

Common Schemes – \$ Disability and Pension Benefits



U.S. Department
of Veterans Affairs

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Many recipients of these benefits are targets for fraudulent activity. Scammers use a variety of methods to either swindle Veterans out of earned benefits or convince them to apply for benefits they are not eligible for.

Common Schemes

You should be aware of these schemes in case someone asks you to participate, or in case you see fraudulent activity. Indicators of potential fraud include the following:

- Offering to assist in preparing or filing your VA benefits application without VA's recognition to do so and charging a fee for such services.
- Offering you an up-front lump-sum payment in exchange for your monthly VA payments going forward. VA benefits cannot be assigned.
- Redirecting mail or benefits to a non-beneficiary, such as a caregiver who is not a VA fiduciary.
- Requesting that the Veteran move money into different accounts or reallocate investments to qualify for a VA pension payment.
- Advertising that boasts they can get you your benefits faster for a fee.
- Referring you to a doctor, who coaches or guides you to report medical conditions you do not actually have and that do not reflect the true impact of your condition. You are then given forms, signed by the doctor, but which you have certified as true and accurate.

Tips to Avoid Scams – Disability and Pension Benefits

Do's

- ☐ Apply directly to VA. Veterans may submit applications for VA benefits securely <https://www.benefits.va.gov/BENEFITS/Applying.asp> via <https://www.va.gov> or in person at any regional office. Veterans may file claims directly with VA and VA will help gather the necessary evidence. There are no costs or hidden fees to apply.
- ☐ Validate: If you wish to seek assistance on your claim by a Veteran Service Organization (VSO) representative, agent, or attorney, use the Office of General Counsel Accreditation tool to confirm and validate their accreditation. <https://www.va.gov/ogc/apps/accreditation/index.asp>
- ☐ Always make sure you are on the official VA website as there are many imposter websites hoping to tangle you in their web.
- ☐ In general, be suspicious of online websites charging a fee for an otherwise free government product or service.



- ☐ Be aware that there are individuals and organizations that are targeting Veterans, particularly elderly war-time Veterans, by offering to provide claims assistance as a way to promote their other business interests. Generally, these individuals or organizations are not accredited or recognized by VA; others could potentially be misusing their VA accreditation.
- ☐ Do know that all VA-accredited VSO representatives, attorneys and agents must follow the standards of conduct for VA-accredited individuals, which expressly prohibit the charging of unlawful or unreasonable fees and engaging in unethical behavior.
- ☐ Do remember that any business or individual that prepares, presents, or prosecutes VA benefit claims without

the proper VA recognition is doing so contrary to law.

- ☐ Do report misconduct that occurs in the course of claims assistance or the improper charging of fees to VA's Accreditation, Discipline, & Fees Program office. More information on how to make a report can be found here: <https://www.va.gov/ogc/accreditation.asp>.

DON'TS

- ☐ Do not use an individual or organization that is not recognized by VA. There are important safeguards tied to accreditation, such as the opportunity for claimants to request the review of their fee agreements.
- ☐ Do not pay an unauthorized company to help you with your VA claim. Only VA-accredited agents and attorneys are permitted to charge a fee, but only for services performed after VA has issued its initial decision on the claim.
- ☐ Do not provide login information, Social Security number, address, or bank information to an unverified email. Do not provide such personal information during a cold call from someone alleging to be from VA. Do not sign a blank form that someone else is supposed to complete later. Always review the completed form before signing and retain a copy of the completed form for your records.
- ☐ Do not participate in a scheme where you are being told to lie or exaggerate your symptoms to the VA. You could go to jail if caught and will have to return funds to the VA for benefit increases.

REPORTING INFORMATION

FOR SUSPECTED VA BENEFITS FRAUD CALL THE VA BENEFITS HOTLINE

- Phone: 1-800-827-1000.

- For all non-Veteran Affairs related fraud, reach out to the Federal Trade Commission (FTC)

- Online: <https://reportfraud.ftc.gov>

\$ Common Schemes – Loans



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Finance scams related to loans are when a fraudulent company or individual provides a service that is not in the best interest of the individual. A loan scam is a loan offered under false pretenses. The scammer will often offer to provide services with high rates and fees, or by hiding the actual cost of the loan.

Common Schemes

You should be aware of these schemes in case someone asks you to participate, or in case you see fraudulent activity. Indicators of potential fraud include the following:

- Be wary of high interest rates on home and car loans.
- Avoid any loan asking for money up front. Legitimate lenders will charge you a fee after your loan has been approved, not before.
- Lender who is promoting or pressuring you to take a loan with a Variable Interest Rate when they know that you may not have the financial income to repay the loan when the interest rate increases.
- Bad actors will offer loans without credit checks often targeting those with bad credit or debt problems. If the lender is not asking for a credit check it may not be a valid offer.

Do's

- ☐ Validate: If you are interested in working with a Veteran Service Organization (VSO), agent, or attorney, use the Office of General Counsel Accreditation tool to confirm and validate their credentials. <https://www.va.gov/ogc/apps/accreditation/index.asp>
- ☐ The VA can assist you if you are falling behind on payments and need financial assistance instead of falling for a scam for help. There are several areas to seek assistance, include the VA Loan Guaranty service provides special loan rates for Veterans seeking to purchase homes using VA mortgage financing. Contact the VA directly to assist you with managing your debt. <https://www.va.gov/manage-va-debt/>



- ☐ Things scammers say to take advantage of you.
 - Everyone gets approved. Bad credit – no problem.
 - Reduced interest rate loans.
 - Special loan terms for Veterans

Don'ts

- ☐ Avoid payday or title loans – these are the types of loans that provide money the same day. These types of loans have high interest rates and fees. Consumer Financial Protection Bureau

(CFPB) has more information available on payday loans at <https://www.consumerfinance.gov/consumer-tools/payday-loans/>

- ☐ Do not ever give your VA, Social Security number or any other government benefits account information such as your username and log-in information during any loan application process.
- ☐ Do not choose a lender that requires no documentation or background checks to provide you with a loan.

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Common Schemes – Home Loans and Housing



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Home loan or housing scams may involve mortgage lenders, brokers and other entities making false promises; credit organizations charging excessive fees or making false promises to provide free services. Scammers may also offer to provide you with home repair or offer to assist you with services with the intent to manipulate and/or steal from you.

Common Schemes

You should be aware of these schemes in case someone asks you to participate, or in case you see fraudulent activity. Indicators of potential fraud include the following:

- Someone calling requesting you to cancel mortgage payments and resend the funds elsewhere.
- Using another Veteran's disability status for property tax exemption.
- Unaccredited VA home loan companies offering services at information fairs may be attempting a scam.
- Someone telling you to make mortgage payments to someone other than your current loan servicer.
- Someone pressures you to sign papers you haven't had a chance to read thoroughly or that you don't understand.
- Online scams to get first and last month's payment up front and yet the property isn't theirs to rent out and the scammer take your money.
- Home improvement scammers will offer to help fix up your home, ask for payment up front, and may never complete the work or overcharge.

Tips to Avoid Scams – Home Loan and Housing Do's

- ☐ Validate: If you are interested in working with a Veteran Service Organization (VSO), agent, or attorney, use the Office of General Counsel Accreditation tool to confirm and validate their credentials. <https://www.va.gov/ogc/apps/accreditation/index.asp>
- ☐ Get receipts for any monies paid for services.
- ☐ Check with multiple lending institutions for rates and fees.
- ☐ Read the fine print.
- ☐ Considering an Interest Rate Reduction Refinancing Loan (IRRRL) and refinancing a VA loan? Shop around for lenders, compare no-obligation rate quotes between lenders and against your current loan, and then discuss your options. For more information <https://www.military.com/money/va-loans/irrml-facts-for-veterans.html>
- ☐ Be cautious of renting from someone inquiring if the VA will pay to fix a rental home.
- ☐ Gather information from reputable sources. For example, additional mortgage resources are available from the Consumer Financial Protection Bureau website <https://www.consumerfinance.gov/consumer-tools/mortgages/>



Don'ts

- ☐ Do not pay money for someone to fill out housing assistance applications and recertifications for you. VA provides these services for FREE.
- ☐ Do not pay fees before services are provided.
- ☐ Do not sign over the title to your property.

- ❑ Do not ever give your VA, Social Security number or any other government benefits account information such as your username and log-in information during any housing application process.
- ❑ Do not give out personal information to a lender or servicer who contacts you out of the blue. Scammers can spoof phone numbers, so you can't rely on caller identification. If you're unsure, it's always safer to hang up and call your loan servicer directly at the number on your mortgage statement.
- ❑ Do not allow a friend, family member, or any individual to use your information to get disabled Veteran status for property tax reduction.

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