

Reporting of Suspected Elder Financial Exploitation by Financial Institutions

An update to the 2016 *Advisory and Recommendations* for
Financial Institutions on Preventing and Responding to Elder
Financial Exploitation

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1. Introduction

In March of 2016, the Consumer Financial Protection Bureau (“CFPB” or “Bureau”) published the *Advisory for financial institutions on preventing and responding to elder financial exploitation* (“*Advisory*”)¹ and the accompanying *Recommendations and report for financial institutions on preventing and responding to elder financial exploitation* (“*Recommendations*”).² The Bureau noted that banks and credit unions are uniquely positioned to detect that an older account holder has been targeted or victimized, and to take action. The *Advisory* and *Recommendations* covered a spectrum of voluntary best practices to assist financial institutions.

All of the Bureau’s 2016 recommendations remain vital today. CFPB provided six categories of voluntary best practices to help financial institutions prevent elder financial abuse and intervene effectively when it occurs. These categories include:

1. Developing and implementing internal protocols and procedures for protecting account holders from elder financial exploitation;
2. Training management and staff to prevent, detect, and respond to suspicious events
3. Detecting elder financial exploitation by harnessing technology;
4. Reporting all cases of suspected exploitation to relevant federal, state and local authorities;
5. Protecting older account holders by complying with the Electronic Fund Transfer Act (EFTA) and Regulation E and by offering age-friendly services that can enhance protections against financial exploitation;
6. Collaborating with other stakeholders such as law enforcement, adult protective services, and service organizations.

¹ See CFPB, *Advisory for financial institutions on preventing and responding to elder financial exploitation* (Mar. 23, 2016) [hereinafter *Advisory*], available at https://files.consumerfinance.gov/f/201603_cfpb_advisory-for-financial-institutions-on-preventing-and-responding-to-elder-financial-exploitation.pdf.

² See CFPB, *Recommendations and report for financial institutions on preventing and responding to elder financial exploitation* (Mar. 23, 2016) [hereinafter *Recommendations*], available at https://files.consumerfinance.gov/f/201603_cfpb_recommendations-and-report-for-financial-institutions-on-preventing-and-responding-to-elder-financial-exploitation.pdf.

This update focuses on Recommendation 4 in the *Advisory*³ regarding reporting of suspected elder financial exploitation (“EFE”) by banks and credit unions to appropriate local, state or federal first responders. It reiterates key recommendations regarding reporting from the 2016 *Advisory* and *Recommendations* because many financial institutions remain unsure of whether to report suspected financial exploitation due to privacy concerns. In addition, this update provides new information on reporting based on federal and state legislative changes. It highlights findings from the CFPB’s 2019 analysis of Suspicious Activity Reports (SARs) on elder financial exploitation which underscores the widespread and damaging impact of elder financial exploitation.⁴

³ Reporting of suspected EFE is listed as Recommendation 3.4 in the *Recommendations*.

⁴ CFPB, *Suspicious Activity Reports on Elder Financial Exploitation: Issues and Trends* (Feb. 27, 2019) [hereinafter *SARs Report*], available at https://files.consumerfinance.gov/f/documents/cfpb_suspicious-activity-reports-elder-financial-exploitation_report.pdf.

2. Recommendations and updated information

2.1 Report all cases of suspected elder financial exploitation to relevant federal, state, and local authorities

The CFPB reiterates its 2016 recommendation that financial institutions report suspected financial exploitation of older adults to all appropriate local, state, or federal responders, regardless of whether reporting is mandatory or voluntary under state or federal law. In 2013, the eight federal regulatory agencies with authority to enforce the privacy provisions of the Gramm-Leach-Bliley Act (“GLBA”) issued *Interagency Guidance on Privacy Laws and Reporting Financial Abuse of Older Adults* (“Guidance”).⁵ The *Guidance* clarifies that reporting financial abuse of older adults to appropriate authorities does not, in general, violate the privacy provisions of GLBA. This update discusses new laws that have passed since the publication of the 2016 *Advisory*, such as the Senior Safe Act.⁶

2.1.1 Understand reporting requirements in your state

CFPB noted in 2016 that, while it recommends that everyone in every state report suspected financial exploitation to all appropriate first responders, at that time only about half the states mandated that financial institutions or a subset of financial professionals report suspected EFE to Adult Protective Services (“APS”),⁷ law enforcement or both.⁸ The CFPB recommended that

⁵ Fed. Reserve, CFTC, CFPB, FDIC, FTC, NCUA, OCC & SEC, *Interagency Guidance on Privacy Laws and Reporting Financial Abuse of Older Adults* (Sept. 23, 2013) [hereinafter *Interagency Guidance*], available at https://files.consumerfinance.gov/f/201309_cfpb_elder-abuse-guidance.pdf.

⁶ See Senior Safe Act, 12 U.S.C. § 3423 (2018).

⁷ See Nat’l Adult Protective Services Ass’n, *Get Help*, <https://www.napsa-now.org/get-help/how-aps-helps/> (last visited June 26, 2019) (“Adult Protective Services (APS) is a social services program provided by state and/or local governments nationwide serving older adults and adults with disabilities who are in need of assistance”). If APS finds that a person has experienced or is at risk of experiencing financial exploitation, APS can decide what services, if any, are necessary for the vulnerable adult’s safety or well-being and recommend a service plan.

⁸ *Recommendations*, *supra* note 2, at 3.4.2. Since the release of its 2016 *Recommendations*, the CFPB has reviewed its list of states where financial institutions are mandatory reporters and has removed Illinois and Washington from

financial institutions determine whether and when state law mandates reporting by the institution. Under state mandatory reporting laws, proof of EFE is normally not required and a reasonable suspicion of EFE triggers a duty to report.⁹ As of April 2019, 26 states and the District of Columbia mandate reporting of suspected EFE by financial institutions or specified financial professionals.¹⁰ This update includes a statutory chart to identify state reporting requirements. See Appendix A for a chart of state statutes involving mandatory reporting related to EFE and the role of financial institutions in reporting it.

Since the CFPB published its 2016 *Recommendations*, one state added a broad mandatory reporting requirement for financial professionals and financial institution personnel (including banks and credit unions):

Ohio

Effective September 29, 2018, Ohio mandates that employees of banks, savings banks, savings and loan associations, or credit unions, in addition to other listed financial professionals, report suspected financial exploitation.¹¹

the list. Illinois only mandates reporting by “A professional or professional's delegate while engaged in . . . any of the occupations required to be licensed under . . . the Illinois Public Accounting Act” and does not mandate reporting by other financial staff or institutions. 320 Ill. Comp. Stat. § 20/4; 320 Ill. Comp. Stat. § 20/2. Washington only mandates reporting when a financial institution holds a transaction due to suspected EFE. Wash. Rev. Code §§ 74.34.020(17); 74.34.035(6); 74.34.215.

⁹ See, e.g., Fla. Stat. § 415.1034(1)(a) (“Bank, savings and loan, or credit union officer, trustee, or employee . . . knows, or has reasonable cause to suspect”); Ga. Code Ann. § 30-5-4(a)(1)(B) (“any employee of a financial institution . . . having reasonable cause to believe . . .”).

¹⁰ See Ariz. Rev. Stat. Ann. § 46-454; Ark. Code Ann. § 12-12-1708; Cal. Welf. & Inst. Code § 15630.1; Colo. Rev. Stat. § 18-6.5-108; Del. Code Ann. 31 § 3910; D.C. Code § 7-1903; Fla. Stat. § 415.1034; Ga. Code Ann. § 30-5-4; Haw. Rev. Stat. § 412:3-114.5; Ind. Code Ann. § 12-10-3-9; Kan. Stat. Ann. § 39-1431; Ky. Rev. Stat. Ann. § 209.030; La. Rev. Stat. Ann. § 15:1504; Md. Fin. Inst. Code § 1-306; Miss. Code Ann. § 43-47-7; Nev. Rev. Stat. § 657.290; N.H. Rev. Stat. Ann. § 161-F:46; N.M. Stat. Ann. § 27-7-30; N.C. Gen. Stat. § 108A-102; Ohio Rev. Code Ann. § 5101.63; Okla. Stat. Ann. § 43A-10-104; R.I. Gen. Laws Ann. § 42-66-8; S.C. Code Ann. § 43-35-25; Tenn. Code Ann. § 71-6-103; Tex. Hum. Res. Code Ann. § 48.051; Utah Code Ann. § 62A-3-305; Wyo. Stat. Ann. § 35-20-103. See Appendix A for a chart of state statutes involving mandatory reporting of suspected EFE by financial institutions.

¹¹ Ohio Rev. Code Ann. § 5101.63(A)(2)(z)-(ee) (“(z) An individual who holds a certificate issued under Chapter 4701 of the Revised Code as a certified public accountant or is registered under that chapter as a public accountant; (aa) An individual licensed under Chapter 4735. of the Revised Code as a real estate broker or real estate salesperson; (bb) An individual appointed and commissioned under section 147.01 of the Revised Code as a notary public; (cc) An employee of a bank, savings bank, savings and loan association, or credit union organized under the laws of this state, another state, or the United States; (dd) A dealer, investment adviser, sales person, or investment advisor representative licensed under Chapter 1707. of the Revised Code; (ee) A financial planner accredited by a national accreditation agency”).

2.1.2 State laws authorizing delays in disbursing funds

Since 2016, a substantial number of states have enacted legislation based on a Model Act adopted by the North American Securities Administrators Association (“NASAA”) that includes a provision permitting delayed disbursements of funds when the financial institution believes that financial exploitation may occur, with accompanying responsibilities.¹² These statutes generally provide timelines for transaction holds and provide immunity for institutions and employees who take the proactive steps of withholding transactions and reporting suspected financial abuse to specified authorities.¹³ These statutes generally require financial institutions to report suspected financial exploitation if they choose to hold a transaction. Most of these statutes apply only to broker/dealers, financial advisers and others dealing in securities.¹⁴

However, several states have included depository institutions such as banks and credit unions among the institutions and qualified individuals that may hold transactions.¹⁵ These states include Delaware,¹⁶ Kentucky,¹⁷ Tennessee,¹⁸ Texas,¹⁹ Virginia,²⁰ and Washington.²¹ In all of

¹² The North American Securities Administrators Association (NASAA) Model Act provides immunity from administrative or civil liability for delaying disbursements from an account if the broker-dealer, investment adviser, or qualified individual reasonably believes “that the requested disbursement may result in financial exploitation of an eligible adult” and follows the steps laid out in the Model Act. See NASAA, *NASAA Model Legislation or Regulation to Protect Vulnerable Adults from Financial Exploitation*, § 7(1)(a) (adopted Jan. 22, 2016, updated 2019), available at <http://serveourseniors.org/wp-content/uploads/2015/11/NASAA-Model-Seniors-Act-adopted-Jan-22-2016.pdf>.

¹³ Additionally, FINRA’s Rule 2165 permits FINRA members such as broker/dealers and investment advisors to “place a temporary hold on a disbursement of funds or securities from the Account of a Specified Adult if: (A) The member reasonably believes that financial exploitation of the Specified Adult has occurred, is occurring, has been attempted, or will be attempted.” FINRA Rule 2165: Financial Exploitation of Specified Adults, 82 Fed. Reg. 10059 (Feb. 9, 2017), available at https://www.finra.org/sites/default/files/rule_filing_file/SR-FINRA-2016-039-approval-order.pdf.

¹⁴ Ala. Code § 8-6-176(a); Alaska Stat. § 45.56.430(d); Ark. Code Ann. § 23-42-309(c)(1); Colo. Rev. Stat. § 11-51-1005(1); Ind. Code §§ 23-19-4.1-5, 23-19-4.1-7(a); La. Rev. Stat. § 51:735(a); 32 Me. Rev. Stat. Ann. § 16806(1) (effective Sept. 19, 2019); Md. Corps. & Ass’ns § 11-307(c)(1); Minn. Stat. § 45A.06(a); Miss. Code Ann. § 75-71-413(b); Mont. Code Ann. § 30-10-342(1); N.D. Cent. Code § 10-04-08.5(5)(a); N.M. Stat. Ann. § 58-13D-5(A); Or. Rev. Stat. § 59.495(1); Utah Code Ann. § 61-1-204(1). Vermont adopted a similar provision in its securities regulations. Vt. Sec. Reg. § 8-5(e).

¹⁵ Delaware and Washington enacted their laws prior to the release of the NASAA Model Act, while Tennessee and Texas enacted their laws subsequent to the Model Act.

¹⁶ Del. Code tit. 31 §§ 3902(13), 3910.

¹⁷ Ky. Rev. Stat. § 365.245.

¹⁸ Tenn. Code Ann. § 45-2-1203(d).

¹⁹ Tex. Fin. Code Ann. §§ 277.001(3), 280.004, 280.005.

²⁰ Va. Code Ann. § 63.2-1606(L) (effective July 1, 2019).

²¹ Wash. Rev. Code § 74.34.215.

these states but Washington, reporting of EFE is already mandatory. The Delaware, Kentucky, Tennessee, Texas, and Washington statutes also include an additional statutory provision that mandates reporting, sometimes within a certain time period, to specific authorities if the financial institution wishes to delay or refuse a transaction related to EFE.²² See Appendix B for a chart of state statutes involving transaction holds related to EFE.

State policymakers and key stakeholders in other states are exploring changes to enable depository institutions to delay disbursements if they suspect that an older account holder has been or will be defrauded. These proposed or actual legislative changes suggest that policymakers seek additional ways to prevent EFE entirely or to limit the losses that older adults may incur when targeted.

2.1.3 The Senior Safe Act, a federal statute enacted in 2018, encourages reporting of EFE and provides immunity in specified situations

The federal Senior Safe Act, effective June 2018, provides that financial institutions are not liable for disclosing suspected EFE to covered agencies²³ if the institution has trained its employees on identifying EFE.²⁴ The Senior Safe Act applies to depository institutions, credit unions, investment advisers, broker-dealers, insurance companies, insurance agencies, insurance advisers and transfer agents.²⁵ In addition to institutional immunity, the Senior Safe Act provides individual immunity for those who “served as a supervisor or in a compliance or legal function (including as a Bank Secrecy Act officer) for, or, in the case of a registered representative, investment adviser representative, or insurance producer, was affiliated or associated with, a covered financial institution.”²⁶ To establish immunity, the report must be

²² Del. Code 31 § 3910(c); Ky. Rev. Stat. § 365.245(3)(a)(1); Tenn. Code Ann. § 45-2-1203(c)(2); Tex. Fin. Code Ann. § 280.004(a); Wash. Rev. Code § 74.34.215(4)(b). In Virginia, “financial institution staff may refuse to execute a transaction, may delay a transaction, or may refuse to disburse funds if the financial institution staff (i) believes in good faith that the transaction or disbursement may involve, facilitate, result in, or contribute to the financial exploitation of an adult or (ii) makes, or has actual knowledge that another person has made, a report to the local department or adult protective services hotline stating a good faith belief that the transaction or disbursement may involve, facilitate, result in, or contribute to the financial exploitation of an adult.” Va. Code Ann. § 63.2-1606(L) (effective July 1, 2019).

²³ See Senior Safe Act, *supra* note 6 at § 3423(a)(1)(D).

²⁴ *Id.* at § 3423(a)(2)(B).

²⁵ *Id.* at § 3423(a)(1)(D).

²⁶ *Id.* at § 3423(a)(2)(B)(i).

made in good faith and with reasonable care and the employee must have received appropriate training on how to identify and report elder exploitation.²⁷ The training must:

(ii) instruct any individual attending the training on how to identify and report the suspected exploitation of a senior citizen internally and, as appropriate, to government officials or law enforcement authorities, including common signs that indicate the financial exploitation of a senior citizen;

(iii) discuss the need to protect the privacy and respect the integrity of each individual customer of the covered financial institution; and

(iv) be appropriate to the job responsibilities of the individual attending the training.²⁸

The Senior Safe Act does not mandate either reporting or training, but does make the safe harbor contingent on the financial institution having provided training to employees. It does not preempt state law unless the Senior Safe Act provides greater protection against liability to a covered individual or institution.²⁹

In its 2016 *Recommendations*, the CFPB recommended that financial institutions establish clear, efficient training protocols to enhance their capacity to detect EFE.³⁰ The CFPB recommendations stress that training curricula should include indicators of potential EFE, and the CFPB compiled a list of warning signs in an appendix.³¹ The CFPB recommended that training programs describe what actions to take when employees detect problems. The CFPB also recommended that training describe the roles and responsibilities of management, frontline staff, and other employees to reduce ambiguity and promote efficient and timely action when staff suspect or observe EFE.³²

²⁷ *Id.* at § 3423(a)(2)(B)(ii).

²⁸ *Id.* at § 3423(b)(2)(A)(ii)-(iv).

²⁹ *Id.* at § 3423(c).

³⁰ *Recommendations*, *supra* note 2, at 3.2.

³¹ *Id.* at 3.2.1.

³² *Id.* at 3.2.2.

2.1.4 File Suspicious Activity Reports (“SARs”) when the financial institution suspects elder financial exploitation

In its 2016 *Recommendations*, the CFPB recommended that financial institutions file SARs when the financial institution suspects EFE.³³ The CFPB highlighted FinCEN’s 2011 Advisory that noted SARs are a valuable avenue for financial institutions to report financial exploitation of older adults.³⁴

In February 2019, the CFPB published a research report, *Suspicious Activity Reports on Elder Financial Exploitation: Issues and Trends*.³⁵ The CFPB analyzed SARs filed by a broad spectrum of financial institution types from 2013 to 2017 regarding suspected EFE. Over 180,000 SARs describing suspicious activities targeting older adults were filed during this timeframe.³⁶ SAR filings quadrupled from 2013 to 2017, but these SARs likely represent a tiny fraction of actual incidents.³⁷ During the study time period, SAR filings by depository institutions increased each year.³⁸ EFE SARs indicate that EFE is widespread and damaging, with an average loss of \$41,800 among adults over age 70 who sustained a loss.³⁹

While financial institutions are filing an increasing number of EFE SARs, in most cases the SARs do not indicate that the financial institutions are reporting EFE directly to law enforcement or APS. Less than one-third of EFE SARs (28 percent) state that the filing institution reported the activity directly to APS, law enforcement or other authorities.⁴⁰ If the financial institution is not reporting to APS, law enforcement or other first responders, this may be a missed opportunity to strengthen prevention and response. More reporting to the relevant law enforcement agencies can increase investigation and prosecution.⁴¹ Many financial institutions communicate with local law enforcement entities, which assist them in understanding when, where, and how to report. Robust reporting to APS can increase the likelihood that victims will receive appropriate services.

³³ *Id.* at 3.4.3.

³⁴ See FinCEN, *Advisory to Financial Institutions on Filing Suspicious Activity Reports Regarding Elder Financial Exploitation* (Feb. 22, 2011), <https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2011-a003>.

³⁵ See *SARS Report*, *supra* note 4.

³⁶ *Id.* at 1.0.

³⁷ *Id.*

³⁸ *Id.*, see Appendix B.

³⁹ *Id.* at 4.0.

⁴⁰ *Id.* at 5.0 (see fig. 14).

⁴¹ *Id.* at 5.0.

2.2 Expedite responses when APS, law enforcement, and other government entities investigate reports of elder financial exploitation and request documentation, in accordance with relevant laws

In its 2016 *Advisory*, the CFPB recommended that financial institutions expedite documentation requests and provide financial records at no charge to APS, law enforcement or other investigatory agencies in EFE cases.⁴² This is particularly critical because APS agencies often lack financial resources and having to pay to obtain financial records can impede APS's ability to respond to elder fraud.⁴³ Because financial exploitation often continues over several months,⁴⁴ a timely response to a records request can be an important step in preventing additional losses to an older account holder.

Some states have enacted laws mandating that financial institutions produce financial records relevant to suspected EFE to APS and law enforcement when requested.⁴⁵ Since 2016, Kentucky, Tennessee, Texas, and Utah have all enacted new laws regarding the production of records to investigatory agencies.⁴⁶ Kentucky and Texas now mandate that financial institutions provide records relevant to suspected EFE to APS and law enforcement, either as part of a report or referral or upon request pursuant to an investigation.⁴⁷ In Tennessee and Utah, financial

⁴² *Advisory*, *supra* note 1, at 4.0.

⁴³ U.S. Government Accountability Office, Report to the Chairman, Senate Special Comm. On Aging, Elder Justice, *Stronger Federal Leadership Could Enhance National Response to Elder Abuse* 18 (Mar. 2011), available at <https://www.gao.gov/assets/320/316224.pdf>.

⁴⁴ *SARs Report*, *supra* note 4, at 5.0.

⁴⁵ For example, the Texas statute reads: "A financial institution shall provide, on request, access to or copies of records relevant to the suspected financial exploitation of a vulnerable adult to the department, a law enforcement agency, or a prosecuting attorney's office, either as part of a report . . . or at the request of the department, law enforcement agency, or prosecuting attorney's office in accordance with an investigation." Tex. Fin. Code Ann. § 280.006. Other states have enacted similar laws governing the release of financial records to APS or law enforcement when EFE is suspected by a financial institution. *See, e.g.*, 320 Ill. Comp. Stat. 20/13(a-5); Ky. Rev. Stat. § 365.245(5)(a); Minn. Stat. Ann. § 626.557(5)(a).

⁴⁶ Ky. Rev. Stat. § 365.245(5)(a); Tenn. Code Ann. § 45-10-119; Tex. Fin. Code Ann. § 280.006; Utah Code Ann. § 62A-3-303.

⁴⁷ Ky. Rev. Stat. § 365.245(5)(a); Tex. Fin. Code Ann. § 280.006.

institutions must provide records to authorized investigatory agencies if the agency serves a subpoena.⁴⁸ In a few states, it is explicitly permitted—but not mandatory—for financial institutions to disclose records related to suspected EFE.⁴⁹ See Appendix C for a chart of all state statutes involving the disclosure of financial records related to EFE.

State statutes also differ regarding the specific agencies to which financial institutions must disclose records.⁵⁰

2.2.1 Expedite the provision of SAR supporting documentation to appropriate law enforcement or supervisory agencies

FinCEN advises financial institutions to provide SAR information and supporting documentation to authorized investigatory agencies: “Financial institutions must provide all documentation supporting the filing of a SAR upon request by FinCEN or an appropriate law enforcement or supervisory agency.”⁵¹ “Disclosure of SARs to appropriate law enforcement and supervisory agencies is protected by the safe harbor provisions applicable to both voluntary and mandatory suspicious activity reporting by financial institutions.”⁵²

⁴⁸ Tenn. Code Ann. § 45-10-119; Utah Code Ann. § 62A-3-303(8)(b).

⁴⁹ Md. Fin. Inst. Code § 1-306 (“A fiduciary institution or an officer, employee, agent, or director of a fiduciary institution may disclose financial records and any other information relating to a customer of the fiduciary institution if the fiduciary institution or its officer, employee, agent, or director: (1) Believes that the customer has been subjected to financial exploitation; and (2) Makes the disclosure in a report of financial exploitation to the adult protective services program in a local department of social services”); Rev. Code Wash. § 74.34.220(4) (“A financial institution may provide access to or copies of records that are relevant to suspected financial exploitation or attempted financial exploitation of a vulnerable adult to the department, law enforcement, or the prosecuting attorney’s office, either as part of a referral to the department, law enforcement, or the prosecuting attorney’s office, or upon request of the department, law enforcement, or the prosecuting attorney’s office pursuant to an investigation”).

⁵⁰ See, e.g., 320 Ill. Comp. Stat. § 20/13(a-5) (“A representative of the Department or a designated provider agency that is actively involved in an abuse, neglect, financial exploitation, or self-neglect investigation under this Act shall be allowed access to the financial records . . . of the eligible adult which are in the possession of any individual, financial institution . . . or other facility if necessary to complete the investigation mandated by this Act”); Ky. Rev. Stat. § 365.245(5)(a) (Financial institutions “shall provide access to or copies of records that are relevant to the suspected or attempted financial exploitation of a specified adult to agencies charged with administering state adult protective services laws and to law enforcement, either as part of a referral to the agency or to law enforcement, or upon request of the agency or law enforcement pursuant to an investigation.”).

⁵¹ FinCEN, *Guidance: Suspicious Activity Report Supporting Documentation*, FIN-2007-G003, 1 (Jun. 13, 2007), available at https://www.fincen.gov/sites/default/files/shared/Supporting_Documentation_Guidance.pdf.

⁵² *Id.* at 2.

The CFPB recommends that financial institutions work with their legal counsel to expedite their responses to requests for SAR supporting documentation by law enforcement and other agencies with authority to access SARs.

3. Conclusion

Timely reporting of suspected EFE remains critically important and can lead to effective responses and limitation of losses. The CFPB's research underscores the prevalence of EFE and the devastating financial harm that it is causing nationwide. Legislative trends suggest that policymakers are seeking ways to increase and enhance reporting of suspected EFE to government entities that can help victims or take action against perpetrators. Policymakers are also providing incentives to train financial institution staff on recognizing and reporting EFE, and, in some states, enabling them to delay or refuse disbursements when they believe financial exploitation of an older adult has occurred or will occur. The CFPB provides this update to assist financial institutions in continuing to play a vital role in preventing and responding to elder financial abuse.

APPENDIX A: MANDATORY REPORTING OF ELDER FINANCIAL EXPLOITATION BY FINANCIAL INSTITUTIONS

TABLE 1: STATES MANDATING REPORTING OF ELDER FINANCIAL EXPLOITATION BY FINANCIAL INSTITUTIONS AND/OR SPECIFIED FINANCIAL PROFESSIONALS

State	Mandatory Reporting Statute	Covered Persons or Individuals ⁵³	Definition of "Financial Institution," where applicable
Arizona	Ariz. Rev. Stat. Ann. § 46-454	Ariz. Rev. Stat. Ann. § 46-454(B): "An attorney, accountant, trustee, guardian, conservator or other person who has responsibility for preparing the tax records of a vulnerable adult or a person who has responsibility for any other action concerning the use or preservation of the vulnerable adult's property"	
Arkansas	Ark. Code Ann. § 12-12-1708	Ark. Code Ann. § 12-12-1708(a)(1)(U): "An employee of a bank or other financial institution"	
California	Cal. Welf. & Inst. Code § 15630.1	Cal. Welf. & Inst. Code § 15630.1(a): "All officers and employees of financial institutions"	Cal. Welf. & Inst. Code § 15630.1(b): "As used in this section, the term 'financial institution' means any of the following: (1) A depository institution, as defined in Section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. Sec. 1813(c)). (2) An institution-affiliated party, as defined in Section 3(u) of the Federal Deposit Insurance Act (12 U.S.C. Sec. 1813(u)). (3) A federal credit union or state credit union, as defined in Section 101 of the Federal Credit Union Act (12 U.S.C. Sec. 1752), including, but not limited to, an institution-affiliated party of a credit union, as defined in Section 206(r) of the Federal Credit Union Act (12 U.S.C. Sec. 1786(r))."

⁵³ Under state mandatory reporting laws, proof of EFE is normally not required and a reasonable suspicion of EFE triggers a duty to report. *See, e.g.,* Fla. Stat. § 415.1034(1)(a) ("Bank, savings and loan, or credit union officer, trustee, or employee . . . knows, or has reasonable cause to suspect"); Ga. Code Ann. § 30-5-4(a)(1)(B) ("any employee of a financial institution . . . having reasonable cause to believe . . .").

State	Mandatory Reporting Statute	Covered Persons or Individuals⁵³	Definition of "Financial Institution," where applicable
Colorado	Colo. Rev. Stat. § 18-6.5-108	Colo. Rev. Stat. § 18-6.5-108(1)(b)(XXII): "Personnel of banks, savings and loan associations, credit unions, and other lending or financial institutions"	
Delaware	Del. Code Ann. 31 § 3910	Del. Code Ann. 31 § 3910(a)-(c): Any person, including an "employee of a financial institution who has direct contact with an elderly person"	
District of Columbia	D.C. Code § 7-1903	D.C. Code § 7-1903(a)(1): A "bank manager" or "financial manager"	
Florida	Fla. Stat. § 415.1034	Fla. Stat. § 415.1034(1)(a): Any person, including a "Bank, savings and loan, or credit union officer, trustee, or employee"	
Georgia	Ga. Code Ann. § 30-5-4	Ga. Code Ann. § 30-5-4(a)(1)(B): "Any employee of a financial institution or investment company"	Ga. Code Ann. § 30-5-3; Ga. Code Ann. § 7-1-4(21): "Financial institution" means: (A) A bank; (B) A trust company; (C) Reserved; (D) A credit union; (E) A corporation licensed to engage in the business of selling payment instruments in this state on April 1, 1975, or so licensed pursuant to Article 4 of this chapter"
Hawaii	Haw. Rev. Stat. § 412:3-114.5	Haw. Rev. Stat. § 412:3-114.5(a): "Financial institution"	Haw. Rev. Stat. § 412:1-109: "Hawaii financial institution" means: (1) A corporation or credit union that holds a charter or license under this chapter or under prior Hawaii law, authorizing it to accept deposits, to make loans in excess of the rates permitted in chapter 478, or to engage in the business of a trust company; or (2) A resulting bank as defined in article 12, and includes a corporation or credit union existing and chartered as a Hawaii financial institution or licensed to transact business in this State on July 1, 1993. A Hawaii financial institution may be a bank, resulting bank as defined in article 12, savings bank, savings and loan association, depository financial services loan company, nondepository financial services loan company, trust company, credit union, or intra-Pacific bank." Statute also

State	Mandatory Reporting Statute	Covered Persons or Individuals ⁵³	Definition of "Financial Institution," where applicable
			covers a national banking association, federal savings bank, federal savings and loan association or federal credit union.
Indiana	Ind. Code Ann. § 12-10-3-9	Ind. Code Ann. § 12-10-3-9(a): Any individual	
Kansas	Kan. Stat. Ann. § 39-1431	Kan. Stat. Ann. § 39-1431(a): "A bank trust officer or any other officers of financial institutions"	Kan. Stat. Ann. § 39-1401(q): "Financial institution' means any bank, trust company, escrow company, finance company, saving institution or credit union, chartered and supervised under state or federal law."
Kentucky	Ky. Rev. Stat. Ann. § 209.030	Ky. Rev. Stat. Ann. § 209.030(2): "Any person"	
Louisiana	La. Rev. Stat. Ann. § 15:1504	La. Rev. Stat. Ann. § 15:1504(A): "Any person"	
Maryland	Md. Fin. Inst. Code § 1-306	Md. Fin. Inst. Code § 1-306(d)(1): "A fiduciary institution"	Md. Fin. Inst. Code § 1-301(b): "Fiduciary institution' means: (i) A national banking association; (ii) A State banking institution; (iii) An other-state bank that maintains a branch in this State; (iv) A credit union that is organized under the laws of this State or of the United States; (v) Any other organization that is organized under the banking laws of this State and subject to the supervision of the Commissioner; or (vi) A savings and loan association that is organized under the laws of this State or of the United States."
Mississippi	Miss. Code Ann. § 43-47-7	Miss. Code Ann. § 43-47-7(1)(a)(vii): "Accountant, stockbroker, financial advisor or consultant, insurance agent or consultant, investment advisor or consultant, financial planner, or any officer or employee of a bank, savings and loan, credit union or any other financial service provider"	
Nevada	Nev. Rev. Stat. § 657.290	Nev. Rev. Stat. § 657.290(1)-(2): "Financial institution"	Nev. Rev. Stat. § 657.160: "Financial institution' means a depository institution or any other institution regulated pursuant to this title. The term includes, without limitation, a holding company, affiliate or subsidiary of such an institution."

State	Mandatory Reporting Statute	Covered Persons or Individuals⁵³	Definition of "Financial Institution," where applicable
New Hampshire	N.H. Rev. Stat. Ann. § 161-F:46	N.H. Rev. Stat. Ann. § 161-F:46: "Any person"	
New Mexico	N.M. Stat. Ann. § 27-7-30	N.M. Stat. Ann. § 27-7-30(A): "Any person, including financial institutions"	
North Carolina	N.C. Gen Stat. § 108A-102; 108A-115	N.C. Gen Stat. § 108A-102(A): "Any person" N.C. Gen Stat. § 108A-115(a): "Any financial institution, or officer or employee thereof"	
Ohio	Ohio Rev. Code. Ann. § 5101.63	Ohio Rev. Code. Ann. § 5101.63(A)(2)(z)-(ee): "(z) An individual who holds a certificate issued under Chapter 4701 of the Revised Code as a certified public accountant or is registered under that chapter as a public accountant; (aa) An individual licensed under Chapter 4735 of the Revised Code as a real estate broker or real estate salesperson; (bb) An individual appointed and commissioned under section 147.01 of the Revised Code as a notary public; (cc) An employee of a bank, savings bank, savings and loan association, or credit union organized under the laws of this state, another state, or the United States; (dd) A dealer, investment adviser, sales person, or investment advisor representative licensed under Chapter 1707. of the Revised Code; (ee) A financial planner accredited by a national accreditation agency"	
Oklahoma	Okla. Stat. Ann. § 43A-10-104	Okla. Stat. Ann. § 43A-10-104v1(A)(1): "Any person" Okla. Stat. Ann. § 43A-10-104v2(A): "Any person"	
Rhode Island	R.I. Gen. Laws Ann. § 42-66-8	R.I. Gen. Laws Ann. § 42-66-8: "Any person"	

State	Mandatory Reporting Statute	Covered Persons or Individuals⁵³	Definition of "Financial Institution," where applicable
South Carolina	S.C. Code Ann. § 43-35-25	S.C. Code Ann. § 43-35-25(A): "Any other person who has actual knowledge that a vulnerable adult has been abused, neglected, or exploited shall report the incident"	
Tennessee	Tenn. Code Ann. § 71-6-103	Tenn. Code Ann. § 71-6-103(b)(1): "Any person"	
Texas	Tex. Hum. Res. Code Ann. § 48.051; Tex. Fin. Code Ann. § 280.002	Tex. Hum. Res. Code Ann. § 48.051(a): Any person Tex. Fin. Code Ann. § 280.002(b): "Financial institution"	
Utah	Utah Code Ann. § 62A-3-305	Utah Code Ann. § 62A-3-305(1): Any person	
Wyoming	Wyo. Stat. Ann. § 35-20-103	Wyo. Stat. Ann. § 35-20-103(a): "Any person or agency"	

APPENDIX B: MANDATORY REPORTING OF ELDER FINANCIAL EXPLOITATION WHEN A FINANCIAL INSTITUTION HOLDS A TRANSACTION OR DELAYS A DISBURSEMENT

TABLE 2: STATES MANDATING REPORTING OF SUSPECTED ELDER FINANCIAL EXPLOITATION TO ADULT PROTECTIVE SERVICES AND/OR LAW ENFORCEMENT WHEN A FINANCIAL INSTITUTION HOLDS A TRANSACTION OR DELAYS A DISBURSEMENT OF FUNDS⁵⁴

State	Statute	Effective date of statutory section authorizing transaction holds	Text
Delaware	Del. Code Ann. 31 § 3910	2014	Del. Code Ann. 31 § 3910(c): A financial institution with a reasonable cause to suspect EFE “shall be empowered to place a hold on a proposed transaction for a period of 10 business days following the filing of the report.” The financial institution must report “by the earlier of the date on which the financial institution completes its investigation or 5 business days after the bank identifies a suspicious transaction.”
Kentucky	Ky. Rev. Stat. §§ 365.245; 209.030	2018	Ky. Rev. Stat. § 365.245(3)(a): “A qualified person may place a temporary hold on a transaction on or [sic] a disbursement from an account of a specified adult, or an account on which a specified adult is a beneficiary, if: 1. The qualified person fulfills any reporting obligations under KRS 209.030. Nothing in this subsection shall be read to expand any of the requirements of KRS 209.030; 2. The qualified person reasonably believes that financial exploitation of a specified adult has occurred, is occurring, has been attempted, or will be attempted... .” Ky. Rev. Stat. §209.030(3): “An oral or written report shall be made immediately to the cabinet upon knowledge of suspected abuse, neglect, or exploitation of an adult.”
Tennessee	Tenn. Code Ann. §§ 45-2-	2017	Tenn. Code Ann. § 45-2-1203(c): “A financial service provider that refuses a financial transaction or holds a financial transaction based on reasonable cause to suspect that financial exploitation

⁵⁴ In Virginia, “financial institution staff may refuse to execute a transaction, may delay a transaction, or may refuse to disburse funds if the financial institution staff (i) believes in good faith that the transaction or disbursement may involve, facilitate, result in, or contribute to the financial exploitation of an adult or (ii) makes, or has actual knowledge that another person has made, a report to the local department or adult protective services hotline stating a good faith belief that the transaction or disbursement may involve, facilitate, result in, or contribute to the financial exploitation of an adult.” Va. Code Ann. § 63.2-1606(L) (effective July 1, 2019).

State	Statute	Effective date of statutory section authorizing transaction holds	Text
	1203; 71-6-103		<p>may have occurred, may have been attempted, or is being attempted shall . . . report the incident, if it involves financial exploitation, to the department of human services adult protective services division, as provided in § 71-6-103.”</p> <p>Tenn. Code. Ann. § 71-6-103(c): “An oral or written report shall be made immediately to the department upon knowledge of the occurrence of suspected abuse, neglect, or exploitation of an adult.”</p>
Texas	Tex. Fin. Code Ann. §§ 280.002; 280.004	2017	<p>Tex. Fin. Code Ann. § 280.004(a): “If a financial institution submits a report of suspected financial exploitation of a vulnerable adult to the department under Section 280.002(b), the financial institution: (1) may place a hold on any transaction that: (A) involves an account of the vulnerable adult; and (B) the financial institution has cause to believe is related to the suspected financial exploitation; and (2) must place a hold on any transaction involving an account of the vulnerable adult if the hold is requested by the department or a law enforcement agency.”</p>

Note: The allowable duration of transaction holds varies by state and may also vary by situation. Please review your state law to determine the length of time for which a financial institution may hold a transaction.

APPENDIX C: DISCLOSURE OF FINANCIAL RECORDS TO ADULT PROTECTIVE SERVICES AND/OR LAW ENFORCEMENT

TABLE 3: STATES MANDATING DISCLOSURE OF RECORDS RELATED TO ELDER FINANCIAL EXPLOITATION BY FINANCIAL INSTITUTIONS UPON REQUEST AND/OR AS PART OF A REFERRAL TO ADULT PROTECTIVE SERVICES/LAW ENFORCEMENT

State	Statute	Year enacted	Text
Illinois	320 Ill. Comp. Stat. § 20/13	2014	320 Ill. Comp. Stat. § 20/13(a-5): “A representative of the Department or a designated provider agency that is actively involved in an abuse, neglect, financial exploitation, or self-neglect investigation under this Act shall be allowed access to the financial records . . . of the eligible adult which are in the possession of any individual, financial institution . . . or other facility if necessary to complete the investigation mandated by this Act. The provider or facility shall provide such records to the representative upon receipt of a written request and certification from the Department or designated provider agency that an investigation is being conducted under this Act and the records are pertinent to the investigation.”
Kentucky	Ky. Rev. Stat. § 365.245	2018	Ky. Rev. Stat. § 365.245(5)(a): “A qualified person shall provide access to or copies of records that are relevant to the suspected or attempted financial exploitation of a specified adult to agencies charged with administering state adult protective services laws and to law enforcement, either as part of a referral to the agency or to law enforcement, or upon request of the agency or law enforcement pursuant to an investigation.” ⁵⁵
Minnesota	Minn. Stat. Ann. § 626.557	2015	Minn. Stat. Ann. § 626.557(5a): “Financial institutions shall cooperate with a lead investigative agency, law enforcement, or prosecuting authority that is investigating maltreatment of a vulnerable adult and comply with reasonable requests for the production of financial records as authorized under section 13A.02, subdivision 1.”
Texas	Tex. Fin. Code Ann. § 280.006	2017	Tex. Fin. Code Ann. § 280.006: “To the extent permitted by state or federal law, a financial institution shall provide, on request, access to or copies of records relevant to the suspected financial exploitation of a vulnerable adult to the department, a law enforcement agency, or a prosecuting attorney’s office, either as part of a report to the department, law enforcement agency, or prosecuting attorney’s office

⁵⁵ Under Kentucky law, a “Qualified person” means a: (1) Broker-dealer as defined in KRS 292.310; (2) Investment adviser as defined in KRS 292.310; or (3) Financial institution.” *Id.*

State	Statute	Year enacted	Text
			or at the request of the department, law enforcement agency, or prosecuting attorney's office in accordance with an investigation.”
Wisconsin	Wis. Stat. Ann. § 46.90	2013	Wis. Stat. Ann. § 46.90(5)(b)(6): “Any financial records of the elder adult at risk that are maintained by a financial institution, as defined in s. 705.01(3) . . . shall be released without informed consent in either of the following circumstances: a. To an elder-adult-at-risk agency or other investigative agency under this section. The financial record holder may release financial record information by initiating contact with the elder-adult-at-risk agency or other investigative agency without first receiving a request for release of the information from the elder-adult- at-risk agency or other investigative agency. b. Under a lawful order of a court of record.”

TABLE 4: STATES MANDATING DISCLOSURE OF RECORDS RELATED TO ELDER FINANCIAL EXPLOITATION BY FINANCIAL INSTITUTIONS UPON RECEIPT OF A SUBPOENA⁵⁶

State	Statute	Year enacted	Text
North Carolina	N.C. Gen Stat. § 108A-116	2014	N.C. Gen. Stat. § 108A-116(c): “Upon receipt of a subpoena delivered pursuant to subsection (b) of this section identifying the disabled adult or older adult customer or, if the subpoena is challenged pursuant to subsection (b1) of this section, entry of a court order upholding or modifying a subpoena, a financial institution shall promptly provide to the head of an investigating entity, or his or her designated agent, the financial records of a disabled adult or older adult customer.”
Tennessee	Tenn. Code Ann. § 45-10-119	2017	Tenn. Code Ann. § 45-10-119(a): “A financial institution shall provide access to or copies of records that are relevant to suspected actual or attempted financial exploitation, as defined in § 45-2-1202, in response to an administrative subpoena that satisfies the requirements of § 45-10-103(8) issued by the department of human services, adult protective services as provided in § 71-6-103(j)(4)(A). The records requested pursuant to this subsection (a) must be limited to historical records as well as records relating to the most recent transaction or transactions that may comprise financial exploitation not to exceed thirty (30) calendar days prior to the first transaction that

⁵⁶ These three states have enacted specific statutory provisions discussing subpoenas of financial records in EFE cases. Their inclusion is not meant to suggest that financial institutions in other states are not obligated to respond to subpoenas.

State	Statute	Year enacted	Text
			was reported, or thirty (30) calendar days after the last transaction that was reported.”
Utah	Utah Code Ann. § 62A-3-303	2017	Utah Code Ann. § 62A-3-303(8): Adult Protective Services “shall be given access to, or provided with, written statements, documents, exhibits, and other items related to an investigation, including private, controlled, or protected medical or financial records of a vulnerable adult who is the subject of an investigation if: (a) for a vulnerable adult who has the capacity to consent, the vulnerable adult signs a release of information; or (b) for a vulnerable adult who lacks capacity to consent, an administrative subpoena is issued by Adult Protective Services.”
North Carolina	N.C. Gen Stat. § 108A-116	2014	N.C. Gen. Stat. § 108A-116(c): “Upon receipt of a subpoena delivered pursuant to subsection (b) of this section identifying the disabled adult or older adult customer or, if the subpoena is challenged pursuant to subsection (b1) of this section, entry of a court order upholding or modifying a subpoena, a financial institution shall promptly provide to the head of an investigating entity, or his or her designated agent, the financial records of a disabled adult or older adult customer.”
Tennessee	Tenn. Code Ann. § 45-10-119	2017	Tenn. Code Ann. § 45-10-119(a): “A financial institution shall provide access to or copies of records that are relevant to suspected actual or attempted financial exploitation, as defined in § 45-2-1202, in response to an administrative subpoena that satisfies the requirements of § 45-10-103(8) issued by the department of human services, adult protective services as provided in § 71-6-103(j)(4)(A). The records requested pursuant to this subsection (a) must be limited to historical records as well as records relating to the most recent transaction or transactions that may comprise financial exploitation not to exceed thirty (30) calendar days prior to the first transaction that was reported, or thirty (30) calendar days after the last transaction that was reported.”
Utah	Utah Code Ann. § 62A-3-303	2017	Utah Code Ann. § 62A-3-303(8): Adult Protective Services “shall be given access to, or provided with, written statements, documents, exhibits, and other items related to an investigation, including private, controlled, or protected medical or financial records of a vulnerable adult who is the subject of an investigation if: (a) for a vulnerable adult who has the capacity to consent, the vulnerable adult signs a release of information; or (b) for a vulnerable adult who lacks capacity to consent, an administrative subpoena is issued by Adult Protective Services.”

TABLE 5: STATES PERMITTING DISCLOSE OF FINANCIAL RECORDS RELATED TO ELDER FINANCIAL EXPLOITATION BY FINANCIAL INSTITUTIONS UPON REQUEST OR AS PART OF A REPORT OR REFERRAL TO ADULT PROTECTIVE SERVICES/LAW ENFORCEMENT

State	Statute	Year enacted	Text
Maryland	Md. Fin. Inst. Code § 1-306	2014	Md. Fin. Inst. Code § 1-306(b): “A fiduciary institution or an officer, employee, agent, or director of a fiduciary institution may disclose financial records and any other information relating to a customer of the fiduciary institution if the fiduciary institution or its officer, employee, agent, or director: (1) Believes that the customer has been subjected to financial exploitation; and (2) Makes the disclosure in a report of financial exploitation to the adult protective services program in a local department of social services.”
Washington	Rev. Code Wash. § 74.34.220	2010	Rev. Code Wash. § 74.34.220(4): “A financial institution may provide access to or copies of records that are relevant to suspected financial exploitation or attempted financial exploitation of a vulnerable adult to the department, law enforcement, or the prosecuting attorney’s office, either as part of a referral to the department, law enforcement, or the prosecuting attorney’s office, or upon request of the department, law enforcement, or the prosecuting attorney’s office pursuant to an investigation. The records may include historical records as well as records relating to the most recent transaction or transactions that may comprise financial exploitation.”