



*Written Testimony before the Banking Committee  
Roderick L. Bremby, Commissioner  
March 15, 2018*

The Department of Social Services appreciates the opportunity to provide written testimony regarding two bills on the Banking Committee agenda today.

**S.B. 474 (RAISED) AN ACT PROTECTING ELDERLY ADULTS FROM FINANCIAL EXPLOITATION**

This bill provides a mechanism by which brokers, dealers and investment advisers may voluntarily report suspected cases of financial exploitation involving seniors and other vulnerable adults. The bill also allows banks to authorize a temporary disbursement delay in accounts when there is a suspected case of financial exploitation.

Pursuant to state statute, the Department of Social Services is the lead agency in administering the Protective Services for the Elderly (PSE) program. Specifically, the PSE program is designed to safeguard people 60 years and older from physical, mental, emotional abuse, neglect (including self-neglect), abandonment and/or financial abuse and exploitation. In CY 2017 the Department had over 7,100 PSE cases statewide.

This legislation provides a streamlined approach to assist banks in halting financial exploitation as it is happening. Under the current law, banks are unable to place a hold on a bank account even if the bank is aware that the transaction is part of a scam or some other type of exploitation. In most cases, once the money is wired or transferred, it cannot be retrieved. Unfortunately the Department is aware of numerous situations where an elderly individual has been financially exploited, the banks were aware, but did not have the legal authority to intervene. Once a referral is brought to the attention of the Department, the money has already been removed and, as noted above, cannot be retrieved.

The Department appreciates the Banking Committee allowing a public hearing on this legislation and thanks the Department of Banking for proposing this bill. The Department is supportive of this proposal as it provides a safeguard to help protect our elderly and vulnerable population from financial exploitation.

**H.B. 5491 (RAISED) AN ACT CONCERNING THE AMOUNT OF MONEY FINANCIAL INSTITUTIONS MUST LEAVE IN A JUDGMENT DEBTOR'S ACCOUNT DURING A BANK ACCOUNT EXECUTION.**

Under current law, there is no specified amount of money a financial institution served with a bank execution by a judgment creditor is required to leave in a judgment debtor's account unless an examination of the account activity reveals readily identifiable electronic deposits of certain enumerated benefits or wages during the past sixty days (or longer period of time, if required by federal law). If one or more such deposit is readily identified, the financial institution is then required to ensure a minimum amount of one thousand dollars or the account balance (whichever is less) is preserved in such account. This bill extends this minimum-balance protection to all bank accounts, regardless of deposit history.

The Department of Social Services uses the provisions of this statute as a tool when serving a bank execution to collect past-due child support in cases where the past-due amount exceeds \$500. The amendments proposed by this bill would limit the Department's ability to collect past-due child support from a bank account owned by the obligor, because the execution presented to the financial institution would be honored only to the extent that more than \$1,000 is in the account. This would have a negative impact on families to whom past due support is owed, and would also have a negative fiscal impact for the State, since the Department's ability to collect past-due support as a means of recouping cash benefits paid to the custodial parent through the Temporary Family Assistance program would also be limited.

Absent additional language that would exclude executions for past-due child support from the rule that a financial institution must preserve the lesser of \$1,000 or the account balance, the Department must oppose this bill.