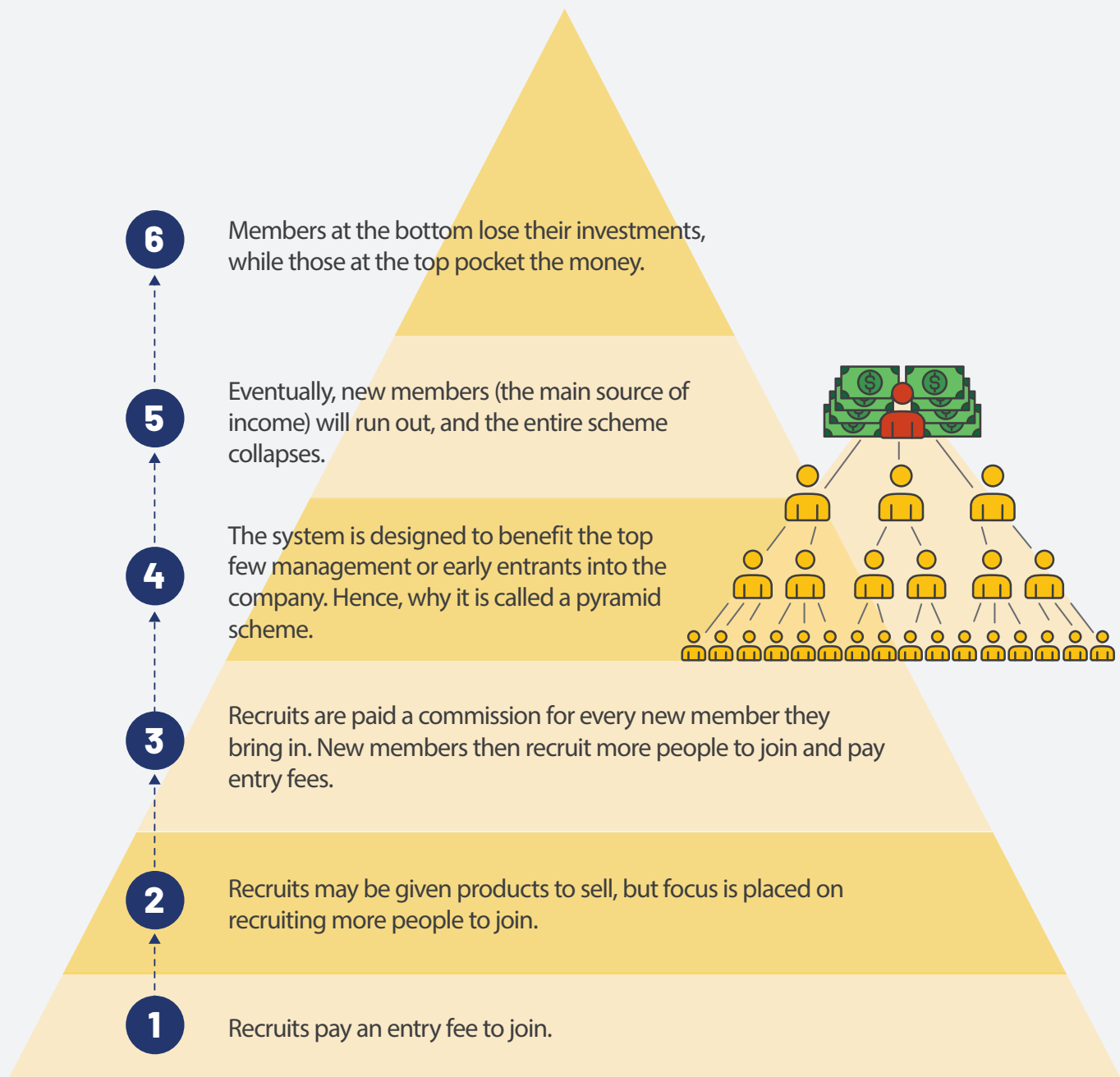
- Each recruit must make an **upfront investment** or purchase to join.
- New recruits are **required to purchase more products than they can reasonably sell.**
- **Participants make money on each new recruit.**
- **There is a “no-refund policy.”**



PYRAMID VS. PONZI: WHICH SCHEME IS IT?

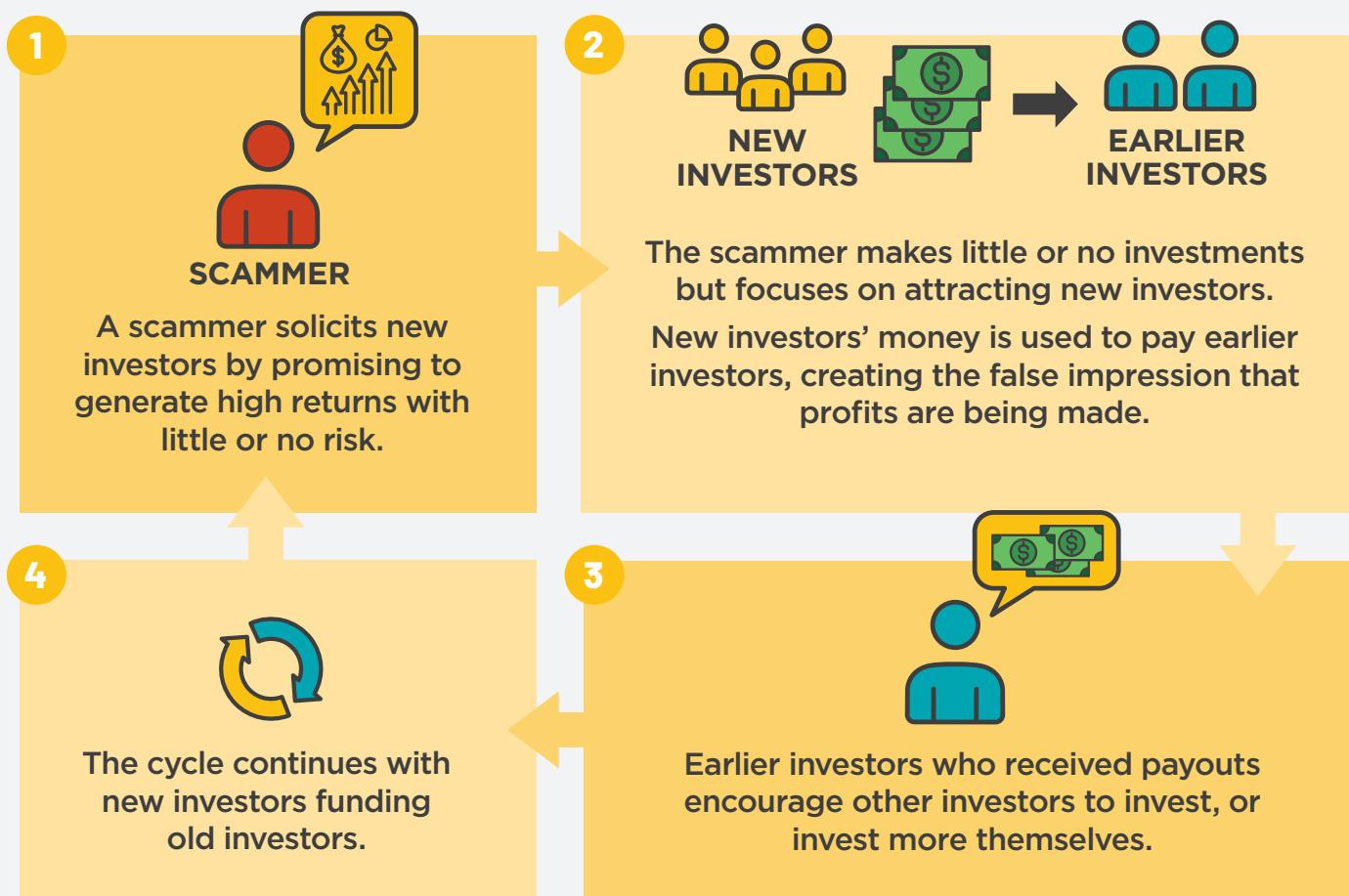
PYRAMID SCHEME

- A scammer starts by recruiting new investors.
- Recruitment is compensated, and new recruits pay a fee to join.
- Product sales may also be involved as a part of compensation.



PONZI SCHEME

The scammer/“portfolio manager” does the legwork of bringing in new investors.



Inevitably the investor pool dries up and the scheme falls apart.

This collapse is common for both Ponzi and pyramid schemes. Investors often end up with losses they can't get back.



If you think you've been the target of either a pyramid or Ponzi scheme, report it to the DFPI at dfpi.ca.gov/submit-a-complaint. See the Resource Guide on page 59 for more information.

More Smart Tips Before You Start Investing

In addition to doing your research, you should also review your current financial situation.

Ask yourself these **10 Questions About Potential Costs** before making any investments:

1. How much can I afford to lose, and does the investment meet my needs?
2. What are all the risks associated with this investment?
3. Are there consumer protections and disclosures in place for this investment?
4. Does the investment allow me to access funds to meet my future cash needs without significant penalties?
5. What are the tax implications?
6. Are there other less risky investment options available?
7. Do I prefer to pay for investment services through a fixed fee, a commission, a charge per transaction, a percentage of assets in my account, or a combination of these?
8. Will my investment be in an advisory account or a brokerage account?
9. Has the salesperson disclosed potential conflicts of interest and other sources of commission in writing?
10. Am I being rushed into my decision?

Make sure you have a plan in place if you decide to invest. For example, investments will often have limited access, fees, or even penalties for withdrawals. You should not rely on your investments to cover any unexpected expenses. Be sure to have an emergency fund to cover your living expenses and other unforeseen expenses for at least three to six months. Keep this fund in an insured bank or credit union account where you can access it if you need to.



Are you concerned about your investment or securities salesperson?

Sometimes salespeople will try to create the impression they have special credentials or expertise in services and products. Be wary if a salesperson's credentials contain words like "specialist," "certified," or "registered."



Remember to ask your salesperson if they receive compensation from other sources if you buy a particular stock, mutual fund, bond, annuity, or any other investment they recommend. You can also contact the DFPI to verify their license. See the **Resource Guide** on **page 59** to learn how.



Want more helpful investment resources and information?

Visit dfpi.ca.gov/get-help to connect to state and federal regulator resources, consumer education on how to grow and protect wealth, and other research tools.



FINANCIAL FRAUD AND SCAMS

In this section, you'll learn about the most common financial scams, how to spot red flags, and what actions to take if you think you've been scammed or have been a victim of fraud.



Reminder: Check the DFPI website for fraud and scam alerts.

If you think you have been a target of any of the scams listed here, be sure to report it to the DFPI at dfpi.ca.gov/submit-a-complaint.



You can also report these scams to the Federal Trade Commission (FTC) at reportfraud.ftc.gov or by calling 1-877-382-4357.

Bogus Online Sales

WHAT THEY ARE: These scams use online auctions or classified listing websites to offer jobs, apartments, or goods at an attractive price for a quick sale or move-in. They may claim to be a family moving in a hurry, a military servicemember heading to a new assignment, or someone just needing money for an emergency.

HOW THEY WORK: With these bogus online sales, the scammer often has nothing to offer and will take your money. They may demand payment upfront or ask for your personal financial information before exchanging goods.



Don't provide your financial or personal information to someone without doing your research. You should also avoid meeting sellers alone or at locations you aren't familiar with.

RED FLAG ALERT

Be suspicious if:

- A seller demands payment without giving you a chance to **see the product in person** and verify its condition.
- **The listing is from out of state.** Even if they provide a physical address, you still need to verify information on the sale.



Charity Scams

WHAT THEY ARE: These are scams that prey on the generosity of others, especially after well-publicized disasters such as earthquakes, hurricanes, or fires.

HOW THEY WORK: Charity scams work by taking advantage of people's emotions to convince them that their donations can be of help. In some instances, these charities do not even exist. They may solicit money by phone, mail, or in person.



Research all financial matters thoroughly. Verify that a charity is legitimate before sending a check or providing your credit card number. You can also submit a complaint with the Office of the Attorney General if your charitable donations were misapplied or misused through fraud or other means. Visit dfpi.ca.gov/get-help to learn more.

RED FLAG ALERT

Be suspicious if: You receive a solicitation from an individual **claiming to be from a fire department or law enforcement agency.**



Foreign Letter Scams

WHAT THEY ARE: These scams involve sending letters or emails purportedly from a foreign government, official, magistrate, widow, or even a military servicemember asking for someone's personal or bank account information.

HOW THEY WORK: Scammers will often represent themselves as foreign government officials asking for your help in placing large sums of money in overseas bank accounts. In addition to asking for personal information, they falsely promise big monetary rewards for your cooperation.



Don't send money or give your financial/personal information to someone you do not know. Nothing is guaranteed. Always check the DFPI website for fraud and scam alerts if you receive something resembling a foreign letter scam.

Grandparent or Relative Scams

WHAT THEY ARE: In these scams, a grandparent receives a call from a scammer claiming to be a relative (usually a grandchild).

HOW THEY WORK: The scammer describes various versions of an emergency like being arrested, needing a car repair, going to a hospital, or being deployed in the military. They often call from a noisy location, sound stressed, and claim they only have a few moments to talk. Sometimes another person comes on the line posing as a lawyer, doctor, or an arresting officer. It's all meant to create a sense of urgency.

The scammer then asks the grandparent to immediately wire money and not tell anyone. They usually ask for several thousand dollars and may even call back again several hours or days later asking for more money to be wired or to provide bank account routing numbers. They may also ask for financial help in the form of gift cards or crypto assets.

Artificial intelligence enhancements: To make these types of scams more convincing, scammers are now using artificial intelligence to replicate the voice of family members or someone you know. It can be very compelling, especially when you hear a loved one's voice pleading for help. Scammers can take video from social media, other websites, and even a previous phone call, clone it to a soundboard, and then make it say anything they want.



Do not send money to someone you don't know, regardless of how trustworthy they seem, especially if they claim to be a family member. Verify the details first with other relatives, and confirm if the contact information is legitimate. And never disclose personal or financial information over the phone.

Home or Vacation Rental Scams

WHAT THEY ARE: These are falsely advertised home or vacation rentals designed to take your rental deposit and other fees.

HOW THEY WORK: Scammers can falsely advertise a dwelling as their own, hijack legitimate rental listings, or copy legitimate listings but change the contact information. After they've taken your rental deposit or other fees, they leave you with fake keys for the dwelling.



Do your own research and be cautious when using listing services and searching the internet for home or vacation rentals.

Internet Romance Scams

WHAT THEY ARE: An internet romance scheme happens when a scammer creates a false profile on dating sites or social media and develops relationships with unsuspecting individuals. It may also be referred to as “catfishing” and can lead to online fraud.

HOW THEY WORK: These fake love interests might profess their love for you and appeal to your interests. Once they have your trust and affection, they try to tug at your heartstrings with sad stories about how they need money for an emergency or medical bills.



Do not invest or send money just because someone asks you to—no matter how trustworthy they seem. If your online sweetheart asks for money, it’s likely a scam.

Be careful sharing personal information online, too. Scammers like to use your personal interests and dislikes to approach and build relationships with their victims.

IRS Scams

WHAT THEY ARE: These occur when scammers impersonate the Internal Revenue Service (IRS) by phone, email, and in person.

HOW THEY WORK: IRS scammers can be aggressive, convincing, and even threatening, claiming you owe taxes and need to make a payment immediately. They will request your personal or financial information under the guise that you are paying off your debt to the government.



Don’t give your personal or financial information to anyone, regardless of how trustworthy or urgent their communication may be. Caller IDs can also be changed to display “IRS.”



You can report scammers to the Treasury Inspector General for Tax Administration (TIGTA). You can also call the IRS if you think you owe federal taxes. See the **Resource Guide** on **page 59** or visit dfpi.ca.gov/get-help to learn more.

RED FLAG ALERT

Be suspicious if: **You receive a call or message from anyone claiming to be from the IRS.** The IRS and other government agencies will typically contact you in writing. They will never ask for payment over the phone.



Lotteries and Sweepstakes Scams

WHAT THEY ARE: These scams typically involve someone receiving a letter, email, or text message claiming they have won a foreign lottery or sweepstakes.

HOW THEY WORK: Scammers will tell people to claim their prize by sending a personal check, money order, or wire transfer to cover taxes, fees, shipping costs, or insurance.



Do your own research. The truth is, it's illegal for a U.S. resident to play a foreign lottery. Any letter or email from a lottery or sweepstakes that asks you to pay taxes, fees, shipping, or insurance to claim your prize is also illegal. Remember that there's no such thing as a guaranteed return, and do not send money to strangers, regardless of how trustworthy they seem.

Phishing

WHAT IT IS: Phishing is a scheme used by scammers to steal your identity and money and is a form of online fraud.

HOW IT WORKS: Phishing relies on legitimate-looking emails or text messages to gather your personal and financial information such as a Social Security number, banking PIN or password, or credit/debit card number. They may even call your phone and leave voicemails.

These messages may appear to be from a government agency (like the IRS), your bank or credit union, or popular retail stores. They will instruct you to click on a link or open an attachment that can infect your computer or phone with malware (malicious software). They can also take you to fake websites or transmit your personal information to the scammer. The messages are so elaborate, that they may even look like they are from friends or family.



Don't send money or give your financial/personal information to someone you do not know. If you think you've received a phishing message, **DO NOT** follow the instructions in the message. Instead, directly contact the agency, department, business, or person to verify if they sent you the message.



For more tips on how to avoid online fraud, see the **Safeguarding Personal and Financial Information** on page 48.

Student Loan Scams

WHAT THEY ARE: Student loan scams can promise to consolidate your student loans or have your student loan debt forgiven or discharged. The Student Loan Servicing Act and other laws have established state standards to ensure consistent, fair, and quality servicing for the more than 4 million Californians who have student loans.

HOW THEY WORK: Companies involved with student loan scams may charge fees upfront to begin helping you with your student loans. These illegal fees can apply to loan consolidation and methods of lowering your student loan debt. They may even promise to get your loan forgiven.



Do your own research and know your rights. The DFPI licenses and regulates student loan servicers operating in California and has a dedicated Student Loan Ombudsperson who reviews, analyzes, and makes recommendations on complex student borrower complaints. It is illegal for any company to charge fees upfront before settling or lowering the student's loan debt. Refer to the **Know Your Financial Rights** on page 33 for more on your student loan debt collection rights.

RED FLAG ALERT

Be suspicious if: **A company demands payment upfront to consolidate your student loans or to have your loan forgiven.**



Think you've been the victim of a scam? If you have been scammed or think someone is trying to scam you, submit a complaint with the DFPI and other state and federal regulators. Learn more at dfpi.ca.gov/get-help.

SUMMARY

There are many investment products and financial options out there. Doing your own research can help protect you from bad investments or potential victimization by scammers. Always use caution when considering any financial opportunity. Check if your advisors or salespeople are licensed, and review as much information on the product or investment as possible.



KNOW THE FINANCIAL RISKS

Some financial products or services are marketed as quick and easy options to help consumers pay for items or pay down debt. But behind the fine print, there may be hidden terms, fees, or consequences that make them more costly. This section is designed to help you understand some popular financial products—and why you should be extra cautious when considering them.



Annuities

WHAT THEY ARE: An annuity is a complex contract in which an insurance company makes a series of payments to you at regular intervals in return for a premium. Annuities are often purchased for future retirement income.

HOW THEY WORK: Older adults may be targeted and coerced into purchasing annuities. These predatory practices may result in commission for the salesperson and financial loss or burden for the investor. Although older adults are often a target, younger adults may also fall victim, too.

It is important to know whether an annuity fits your situation before signing a contract. For some, an annuity can be an appropriate part of an overall financial plan. For others, it may not be the right fit for their financial needs. Consider your goals, as well as how much risk you are willing to take.

In addition, some annuity products also carry high surrender fees. California requires individual annuity contracts for older adults to disclose the surrender-charge time frame or period. Talk to a financial professional, such as a certified financial advisor, planner, or tax consultant before you decide to purchase an annuity. Ask about the drawbacks, not just the benefits of an annuity.



Don't sign anything without consulting an uninterested third party.

If you think you are a victim or target of annuity abuse, contact the DFPI or the California Department of Insurance for more information or to submit a complaint. See the **Resource Guide** of this booklet on **page 59** for more information.

Anticipatory Loans

WHAT THEY ARE: Anticipatory loans allow you to borrow against future income, such as a pending tax refund or court settlement.

HOW THEY WORK: These loans do not require a credit check or lengthy approval process and may seem to be an easy way to get cash in a hurry. But they will reduce your future income by the amount of the loan, plus the fees and high interest.



Do your own research and know your options. To avoid loan costs and to get your tax refund faster, have it deposited directly into your checking or savings account.

Buy Now, Pay Later

WHAT IT IS: Buy Now, Pay Later (BNPL) plans are alternative lending products that allow customers to make full purchases but spread their payments out over short-term installments.

HOW IT WORKS: BNPLs tend to have fewer protections and more conditions than traditional loans or credit cards. They can even have additional fees hidden in their fine print.

Keeping track of payment plans and due dates can also be harder, especially when divided across different services and numerous transactions. Customers may run the risk of overspending since many BNPL plans allow multiple concurrent loans.



Avoid spending more than you can afford to lose. Before using a BNPL plan, make sure you're adequately informed about the BNPL service, its terms, and alternatives offered by different lenders to avoid owing more than you bargained for.

Car Title Loans

WHAT THEY ARE: These are loans less than \$2,500 that require borrowers to sign over the title to their vehicle (car, truck, or motorcycle) to the lender.

HOW THEY WORK: Borrowers pay the lender a fee to borrow the money. In California, consumers usually must pay the loan back within two years and can be charged very high interest rates, making this a risky option for some. If the borrower cannot repay the loan by the due date, the lender can repossess and sell the vehicle that was used as collateral. If the car sells for more than the unpaid loan amount, the borrower is entitled to the excess balance.



Don't enter into a financial agreement without consulting a third party like an attorney, certified accountant, or licensed financial advisor. If you are considering a car title loan to pay for living expenses, you should first consider talking to a financial counselor to review all your options.

Crypto Assets

WHAT THEY ARE: The term “crypto assets” refers to a digital asset, which may be a medium of exchange, for which generation or ownership records are supported through a blockchain technology. A common issue consumers face is understanding how crypto assets work and what they are really worth.



POPULAR EXAMPLES OF CRYPTO ASSETS INCLUDE:

- **Digital currency (commonly called cryptocurrency)** is virtual money that can generally be used as a form of payment for goods and services. Popular cryptocurrencies include Bitcoin and Ethereum.
- **Non-fungible tokens (NFTs)** are uniquely identifiable digital assets (such as artwork or multimedia) that can be authenticated and verified by their specific owners.
- **Stablecoin** is a crypto asset that is pegged at a fixed exchange rate. It is often marketed in a way to establish a belief that the stablecoin will retain its value, implying fixed stability.
- **Tokenized real estate** is units of ownership representing virtual equity or property, usually in a virtual world or platform.

Scammers commonly instruct their victims to send crypto assets as part of their fraud or scam, largely because of the belief that tracing these transactions and identifying the scammer is more difficult (see “**Crypto Scams**” on page 8).

HOW THEY WORK: Crypto assets, and products that use them, are not regulated to the same extent as U.S. dollars and products that use U.S. dollars. For example, unlike traditional bank accounts, there is no government insurance available if a company holding your crypto assets goes bankrupt. Investing in or purchasing crypto assets does not guarantee that you’ll make money. If someone is making such a promise, it’s a red flag.



Take your time and do your research! Do not be influenced by others or by FOMO. Nongovernment websites, news articles, social media videos, or influencers are not licensed investment advisors and should be treated with skepticism. There is no such thing as a guaranteed return. Never invest more than you can afford to lose, and understand each investment’s risk. Visit dfpi.ca.gov/get-help for more on how to verify a crypto asset registration, information related to the new California Digital Financial Asset Law, and more.

Debt Relief and Credit Repair Companies

WHAT THEY ARE: Debt relief, debt settlement, or credit repair companies market themselves as negotiators who can work out deals with creditors, usually on unsecured debt such as credit card or student loan debt, to consumers experiencing credit-related issues.

HOW THEY WORK: Debt relief and debt settlement companies may promise to negotiate with creditors to reduce the amount owed or to reduce the interest rate and periodic payment amount for consumers. Credit repair companies typically offer to work with creditors and credit reporting agencies to remove inaccurate or negative information from your credit report with promises to increase your credit score. Some of these companies may not fulfill these promises, while charging consumers fees for their services. Generally, these companies are prohibited from collecting upfront fees before providing services on your behalf. Furthermore, many of the services offered by these companies can be done yourself or with the assistance of a nonprofit organization at no cost.

IF YOU'RE DEALING WITH CREDIT ISSUES:



- Consider contacting your creditors directly to ask for late-fee waivers, reduced interest rates, and to work with you on a repayment schedule within your budget.
- Or contact a credit counseling nonprofit, a financial counselor, or a financial advisor for a more comprehensive solution. Oftentimes, the underlying problem is more than just a lack of money. It could be a need to change spending habits or develop a reasonable budget.



Research all your options before choosing a debt relief provider or credit repair company.

Check the DFPI website to see if a debt relief or credit repair company has an enforcement action against them at dfpi.ca.gov/enforcements. For more information on assistance with credit or creditor problems, visit dfpi.ca.gov/get-help.

Installment Loans

WHAT THEY ARE: Consumers who need to borrow more than the amount allowable through payday loans (see “**Payday Loans and Online Cash Advances**” on **page 29**) may try installment loans—another lending product licensed by the DFPI under the California Financing Law.

HOW THEY WORK: These loans are repaid in installments, usually over one year or more. Lenders can report payments to the credit bureaus, so consumers can improve their credit rating over time.



Always do your research before you sign a contract with any lender.

Calculate the full cost of the loan. Review the terms so you don't have to pay unnecessary fees or take on costs you can't afford. Verify that the company offering an installment loan is licensed by the DFPI at dfpi.ca.gov/verify.

Overdraft Fees

WHAT THEY ARE: These are fees incurred when withdrawals or charges are made from your bank or credit union account and there are not enough funds to cover the transaction. These transactions can include ATM withdrawals or transfers, debit card purchases, autopay bill payments, bank checks, and other expenses that get paid electronically from your accounts.

HOW THEY WORK: Be mindful of making too many transactions or large withdrawals. Overdraft fees can quickly build up. If you have monthly bills automatically withdrawn from your account, make sure you have funds available to avoid incurring extra fees.



Verify everything, including your financial accounts. If you're concerned about inaccuracies with balances or transactions, contact your financial institution. Explain the problem and ask how it can get resolved. If contacting the bank or credit union does not produce results, you can contact the financial institution's regulator for assistance. Visit dfpi.ca.gov/get-help for more information.

Payday Loans and Online Cash Advances

WHAT THEY ARE: Payday loans and cash advances are two types of loans that an individual can use when they need money before their next payday. To receive one of these loans, a borrower must fill out an application, provide required documentation, and write a check which the lender does not cash until the borrower's next payday, up to 31 days later.

HOW THEY WORK: Although payday loans and online cash advances can seem like good options when you need money fast, they also present their own challenges.

In addition, because payday loans are often required to be paid back in 31 days, the interest on the loan amount can be much larger than on a traditional loan. This can lead to a cycle of debt, especially if you do not have the funds to pay it back.



Always do your research before obtaining a payday loan or cash advance. In California, payday loans—also called cash advances or deferred deposit loans—are regulated by the DFPI. Get the facts to help you determine if they are right for you. You can learn more in the DFPI's **“What You Need to Know About Payday Loans”** brochure at dfpi.us/paydayinfo or see the **Know Your Financial Rights** section on **page 33** for more information.

Rent-to-Own Contracts

WHAT THEY ARE: These contracts are a form of financing that allow consumers to make payments on products with the goal of eventually owning them. With rent-to-own, consumers are not taking out loans. They are committing to making scheduled payments over time for the right to use the product.

HOW THEY WORK: When consumers cannot afford to purchase a product outright, they may have the option to arrange a rent-to-own contract. If the consumer makes all scheduled periodic rental payments as agreed, the consumer takes ownership of the product. Some of these contracts may also include an option to buy the product early, known as an “early purchase option.” Although there is no interest in these contracts, the sum of payments usually far exceeds the original purchase price. Some companies may tack on additional lease or rental fees that make payments more expensive than expected.



Do your research and review contracts thoroughly to understand the terms, especially those related to servicing, repair, or replacement of property that is not working properly, and any damages for which you may be liable. Don't sign a contract that requires you to pay more than you can afford or allows for changing the rental contract or terms without your knowledge.

Student Loan Consolidation and Assistance

WHAT IT IS: If you are a student loan borrower with federal student loans, the U.S. Department of Education and your student loan service provide free assistance to help lower monthly student loan payments, consolidate student loans, apply for student loan forgiveness, or get you out of default. If you are a borrower with private loans, you can contact your lender for assistance with your student loan options.

HOW IT WORKS: Companies may contact student loan borrowers offering loan forgiveness or other student loan-related services for a fee. Many times, these companies are not affiliated with the Department of Education and may take your money or steal your identity without providing assistance. Your student loan servicer is required to assist you for free, or you may even be able to do it on your own. To find out more about student loan assistance scams, visit dfpi.ca.gov/student-loan-scams.

Additional resources for student loan borrowers include:

- The DFPI's Student Loan & Borrower Resources webpage: dfpi.ca.gov/backontrack
- Directory of Student Loan Servicers Licensed and Non-Licensed by the DFPI: dfpi.ca.gov/verify
- How to Avoid Student Loan Forgiveness Scams – Federal Student Aid: studentaid.gov/articles/avoid-student-loan-forgiveness-scams



Be sure to know your loan, your servicer, and your student borrower rights.

See the **Know Your Financial Rights** section on page 33 for more information or visit dfpi.ca.gov/backontrack/rights.

Unlicensed Internet Payday Lending

WHAT IT IS: Online payday lending websites that may be located out-of-state or overseas and are not licensed with the DFPI.

HOW IT WORKS: Unlicensed payday lenders may collect from your bank account directly without your permission; charge you a higher interest rate than state law allows; and sell or pirate your personal financial information. If they operate out-of-state or overseas, it can be difficult to track them down, prosecute, and recover lost funds.



Verify that a lender is licensed and that they are not the subject of an enforcement order before borrowing from them. Visit dfpi.ca.gov/verify for more information.

Viatical and Life Settlement Investments

WHAT THEY ARE: These high-risk investments usually involve terminally ill or older adults who sell the death benefit of their life insurance policy at a discount for cash. They may also accept cash to take out a new life insurance policy in their own name, based on their health and age. Once a broker secures the discounted death benefit, they then sell shares of the policy to investors, each to receive a proportionate share of the death benefit when the insured person dies.

HOW THEY WORK: These investments are often erroneously promoted as “guaranteed,” but they are not. In some cases, policies may have been fraudulently obtained or are offered by companies with no proven track record of paying premiums, dividends, or providing a return on investments when they become due.



Verify a salesperson’s credentials. If you have been approached and asked if a life insurance policy can be taken out on you, contact the DFPI or the California Department of Insurance. See the **Resource Guide** on page 59 for more information.

RED FLAG ALERT

Remember:

- **Precise dates of death cannot be predicted.**
- **All insurance policies are contestable** for two years after being issued.
- **All premiums must have been paid or the policy is canceled.**
- Other investment offers related to anticipated cash windfalls or future settlements (such as **insurance settlements, inheritances, or lottery winnings**) can have high risks, too.



SUMMARY

Sometimes situations arise when a financial product or service can seem like a smart choice. But remember to use caution! Do your research, review terms and conditions, and verify all information to ensure a product or service is licensed to do business in California by the DFPI. Just because something seems like a safe option doesn't mean it is.



KNOW YOUR FINANCIAL RIGHTS

In California, YOU have financial rights. Don't feel pressured to enter into agreements or concede to your creditors because you need money right away or fear you can't take action on a debt. Contact the DFPI or visit dfpi.ca.gov/consumers to learn how to avoid things like hidden fees, illegal programs, and predatory lending.



Debt Collectors and Buyers

California debt collectors and buyers, as well as debt collection attorneys operating in the state, must be licensed by the DFPI. If you are late making payments on a loan, a credit card, or other bills, you may be contacted by a debt collector.

Thanks to laws enacted in California and nationwide, there are rules that debt collectors and buyers must abide by. In addition, these laws establish rights for consumers that these companies cannot violate.



YOUR DEBT COLLECTION RIGHTS

Here are some of the rights you have as a consumer:

- **You have the right to stop contact.** Debt collectors are prohibited from contacting you if you request, in writing, for them not to do so.
- **You have the right to be free from harassment.** The Federal Fair Debt Collection Practices Act requires that you be treated fairly without harassment. Visit dfpi.ca.gov/get-help to connect to resources related to this legislation.
- **You have the right to ask for proof of the debt,** such as a copy of a bill.
- **You have the right to dispute any of the debt you are told you owe** within 30 days of initial contact by a debt collector.
- **You have the right to be free from false or misleading representations.** Debt collectors are also prohibited from falsely representing the amount or character of the debt.
- **You have the right to be free from debt collection activities for an identity theft-related debt.**
- **You have the right to submit a complaint to government agencies.**

The law also prohibits:

- Debt collectors from calling you before 8 a.m. and after 9 p.m. without your authorization.
- A collector from bringing a lawsuit or collecting a debt unless they can verify the ownership and amount of the debt. The law also ends lawsuits on uncollected debts that are barred by an applicable statute of limitations.
- If you have a problem with a debt collector, you can report it to the DFPI and the FTC. See the **Resource Guide** on **page 59** for more information.

RED FLAG ALERT

Be suspicious if: **You are contacted about a debt or transaction that is not yours.** This can be part of a scam to steal your personal information or money.





Visit dfpi.ca.gov to learn more about the additional protections provided to Californians through the Rosenthal Fair Debt Collection Practices Act. You can also review your rights on the DFPI website at dfpi.ca.gov/debt-collection.

California Homeowner Bill of Rights

These are a set of state laws that became effective on January 1, 2013, and provide protections to homeowners who are facing foreclosure. These protections generally apply to first-lien mortgages on owner-occupied homes that have no more than four units.



YOUR CALIFORNIA HOMEOWNER RIGHTS

Here are some of the rights you have as a homeowner:

- **Notification of foreclosure prevention options:** Your mortgage servicer must try to contact you at least 30 days before starting the foreclosure process to discuss your financial situation and explore your options to avoid foreclosure.
- **Guaranteed single point of contact:** If you ask for a loan modification or other foreclosure prevention option, your mortgage servicer must assign you a specific person or team who can help you.
- **Acknowledgment of application:** If you apply for a loan modification, your mortgage servicer must notify you within five business days of any missing information, deadlines, and other errors, for completing your application.
- **Restrictions on fees:** There is no fee to apply for a loan modification, and other fees can be waived depending on circumstances.
- **Restrictions on dual tracking:** Your mortgage servicer must generally pause the foreclosure process while it makes a decision on your loan modification.
- **Denial rights:** If your mortgage servicer denies your loan modification application, it must state its reasons and identify other possible foreclosure prevention options in writing. It must also give you a chance to appeal the denial.
- **Transfer rights:** If your mortgage servicer approves a loan modification or other foreclosure prevention alternative and then sells or transfers your loan to another servicer, the new servicer must honor that foreclosure prevention alternative.
- **Verification of documents:** Your servicer must review certain foreclosure documents to make sure they are accurate, complete, and supported by reliable evidence about your loan, your loan's status, and the servicer's right to foreclose.
- **Tenant rights:** Purchasers of foreclosed homes must give tenants at least 90 days before starting eviction proceedings.



If you are having trouble making payments, contact your servicer to ask for help. You can also submit a complaint regarding your mortgage servicer with the DFPI at dfpi.ca.gov/submit-a-complaint. The California Homeowner Bill of Rights on the California Office of the Attorney General's website is also a valuable source of information. See the **Resource Guide** on **page 59** to learn more.

Military Servicemembers' Financial Rights

The **Servicemembers Civil Relief Act (SCRA)** provides legal and financial protections for servicemembers during military or uniformed service. The SCRA applies to:

- Active duty members of the Army, Marine Corps, Navy, Air Force, and Coast Guard
- Members of the Reserve component when serving on active duty
- Members of the National Guard component mobilized under federal orders for more than 30 consecutive days
- Active duty commissioned officers of the Public Health Service or the National Oceanic and Atmospheric Administration

SCRA PROTECTIONS INCLUDE:

1. Reducing the interest rate on any pre-service loans to a maximum of 6%
2. Protections against default judgments in civil cases
3. Protections against foreclosure on a servicemember's home
4. Protections against repossession of a servicemember's property
5. The right of a servicemember to terminate their residential housing or automobile leases without penalty

SCRA rights may also be exercised by anyone holding a valid power of attorney for a servicemember. Some SCRA protections also apply to a servicemember's dependents. For more information on the SCRA, visit dfpi.ca.gov/get-help.

The **Military Lending Act (MLA)** is another federal law that provides additional protections to active duty servicemembers. The MLA applies to:

- Active duty members of the Army, Navy, Marine Corps, Air Force, and Coast Guard, if serving on active duty for more than 30 days.
- Servicemembers on active National Guard or Reserve duty for a period of 180 consecutive days or more.
- Dependents such as spouses, children younger than 21 years old, and full-time students younger than 23 (or of any age if incapacitated).

MLA PROTECTIONS INCLUDE:

1. A rate limit of 36% for many consumer loans (including payday loans, refund anticipation loans, vehicle title loans, overdraft lines of credit, and certain installment loans)
2. No mandatory waivers of certain legal rights
3. No mandatory allotments to secure a loan
4. No prepayment penalty



A servicemember can always contact their local Judge Advocate General's (JAG) office to learn about lending restrictions and their rights as a servicemember. Visit dfpi.ca.gov/get-help to find out how. You'll also find additional free resources for military servicemembers such as financial counseling services, tax filing services, legal assistance services, and more.

California Student Loan Borrower Rights

Did you know you have rights as a student loan borrower? Regardless of whether you have federal or private student loans, the California Student Borrower Bill of Rights requires that student loan servicers provide clear and accurate information, minimize fees, keep accurate records, and not engage in unfair or deceptive practices.

KNOW YOUR RIGHTS AS A CALIFORNIAN WITH FEDERAL AND PRIVATE STUDENT LOANS:

- Loan servicers must provide borrowers with accurate information about loan terms, repayment options, and benefits to avoid default.
- Loan servicers must process payments and documents in a timely manner.
- Loan servicers must minimize late fees—to not exceed 6% of the past due amount.
- Loan servicers must apply payments correctly and in a way that minimizes fees, charges, and interest payments. Overpayments must be posted and processed in the best financial interest of the borrower.
- Loan servicers must respond to a borrower's Qualified Written Request (QWR) within 30 business days. If a student loan is transferred, the original loan servicer must notify the borrower of these changes at least 15 days before a payment is due.
- Special protections are established for military borrowers, borrowers working in public service, older borrowers, and borrowers with disabilities.
- If a loan servicer does not follow the terms above, a borrower can take legal action against them. This is called a "Private Right of Action."

Payday Loans and Online Cash Advances

YOUR BORROWER RIGHTS

Payday lenders and online cash companies are required to post their California license and fees at every store and on websites and must provide contact phone numbers.

California law restricts payday and cash advance loans with a maximum face amount of \$300, and a lender cannot issue a new loan to pay off an existing payday loan.

The maximum fee that a payday and cash advance lender can charge is 15% of the face amount of a loan check. For example, a payday loan with a 15% finance fee and maximum face amount of \$300 will break down to \$255 and a \$45 finance fee. A 15% fee is equivalent to an annual percentage rate (APR) of 460% for a two-week loan. By comparison, a loan for a new car generally has an APR between 4% and 7%. APR is the total annual interest and any additional costs or fees that a borrower pays on a loan. APR is used to reveal the total cost of borrowing money.

If you request an extension of time or a payment plan, a payday lender cannot charge additional fees. However, they are not legally required to grant your extension request. If your check is returned for insufficient funds, you can only be charged one returned check fee not to exceed \$15, and a payday lender cannot prosecute you in criminal court for insufficient funds.

Online cash advance companies can also be located out of state and therefore don't offer the same consumer protections for Californians. They may even charge interest rates higher than what California law allows.



Always do your research before obtaining a payday loan or cash advance.

In California, payday loans—also called cash advances or deferred deposit loans—are regulated by the DFPI. Get the facts to help determine if they are right for you. You can learn more in the DFPI's **"What You Need to Know About Payday Loans"** brochure at dfpi.us/paydayinfo.

SUMMARY

At the DFPI, we know that financial emergencies can happen at any time. Being in financial hardship can make you more vulnerable to fraud, scams, and other unfair business practices. But you do have rights to help you take action!

Do NOT let fear or embarrassment stop you from reaching out or learning more. Do your own research and find resources on how to handle a variety of financial issues. Get started with the DFPI at dfpi.ca.gov/consumers.

FOR HOMEBUYERS AND OWNERS

Buying a home is one of the biggest goals for many Californians, but it can also be a complicated process to navigate. Additionally, scammers often target homeowners because a home is one of the largest assets and investments a consumer will ever own. These resources and information will assist you in the homebuying process and help you avoid scams that target owners.

In addition, remember that homeowners do have rights! You can read more about them in the **Know Your Financial Rights** section on page 33.



Abusive Mortgage Lending Practices and Fraud

WHAT THEY ARE: There are a wide array of abusive lending practices that can impact borrowers. They are often referred to as “predatory” because they take advantage of those with poor credit.

HOW THEY WORK: Even consumers with good credit may feel pressured to accept less-than-favorable mortgage terms or risk losing the opportunity to purchase a home.

Here are just some examples of abusive mortgage lending practices:

- Frequent refinancing, or loan “flipping,” that results in little or no economic benefit to the borrower and is done by the loan provider to generate additional loan fees, prepayment penalties, and other charges.
- Refinancing special subsidized mortgages, resulting in the loss of beneficial loan terms.
- Packing excessive and sometimes hidden fees, including undisclosed or steep interest rates, into the loan amount.
- No- or low-cost refinancing. The cost of refinancing is rolled into the loan, perhaps as a higher interest rate.
- Solicitations to repair a consumer’s credit by refinancing. Consumers are advised to talk to a credit counselor before taking this step.



Don’t allow anyone to pressure you to sign loans you cannot afford or do not understand. Review terms and contracts with a third party such as a licensed lawyer or financial advisor. If you think you are the victim of an abusive mortgage lender or fraud, contact the DFPI.

Bait-and-Switch Movers

WHAT THEY ARE: Also known as a “moving scam,” in this scheme, the movers that you hired to transport your household items to your new home essentially holds them for ransom or they take your deposit and don’t show up at all.

HOW THEY WORK: First, you get and agree to a cost estimate or contract with a moving company. But after the moving company shows up, they tell you it will cost more than the agreed estimate. Or the moving company packs up and takes away your stuff only to inform you the cost would be much more than the initial estimate. In some situations, the moving company will not even show up on the agreed delivery date, taking your deposit and all your belongings.



Verify the rating, accreditation, and reputation of a moving company with the Better Business Bureau (BBB; [bbb.org](https://www.bbb.org)). And remember to read the company's recent reviews. Be sure your moving contract/estimate has a maximum cost that you are willing to pay.

RED FLAG ALERT

Be suspicious if:

- A company gives you a full quote over the phone. **Your moving contract/estimate should include the maximum cost you are willing to pay.**
- A company requests a large deposit in advance. While a small deposit is normal to reserve movers, **reputable companies will not require full payment until the job is completed.**



Free Home Inspection Scam

WHAT IT IS: Scammers pose as a contractor, repair person, or a company authorized to “inspect” parts of your home. They then provide fake evidence of needed repairs and charge you for any work that they did or didn’t complete.

HOW IT WORKS: Generally, this type of scam starts with an unsolicited request to inspect parts of your home for damage or repairs. Oftentimes, the scammer will inspect areas that are hard to reach or difficult for you to verify the damage yourself (like your plumbing, electrical, subflooring, or roof). In certain cases, the scammer can even cause the damage they propose to fix.

After the “inspection,” the scammer may show you fake photos of required repairs and provide you with an estimate to fix them. After agreeing to the repairs, the scammer will claim to have completed the repairs and take your money. In worst-case scenarios, they cause the damage and don’t even repair it.



Be very wary of unsolicited inspections and offerings. For contractors, be sure to check their license with the California Contractors State Licensing Board. (See the **Resource Guide** on **page 59**.) If possible, verify the needed repairs yourself, and always get more than three estimates from legitimate and licensed contractors before agreeing to the work.

Home Foreclosure Relief and Modification Scams

WHAT THEY ARE: Some scams appear to rescue people from foreclosure but instead victimize those already in financial trouble.

HOW THEY WORK: While there are legitimate companies looking to help modify mortgage loans, others are looking for a victim. These schemes may be advertised online, in publications, on signs, or in flyers.



Consult trained, licensed third-party professionals, such as HUD-certified housing counselors, when looking for a company. Be vigilant, and **do not sign over your personal information or property** without thoroughly reviewing the terms.

Home-for-Sale Scam

WHAT IT IS: In this scheme, scammers pose as a homeowner or real estate agent selling a home, looking to steal your deposit or your personal/financial information.

HOW IT WORKS: Like a fake listing or vacation rental scam, a scammer will advertise a home for sale, sometimes posing as the owner, a real estate agent, or a broker. After you've responded to the sale listing, the scammer will then ask for a deposit or your personal/financial information to enable you to view the house or even submit an offer for it. The scammers likely have no connection to the property or its owner and are just looking to get quick cash.

In a hot housing market, you may feel rushed to submit an offer with a deposit as soon as possible. However, these types of scams are alarmingly too common. Remember that buying a home is one of the biggest investments a consumer can make. Don't let FOMO drive your financial decision-making process.



Be sure to verify the license of a real estate professional or contact the California Department of Real Estate before sending money or sharing your information. (See the **Resource Guide** on page 59.) You can also check a county's public records or recorder to verify proof of homeownership.

Online Escrow Services

WHAT THEY ARE: Escrow companies act as a third party, holding and disbursing funds or property for transactions between buyers and sellers.

HOW THEY WORK: Online escrow services claim to offer “safe” or “secure” transactions when buying or selling. Unfortunately, some of these services may be fake or copycat sites that will take your money and provide no services.



Verify that an escrow company is licensed by visiting dfpi.ca.gov/verify.

Carefully evaluate online escrow sites, companies, and agents before signing up for any offers. And do not give personal or financial information over the internet, unless: **1)** it is through a secure website, and **2)** you initiated the contact.

RED FLAG ALERT

Be suspicious if: **An escrow service does not list an address or phone number on its website.**



Property Assessed Clean Energy (PACE) Program and Administrators

WHAT IT IS: A PACE program provides a unique type of financing that allows homeowners to finance energy-efficient, water-saving, and other environmentally beneficial improvements through their property taxes. But financing home improvements through a PACE program can involve risks.

HOW IT WORKS: Some salespeople and building contractors can misrepresent the cost of PACE projects and their financing, claiming “no money down” or “no out-of-pocket costs” are required, giving the impression these services are free. PACE is NOT a free government program. Homeowners must pay for a PACE contract through increased assessments in their annual property tax bills. As such, PACE assessments can also make it more difficult to sell or refinance a property because a lien is placed on your home until the PACE contract is paid off.

Some risks associated with PACE financing:

- Homeowners may be asked to approve incomplete work, allowing a contractor to be paid before the homeowner has approved the quality of the work or materials.
- Contractors may offer to do additional upgrades that do not qualify for PACE financing, such as cabinets, tile, countertops, and/or conversions of existing structures.
- Property taxes can increase substantially with the added cost of a PACE contract.
- Homeowners who cannot afford the increased property taxes from a PACE contract could lose their homes through a foreclosure action.
- Electronic PACE contracts, while legal, can sometimes limit the view of the entire contract. Request a paper contract to better understand what you are signing.
- A homeowner’s electronic signature may be used for unauthorized purposes.
- Projected or promised energy savings and tax rebates or refunds can be overestimated.



Visit the DFPI’s website to verify a PACE lender and information:

- Verify lenders: dfpi.ca.gov/verify or call 1-866-275-2677.
- Get information on the risks, laws, and other frequently asked questions at dfpi.ca.gov/PACE.
- To file a PACE-related complaint with the DFPI or to verify the information about a contractor with the California Contractors State License Board, see the **Resource Guide** on page 59.

Reverse Mortgages

WHAT THEY ARE: A reverse mortgage is a loan that allows homeowners ages 62 and older to borrow against the equity in their homes. They are sometimes advertised on television and online.

HOW THEY WORK: Unlike traditional mortgages, a reverse mortgage loan makes payments to the borrower as a line of credit, in a lump sum, or as monthly installments. If the homeowner moves out or passes away, the loan becomes due and must be paid off by the homeowner's heirs.

Keep in mind that reverse mortgage borrowers are still responsible for paying taxes, homeowner's insurance, maintenance costs, and other expenses. In addition, lenders often charge high origination fees and other steep closing costs.



KNOW THE LAW AND YOUR RIGHTS:

California law guarantees basic fairness and transparency for homeowners; prohibits lenders from requiring the purchase of an annuity as a condition of obtaining a reverse mortgage loan; mandates counseling from a housing counselor prior to final acceptance of the loan; and requires that the loan be translated into the applicant's primary language.

Federal law also requires a counseling session with a HUD-approved reverse mortgage counselor before a reverse mortgage is approved.



Always do your research. If a financial investment is described as “guaranteed” or “low risk,” it’s probably too good to be true. Do not commit to a reverse mortgage until you have explored other income alternatives with a financial counselor or professional. Contact the California Department of Real Estate to learn more. See the **Resource Guide** on **page 59** for more information.

Mortgage Assistance for Military Servicemembers

Military personnel and families who are experiencing difficulties with a mortgage, who need to renegotiate a loan, or prevent foreclosure should immediately look for free legal assistance from their base of service. Be sure to ask whether the Servicemembers Civil Relief Act (SCRA) or Military Lending Act (MLA) applies to your circumstances.



Learn more about the SCRA and MLA in the **Know Your Financial Rights** on **page 33** and at dfpi.ca.gov/military-and-veterans.

Help for Those Facing Bankruptcy

If you are planning to file for bankruptcy, you must get credit counseling from a government-approved organization within 180 days before you file. You must also complete a debtor education course before your debts can be discharged. Learn more about filing for bankruptcy and connect to helpful resources at dfpi.ca.gov/get-help.

Tips for Homeowners Struggling with Mortgage Payments:

- Advance fees for loan modifications are not legal in California, unless you have an agreement that allows it.
- Beware of any request for the deed to your house for any reason, whether it is to take care of your credit or obtain new financing. Do not sign it over without independent professional review and advice!
- Do not work with anyone who rushes you, does not answer all your questions, or encourages you to sign a form that contains blank spaces that can be filled in later.
- Scammers often contact people whose homes are listed in foreclosure records.
- Verify any individual or company that claims to be affiliated with the U.S. government in correspondence or on the internet.
- The Consumer Financial Protection Bureau (CFPB) has a resource to help you find approved housing counselors in or near any U.S. ZIP code. See the **Resource Guide** on **page 59** for more information.



Visit dfpi.ca.gov/get-help to get started with verifying companies or finding approved counselors in your area.

Get Professional Financial Help

There are many financial circumstances that can impact a homeowner's ability to keep mortgage payments on track. You may benefit from the services of a financial counselor if:

- You are only able to make the minimum payment on a credit card for two consecutive months.
- You are making late payments, have missed payments, or must alternate your payments.
- Your total credit card debt is more than your monthly income.
- Your monthly expenses are depleting your savings.
- You are borrowing or creating loans to make ends meet.
- You are relying on checking account overdraft protection funds on a regular basis.

SUMMARY

Regardless of the stage of homeownership you are in, the DFPI is here with resources to help you make well-informed decisions. Do your own research! Be sure to seek licensed professional help if you are concerned about your current mortgage, bankruptcy, or foreclosure, and be aware of your homeowner's rights featured in the **Know Your Financial Rights** section on **page 33**.

The DFPI licenses and regulates mortgage loan originators, lenders, and servicers, as well as escrow agents. Remember to verify company licenses or, if you believe you've been wronged, submit a complaint with the DFPI at dfpi.ca.gov/submit-a-complaint.



SAFEGUARDING PERSONAL AND FINANCIAL INFORMATION

Protecting your finances is directly tied to protecting your personal information. The DFPI is committed to keeping you informed on how to reduce the risk of financial exploitation and identity theft. This section will advise you how to keep your information secure online, at home, and on the go.



10 Tips to Protect Your Information

Social Security, credit cards, debit cards, personal identification numbers (PINs), and online passwords are direct targets of scammers and identity thieves. Follow these tips to help keep your information safe:

- 1. Carry only what you need in your wallet or purse** such as credit cards, debit cards, or checks. Keep birth certificates, Social Security, and Medicare cards at home in a safe place.
- 2. Do not print any of the following information on checks:**
 - a. Social Security number
 - b. Telephone number
 - c. Driver's license number
- 3. Never share account numbers over the phone** unless you initiate the call.
- 4. Monitor and report discrepancies immediately for:**
 - a. Bank and credit union account statements
 - b. Online/digital payment accounts
 - c. Credit card billing statements
 - d. Credit reports
- 5. Use credit cards to pay for online transactions.** Credit cards have more consumer protections than debit cards and checks.
- 6. Shred documents that contain personal and financial information. These include:**
 - a. Canceled checks
 - b. Credit card statements
 - c. Utility bills
- 7. Do not use these for your passwords:**
 - a. Mother's maiden name
 - b. Birthdates
 - c. Phone numbers
 - d. Last four digits of your Social Security number
- 8. Enroll in direct deposit for paychecks, pension checks, or government benefits.** It's safe, quick, convenient, and prevents stolen checks. It is also more reliable in the event of a disaster.
- 9. Protect incoming and outgoing mail by using a locked mailbox at home.** Check your mailbox often and remove mail soon after it is delivered.
- 10. Do not leave mail out for pickup.** Drop outgoing mail at your local U.S. Post Office or give outgoing mail directly to your postal carrier. If your mail was stolen, contact the Postal Inspector. Visit dfpi.ca.gov/get-help to learn more.

Website Safety

The Federal Trade Commission (FTC) warns everyone to be suspicious of any official-looking email that asks for updates on personal or financial information. Recipients should go directly to the organization's website to find out whether the request is legitimate.

Secure sites have an "s" at the end of the "http" in their website address, displayed as "https." Most browsers display a padlock icon to indicate that the website is secure.



If you suspect you have been the victim of a phishing scam, contact the FTC for help at [ftc.gov/complaint](https://www.ftc.gov/complaint). See the **Resource Guide** on page 59 for more information.

7 Tips to Avoid Online Fraud

Sending unsolicited or "spam" emails is a tactic online criminals try to steal your money or information. Follow these tips so you don't fall for their tricks.

1. Be cautious of emails that contain attached files. They may contain viruses.
2. Do not fill out forms in emails that ask for your personal information. Financial institutions will not request personal information through email.
3. Do not reply to unsolicited email or pop-up messages.
4. Do not click on links in an unsolicited email. Go directly to a business's official website instead.
5. If you receive an email claiming to be from a company you do business with, contact the business directly to verify if the email is genuine.
6. Avoid sharing logins, passwords, and other personal information.
7. Verify that the sender's email address is the same as the company's official website address. Scammers often use similar-looking email addresses to an official website address.

Say "No" to Unsolicited Emails, Phone Calls, and Mail

The federal government's National Do Not Call Registry is a free, easy way to reduce the telemarketing calls you receive. To learn how to register your phone number(s) or to get information about the registry, visit [dfpi.ca.gov/get-help](https://www.dfdpi.ca.gov/get-help).

Note: If you've already added your phone number to the Do Not Call Registry and are still receiving many unwanted calls, odds are the calls are from scammers.

MORE TIPS:

- You can **opt out of receiving preapproved credit and insurance offers**. These phone numbers and websites are operated by the major consumer reporting companies.
- **Your cell phone service provider may be able to help in stopping unwanted calls**. Many phone companies have implemented a call-blocking tool to stop illegal and unwanted calls to their customers.
- **The Federal Communications Commission offers information on how to block calls**, while the **Direct Marketing Association (DMA) has a mail and Email Preference Service** to help reduce unsolicited commercial emails. To learn more on how to remove your phone number, email address, and other information from unwanted lists, visit [dfpf.ca.gov/get-help](https://www.dfpf.org/ca.gov/get-help).

Keep Your Credit Safe



KNOW YOUR SCORE

Lenders use your credit score to determine whether you qualify for a credit card, loan, or other financial services. It also impacts interest rates on current and future loans. The higher your credit score, the lower the interest rate you may qualify for. You can improve your credit score by paying bills on time and paying off debts in full.



ORDER YOUR FREE CREDIT REPORTS

Federal law requires each of the three national consumer credit reporting companies, Equifax, Experian, and TransUnion, to provide you with a free credit report every 12 months at your request.

Review your credit reports carefully. Look for accounts and transactions you do not recognize (especially new accounts), suspicious charges, or any addresses where you have never lived.

Identity thieves steal the personal information of minors as well. Parents and those entrusted with a Power of Attorney should request and review credit reports annually for all vulnerable individuals in their care.



CONSIDER A SECURITY FREEZE

If you or a loved one are not actively opening new credit (elderly, minors, or ID theft victims), consider a security freeze, also called a credit freeze, which prevents you or others from opening accounts in your name. Security freezes can be useful in preventing an identity thief from opening a new credit account in your name. You can easily freeze and unfreeze your credit record for free at the three nationwide credit reporting companies: Experian, TransUnion, and Equifax.



Report any discrepancies immediately to:

Equifax: 1-800-525-6285

Experian: 1-888-397-3742

TransUnion: 1-800-680-7289

Visit annualcreditreport.com to request all three reports or call 1-877-322-8228.



Visit dfpi.ca.gov/get-help to learn more about steps you can take and agencies to contact with credit-related concerns.

RED FLAG ALERT

Be suspicious if: **A website advertises “free” credit reports but charges for another product** if you order the report.



Reporting Stolen Property and Identity Theft

WHAT TO DO WHEN THINGS GET LOST

The information below can help if your important documents, data, or even your identity are lost or stolen.

LOST OR STOLEN ATM, CREDIT, DEBIT CARD, OR BANK ACCOUNT INFORMATION

Immediately notify your bank or credit union to stop payments and change your passwords. As soon as you report the loss of your ATM or debit card, federal law states you cannot be held liable for unauthorized transactions.

STOLEN SOCIAL SECURITY NUMBER

If you suspect that someone else is using your Social Security number or you have lost your Social Security card, immediately contact the U.S. Social Security Administration.

REPORT IDENTITY THEFT IMMEDIATELY

For any identity theft, immediately report it to your local police department. If the situation involves a loss of funds held in a bank or credit union, report it to the financial institution immediately. The Federal Trade Commission (FTC) recommends that you immediately take the following actions:

- Create an identity theft report.
- Contact the Social Security Administration.
- Place an initial fraud alert with one of the three credit reporting agencies (Equifax, Experian, or TransUnion).
- Request one free credit report per year.
- Consider placing an extended fraud alert or freeze on your credit.



For information on how to contact the Social Security Administration, visit dfpi.ca.gov/get-help. You can also report identity fraud to the FTC's Identity Theft Hotline or the Office of the Attorney General. See the **Resource Guide** on **page 59** to learn more.

SUMMARY

Don't share your personal or financial information with questionable contacts. Even though we must often enter personal or financial information online, there are measures to help us stay safe. Use caution when opening emails, browsing websites, or making online purchases. Be sure to store important documents safely and dispose of documents with your information properly. Monitor your accounts, and if you think your information has been lost or stolen, report it to the FTC, The California Office of the Attorney General, or visit the DFPI website. See the **Resource Guide** on **page 59** for more information.

IDENTIFYING FINANCIAL ELDER ABUSE AND EXPLOITATION

Financial elder abuse is when an older adult, or a senior, is financially exploited by a stranger or someone they know. Financial elder abuse crosses all social, educational, and economic boundaries. Perpetrators can be family members, caregivers, friends, neighbors, acquaintances, persons with power of attorney, financial advisors, or even persons unknown to the older adult.



Report elder abuse immediately. Contact **Adult Protective Services (APS)** if you experience, witness, or suspect abusive activities involving an older adult in the California county where they reside. You can even report anonymously.

Use the **Eldercare Locator**, a public service provided by the U.S. Administration on Aging, to find Adult Protective services in your area. See the **Resource Guide** on **page 59** to learn more.

Elder abuse report forms are also available on the California Department of Social Services (CDSS) website. Visit dfpi.ca.gov/get-help to learn more.

Be Aware of Abuse and Exploitation Signs

It's not always easy to identify elder abuse and exploitation. Here are some signs to help you determine if it's time to report.

SIGNS OF FINANCIAL ELDER ABUSE INCLUDE:

- Disappearing valuables or assets
- Decline of physical and emotional well-being
- Suspicious activities or people at an older adult's home
- Substandard care despite adequate finances
- Unusual bank account activity, including large withdrawals (especially when the older adult is accompanied by another person), or unexplained account transfers

SIGNS OF FINANCIAL ELDER EXPLOITATION INCLUDE:

- Unauthorized use of credit cards, ATM or debit cards, or checkbooks
- Forging an older adult's signature or deceiving them into signing any legal or financial document, especially when the senior seems unable to comprehend
- Diverting money meant to pay the older adult's rent, utilities, taxes, or other expenses
- Significant transfers of assets, taking out a substantial loan, or making large financial gifts to others
- Revising a will or other documents, especially when the new beneficiary is a caregiver or a previously uninvolved person now claiming a right to an older adult's property
- Promises of "lifelong care" in exchange for deeding property to a caregiver
- Wrongful use of a Power of Attorney or fiduciary relationship
- Selling an older adult ill-advised and unnecessary financial services or products
- Selling an older adult fraudulent financial services or products



If you notice any of these signs, **be sure to report it to Adult Protective Services immediately.**

Legal Resources for Elder Financial Matters

FIND LEGAL ADVICE, REPRESENTATION, AND ASSISTANCE FOR AGES 60 AND OLDER

Legal assistance programs for adults ages 60 and older can provide help on issues such as income security, protective services, abuse, neglect, age discrimination, housing, utilities, and health care. These free services are available to older adults with social and economic needs.

Learn more about local legal assistance programs in your area. You can also access additional support resources through the California Department of Aging, the Consumer Financial Protection Bureau, and more at dfpi.ca.gov/get-help.

SUMMARY

Know the signs so you can identify elder financial abuse and exploitation. If you suspect elder abuse or exploitation, report it immediately to the Adult Protective Services office in your area. You can also obtain free legal and financial assistance for an older adult in need of help. Visit dfpi.ca.gov/get-help for more information and see the **Resource Guide** on page 59.



GETTING HELP FROM THE DFPI

The DFPI's Consumer Services Office (CSO) provides information and assistance to consumers, with multi-language capabilities. CSO services include:

- Helping you verify the licensing status of a financial institution, service, or professional.
- Providing you with information on how to submit a consumer complaint with institutions and individuals licensed by the DFPI.
- Assisting you with identifying and contacting the regulator of a federal financial institution.

Visit dfpi.ca.gov/submit-a-complaint to submit a complaint online or call **1-866-275-2677** to learn more.

California DFPI Oversight

The DFPI licenses and regulates a variety of industries, including:

- **Banks:** State-chartered commercial banks, foreign, and industrial banks (National banks are regulated by the Office of the Comptroller of the Currency (OCC) and other federal entities)
- **California Finance Lenders:** Finance companies that offer consumer and/or commercial loans
- **California Residential Mortgage Loan Originators and Lenders (also called mortgage bankers) and loan servicers:** Process and/or service residential mortgage loans
- **Capital Access Companies:** Provide financial services to small businesses that have a significant connection to California
- **Check Sellers, Bill Payers, and Proraters:**
 - **Check Sellers:** A check seller sells checks, money orders, or drafts to be used by others for the payment of obligations and the transfer of money. A check or money order is usually purchased to pay rent, utilities, or some other obligation that must be sent through the mail.
 - **Bill Payers:** For a fee, a bill payer receives money as an agent of a consumer to pay bills.
 - **General Proraters:** A general prorater contracts with delinquent debtors and mediates with creditors to settle debts on behalf of the debtor.
 - **Special Proraters:** A special prorater pays its customers' bills as part of its management of its customers' affairs and is generally a business agent or a manager.
- **Credit Unions:** State-chartered credit unions only. Federal credit unions are regulated by the National Credit Union Administration (NCUA).

- **Credit Repair Agencies**
- **Debt Collectors and Buyers**
- **Debt Relief Providers**
- **Deferred Deposit Originators (commonly known as “Payday Lenders”):** Short-term cash lenders
- **Escrow Agents and Independent Escrow Companies:** Hold money and other property for safekeeping and for delivering to third parties
- **Franchises:** Franchisors who offer and sell franchises in California
- **Money Transmitters (includes issuers of payment instruments, such as money orders, traveler’s checks, and stored value cards):** Businesses that provide money transfer and payment services
- **Offer and Sale of Investments (securities, stocks, and bonds) and certain commodity transactions**
- **Premium Finance Companies:** Financing premiums for insurance policies
- **Private-for-Profit School Funding**
- **Securities Regulations:**
 - **Broker-Dealers:** Effecting transactions in securities and issuing or guaranteeing securities options
 - **Stockbrokers:** A regulated professional, usually associated with a brokerage firm or broker-dealer, who buys and sells stocks and other securities for both retail and institutional clients through a stock exchange or over the counter, in return for a fee or commission
 - **Investment Advisors:** Individuals or organizations who manage clients’ securities portfolios or offer advice about investing in securities
 - **Financial Planners/Investment Advisors:** An investment professional who helps clients set and achieve long-term financial goals, through investments, tax planning, asset location, risk management, retirement planning, and estate planning
- **Rent-to-Own Contracts**
- **Trust Companies and Departments**
- **PACE: Property Assessed Clean Energy Program Administrators**
- **Student Loan Servicers:** An entity that manages student borrower’s accounts, processes payments, and acts as a liaison between lender and borrowers.

RESOURCE GUIDE

CALIFORNIA STATE AGENCIES

DEPARTMENT	RESPONSIBILITIES	CONTACT	WEBSITE
California Department of Financial Protection and Innovation (DFPI)	Licenses and regulates individuals and companies conducting various financial activities, including investment advisors, brokers, crypto assets, escrow/titles, debt collectors, mortgages, payday lenders, sellers of franchises, student loan servicers, and more	1-866-275-2677 1-800-735-2922 (TTY) Ask.DFPI@dfpi.ca.gov	dfpi.ca.gov/consumers
California Department of Insurance (DOI)	Licenses and regulates insurance agents, brokers, and companies, life insurance settlements, and annuities	1-800-927-HELP (1-800-927-4357)	insurance.ca.gov
California Department of Real Estate (DRE)	Licenses and regulates real estate brokers and salespeople, and some mortgage lender/broker activities	1-877-373-4542	dre.ca.gov
State Bar of California	Provides information to help find an attorney (including elder law or trust specialists), file complaints, and get assistance with reimbursement for attorney misconduct	License verification and complaints of misconduct: 1-800-843-9053 Public Trust Liaison: 1-800-843-9053	calbar.ca.gov

California state agencies continued...

DEPARTMENT	RESPONSIBILITIES	CONTACT	WEBSITE
California Board of Accountancy	Licenses and regulates certified public accountants, public accountants, and accounting firms	Sacramento 1-916-263-3680	dca.ca.gov/cba
California Contractors State License Board (CSLB)	Licenses and regulates contractors and home improvement specialists	1-800-321-2752	cslb.ca.gov
California Department of Aging	Oversees programs serving older adults, adults with disabilities, family caregivers, and residents in long-term care facilities throughout California	1-800-510-2020	aging.ca.gov
California Department of Consumer Affairs (DCA)	Licenses and regulates over 100 professions including accountants, architects, barbers, contractors, and more	1-800-952-5210 1-800-735-2929 (TTY)	dca.ca.gov
California Department of Justice - Attorney General's Office (DOJ)	Reviews and prosecutes those implicated in consumer complaints related to fraud and identity theft; investigates Medi-Cal fraud and elder abuse in long-term care facilities	Public Inquiry Unit: 1-800-952-5225 1-800-735-2929 (TTY) Medi-Cal Fraud and Elder Abuse Reporting Hotline: 1-800-722-0432	oag.ca.gov oag.ca.gov/consumers oag.ca.gov/contact oag.ca.gov/hbor oag.ca.gov/idtheft

California state agencies continued...

DEPARTMENT	RESPONSIBILITIES	CONTACT	WEBSITE
California Department of Veterans Affairs (CalVet)	Provides benefits and services to California veterans, including dependents and survivors, from residency into state veterans homes to assistance with purchasing a home; also advocates for veterans, providing information and representation before the U.S. Department of Veterans Affairs	1-800-952-5626 1-800-324-5966 (TDD)	calvet.ca.gov
California Employment Development Department (EDD)	Provides assistance with jobs, training, state disability insurance, and unemployment payments; offers regional Veterans' Employment-Related Assistance Program (VEAP).	Unemployment Customer Service 1-800-300-5616	edd.ca.gov
California Franchise Tax Board (FTB)	Administers two of California's major tax programs: Personal Income Tax and Corporation Tax.	Customer Service 1-800-852-5711	ftb.ca.gov
California Public Utilities Commission (PUC)	Regulates privately owned utilities, telecommunications, transit, and transportation companies	Consumer Affairs Bureau 1-800-649-7570	cpuc.ca.gov

FEDERAL AGENCIES

DEPARTMENT	RESPONSIBILITIES	CONTACT	WEBSITE
U.S. Department of Defense (DOD)	The federal department charged with coordinating and supervising functions directly related to U.S. national security and its armed forces. A great starting point for U.S. military servicemembers and their families to find news and information		defense.gov/Contact/Help-Center
U.S. Department of Veterans Affairs (VA)	Provides benefits and services to U.S. veterans, including dependents and survivors. Benefits include disability compensation, pension, education, home loans, life insurance, vocational, rehabilitation, survivors' benefits, medical benefits, and burial benefits	Main Hotline: 1-800-698-2411 VA Benefits Hotline: 1-800-827-1000	va.gov
U.S. Federal Trade Commission (FTC)	Provides consumer protection on loans, credit cards, identity theft, telemarketing, funerals, and cemeteries	1-877-FTC-HELP (1-877-382-4357) FTC Identity Theft Hotline: 1-877-ID-THEFT (1-877-438-4338)	ftc.gov reportfraud.ftc.gov
U.S. Internal Revenue Service (IRS)	Provides information on legitimate charities, tax-related fraud schemes, fraudulent federal tax returns, and other information	Hotline for Charities Information: 1-877-829-5500	irs.gov apps.irs.gov/app/eos/ (tax-exempt organization search)

Federal agencies continued...

DEPARTMENT	RESPONSIBILITIES	CONTACT	WEBSITE
U.S. Securities and Exchange Commission (SEC)	Regulates national securities exchanges, investment companies, and investment advisors who manage over \$100M in client assets. Investigates tips concerning violations of federal securities laws	1-800-732-0330	sec.gov sec.gov/tcr
Consumer Financial Protection Bureau (CFPB)	Protects consumers by carrying out federal consumer financial laws. Gives consumers information to understand the terms of their agreements and strives to make regulations and guidance as clear and streamlined as possible so providers of consumer financial products and services can follow the rules on their own	1-855-411-2372	consumerfinance.gov consumerfinance.gov/find-a-housing-counselor
Eldercare Locator	A public service of the Administration on Aging from the U.S. Department of Health and Human Services, this nationwide service connects older Americans and their caregivers with information on senior services	1-800-677-1116	eldercare.acl.gov

Federal agencies continued...

DEPARTMENT	RESPONSIBILITIES	CONTACT	WEBSITE
Federal Deposit Insurance Corporation (FDIC)	Preserves and promotes public confidence in the U.S. financial system by insuring depositors for at least \$250,000 per insured bank account; by identifying, monitoring, and addressing risks to the deposit insurance funds; and by limiting the effect on the economy and the financial system when a bank or thrift institution fails	1-877-ASK-FDIC (1-877-275-3342)	fdic.gov
Financial Industry Regulatory Authority (FINRA)	Dedicated to investor protection and market integrity through effective and efficient regulation of the securities industry. FINRA is not part of the government; it is an independent, not-for-profit organization authorized by Congress to protect U.S. investors by making sure the securities industry operates fairly and honestly	BrokerCheck Hotline: 1-800-289-9999	finra.org brokercheck.finra.org

Federal agencies continued...

DEPARTMENT	RESPONSIBILITIES	CONTACT	WEBSITE
Military One Source	A 24/7 resource for individualized consultations, coaching, and counseling for many aspects of military life	1-800-342-9647 For TTY/TDD: Dial 711 and give the toll-free number (800-342-9647)	militaryonesource.mil
Office of the Comptroller of the Currency (OCC)	The OCC's primary mission is to charter, regulate, and supervise all national banks and federal savings associations. It also supervises the federal branches and agencies of foreign banks; the OCC's goal is to ensure that banks and federal savings associations operate in a safe and sound manner and in compliance with laws requiring fair treatment of their customers with access to credit and financial products	Consumer Hotline 1-800-613-6743	occ.gov HelpWithMyBank.gov
Social Security Administration (SSA)	Administers retirement, disability, survivor, and family benefits, and enrolls individuals in Medicare; provides Social Security numbers; investigates Social Security-related scams; helps with identity theft	1-800-772-1213 1-800-325-0778 (TTY)	ssa.gov

Federal agencies continued...

DEPARTMENT	RESPONSIBILITIES	CONTACT	WEBSITE
Vet Centers	Provides a broad range of counseling, outreach, and referral services to veterans and their families	Call Center: 1-877-927-8387 Crisis Line: Call 988 (Press 1) If you have hearing loss: 1-800-799-4889 (TTY)	vetcenter.va.gov

CHECK BEFORE YOU INVEST

Before investing, have the person offering products/services complete this form, sign it, and return it to you. Verify both the person and company are licensed and authorized to sell/offer the specific type of product by contacting the appropriate licensing agency. Keep the completed form for your records.

Seller/Agent and Company Information (please print clearly)

Seller/Agent Name: _____

Company/Business Name: _____

Company/Business Address: _____

Phone Number(s): _____

Email: _____

I am offering the following product(s) and/or services (check all that apply)

☐ **Investment:**

- | | | |
|---|---------------------------------------|---|
| ☐ IRAs | ☐ Mutual Funds | ☐ Oil & Gas/Minerals |
| ☐ Private Placements | ☐ Securities | ☐ Other: _____ |

☐ **Financial Planning:**

- | | | |
|------------------------------------|---|--|
| ☐ Annuities | ☐ Financial Planning | ☐ Investment Advice |
|------------------------------------|---|--|

☐ **Insurance:**

- | | | | |
|-------------------------------|------------------------------------|--|---------------------------------------|
| ☐ Life | ☐ Viaticals | ☐ Wealth Creation | ☐ Other: _____ |
|-------------------------------|------------------------------------|--|---------------------------------------|

☐ **Legal Services:**

- | | | | |
|--|---------------------------------------|-------------------------------|---------------------------------------|
| ☐ Estate Planning | ☐ Living Trust | ☐ Will | ☐ Other: _____ |
|--|---------------------------------------|-------------------------------|---------------------------------------|

☐ **Accounting:**

- | | |
|--|---------------------------------------|
| ☐ Tax Preparation | ☐ Other: _____ |
|--|---------------------------------------|

☐ **Contractor Services:**

- | | | |
|--------------------------------------|-------------------------------------|---------------------------------------|
| ☐ Home Repair | ☐ Remodeling | ☐ Other: _____ |
|--------------------------------------|-------------------------------------|---------------------------------------|

☐ **Real Estate:**

- | | | | |
|--|---|-----------------------------------|------------------------------------|
| ☐ Equity Loan | ☐ Escrow/Title | ☐ Mortgage | ☐ Refinance |
| ☐ Mortgage Modification | ☐ Reverse Mortgage | | |
| ☐ Investment (specify): _____ | | | |

Check Before You Invest continued...

I am currently licensed by:

- ☐ CA Department of Financial Protection and Innovation License #: _____
- ☐ CA Department of Insurance License #: _____
- ☐ CA Department of Real Estate License #: _____
- ☐ CA State Bar Association #: _____
- ☐ CA Board of Accountancy CPA License #: _____
- ☐ CA Contractors State License Board License #: _____
- ☐ Other License #: _____

I certify that I am making these representations truthfully in order to do business with you.

Signature: _____

Date: _____



Notes

This book belongs to:

START YOUR FINANCIAL RESEARCH WITH THE DFPI.



[DFPI.ca.gov/Consumers](https://dfpi.ca.gov/Consumers)



[DFPI.ca.gov/submit-a-complaint](https://dfpi.ca.gov/submit-a-complaint)



Toll-free: 1-866-275-2677 or 1-916-327-7585



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Contact the DFPI Outreach team at Outreach@dfpi.ca.gov if you have questions about this booklet, want to arrange speakers for presentations, or would like additional copies of this booklet.