

# United States Senate

WASHINGTON, DC 20510

February 24, 2017

The Honorable Mike Crapo  
Chairman  
Committee on Banking, Housing, & Urban Affairs  
United States Senate  
Washington, D.C. 20510

The Honorable Sherrod Brown  
Ranking Member  
Committee on Banking, Housing, & Urban Affairs  
United States Senate  
Washington, D.C. 20510

Dear Chairman Crapo and Ranking Member Brown:

We write to request consideration of the SeniorSafe Act (S. 223), a bill designed to help counter the wave of fraud and financial abuse targeting America's seniors, at the Committee's next business meeting. According to the Government Accountability Office, financial fraud targeting older Americans is a growing epidemic that costs seniors an estimated \$2.9 billion annually.

This bill is the product of our work last Congress as Chairman and Ranking Member of the Senate Special Committee on Aging, when we learned how con artists find and exploit their victims and what can be done to stop this harmful trend. One step that can be taken immediately to block financial fraud is to empower financial institutions to flag a senior's bank account quickly when fraudulent activity or exploitation is suspected.

We are aware of instances where quick action by financial institution employees was successful in stopping a fraud in progress, saving their customers thousands of dollars. It is clear that financial institutions and their employees, if properly trained, can play an important role and be a significant line of defense in protecting our seniors from fraudsters.

Regrettably, federal laws intended to protect consumers can make it difficult for financial institutions to report suspected fraud to the proper authorities. Under S. 223, financial institutions and their employees would be protected from liability as long as their employees are trained to spot and report suspected financial exploitation, their reports are made in good faith and on a reasonable basis, and they report to the proper authorities, such as regulators, law enforcement, or adult protective services agencies.

We are delighted that AARP, the nation's largest senior advocacy organization representing nearly 38 million members, recently endorsed our legislation saying it "protects individuals at financial institutions who disclose suspected financial exploitation of senior

citizens to appropriate agencies, and requires the financial institution to provide training on identifying and handling of potential exploitation.” In addition, the SeniorSafe Act is supported by many other stakeholders, ranging from state securities administrators to advocates for seniors. Enclosed for your reference are letters of support from some of the organizations supporting the bill, including AARP, the North American Securities Administrators Association (NASAA), the Credit Union National Association (CUNA), the National Association of Federally-Insured Credit Unions (NAFCU), the Conference of State Bank Supervisors (CSBS), and the National Association of Insurance and Financial Advisors (NAIFA).

Thank you for your consideration of our request that the Committee move quickly to consider S. 223. We look forward to working with you to advance this commonsense legislation aimed at preventing financial fraud against our nation’s seniors. If you have any questions, please do not hesitate to contact us or have your staff contact Mark LeDuc with Senator Collins at [Mark\\_LeDuc@aging.senate.gov](mailto:Mark_LeDuc@aging.senate.gov) (4-5901) or Elizabeth Herman with Senator McCaskill at [Elizabeth\\_Herman@mccaskill.senate.gov](mailto:Elizabeth_Herman@mccaskill.senate.gov) (8-6474).

Sincerely,



Susan M. Collins  
United States Senator



Claire McCaskill  
United States Senator

Enclosure(s):





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202-434-2277 | 1-888-OUR-AARP | 1-888-687-2277 | TTY: 1-877-434-7598  
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February 6, 2017

The Honorable Susan M. Collins  
United States Senate  
413 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Bob Casey  
United States Senate  
393 Russell Senate Office Building  
Washington, DC 20510

Dear Senators Collins and Casey:

On behalf of our nearly 38 million members in all 50 states and the District of Columbia, Puerto Rico, and U.S. Virgin Islands, AARP is pleased to endorse the bipartisan Senior Safe Act of 2017 (S. 223). This legislation protects individuals at financial institutions who disclose suspected financial exploitation of senior citizens to appropriate agencies, and requires the financial institution to provide training on identifying and handling of potential exploitation.

AARP has a long history of fighting for protections against the financial exploitation of older Americans and has been on the forefront of advocacy in support of federal and state laws and regulations that prevent this type of abuse. Elder abuse is an often hidden phenomenon that affects hundreds of thousands of seniors and financial exploitation is the most prevalent form of elder abuse. Every year, abuse and exploitation rob older Americans of \$3 billion<sup>1</sup> — and this is only the amount reported.

Recognizing that financial exploitation is a pervasive and increasing problem that specifically threatens our members' financial security, AARP supports strong legal protections against financial exploitation. AARP hopes this legislation is just the beginning, and we stand ready to work with you to forge solutions and bring safeguards to our members and the public.

Additional steps can be taken to include directly addressing protections on the consumer end, planning for incapacity, training for caregivers, and guidance on the common scenarios of financial exploitation. In addition, the bill can be further strengthened by including continuing education requirements and refresher training every 5 years for consumer facing individuals at financial institutions.

Alabama | Alaska | Arizona | Arkansas | California | Colorado | Connecticut | Delaware | District of Columbia | Florida | Georgia | Hawaii | Idaho | Illinois | Indiana | Iowa | Kansas | Kentucky | Louisiana | Maine | Maryland | Massachusetts | Michigan | Minnesota | Mississippi | Missouri | Montana | Nebraska | Nevada | New Hampshire | New Jersey | New Mexico | New York | North Carolina | North Dakota | Ohio | Oklahoma | Oregon | Pennsylvania | Puerto Rico | Rhode Island | South Carolina | South Dakota | Tennessee | Texas | Utah | Vermont | Virgin Islands | Virginia | Washington | West Virginia | Wisconsin | Wyoming

We look forward to working with you and your colleagues on a bipartisan basis to combat the financial exploitation of older Americans. If you have any questions, please feel free to contact me, or have your staff contact Jasmine Vasquez on our Government Affairs staff at (202) 434-3711.

Sincerely,

A handwritten signature in black ink that reads "Joyce A. Rogers". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Joyce A. Rogers  
Senior Vice President  
Government Affairs

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<sup>1</sup> "The Metlife Study on Elder Financial Abuse: Crimes of Occasion, Desperation, and Predation Against America's Elders" (June 2011)



NASAA

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**NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.**

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January 24, 2017

Senator Susan Collins  
Chair  
U.S. Senate Special Committee on Aging  
G31 Dirksen Senate Office Building  
Washington, DC 20510

Re: The SeniorSafe Act of 2017

Dear Senator Collins:

On behalf of the North American Securities Administrators Association ("NASAA"),<sup>1</sup> I am writing to express strong support for your work to better protect vulnerable adults from financial exploitation through the introduction of the SeniorSafe Act of 2017. Your legislation will better protect persons aged 65 and older from financial exploitation by increasing the likelihood it will be identified by financial services professionals, and by removing barriers to reporting it, so that together we as state securities regulators and other appropriate governmental authorities can help stop it.

Senior financial exploitation is a growing problem across the country. Many in our elderly population are vulnerable due to social isolation and distance from family, caregiver, and other support networks. Indeed, evidence suggests that as many as one out of every five citizens over the age of 65 has been victimized by a financial fraud. To be successful in combating senior financial exploitation, state and federal policymakers must come together to weave a new safety net for our elderly, breaking down barriers for those who are best positioned to identify red flags early on and to encourage reporting and referrals to appropriate local, county, state, and federal agencies, including law enforcement.

The SeniorSafe Act consists of several essential features. First, to promote and encourage reporting of suspected elderly financial exploitation by financial services professionals, who are positioned to identify and report "red flags" of potential exploitation, the bill would incentivize financial services employees to report any suspected exploitation by making them immune from any civil or administrative liability arising from such a report, provided that they exercised due care, and that they make these reports in good faith. Second, in order to better assure that financial services employees have the knowledge and training they require to identify "red flags" associated

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<sup>1</sup> The oldest international organization dedicated to investor protection, the North American Securities Administrators, Inc. was organized in 1919. Its membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, Mexico, Puerto Rico and the U.S. Virgin Islands. NASAA is the voice of securities agencies responsible for grass-roots investor protection and efficient capital formation.

with financial exploitation, the bill would require that, as a condition of receiving immunity, financial institutions undertake to train certain personnel regarding the identification and reporting of senior financial exploitation.

The SeniorSafe Act's objectives and benefits are far-reaching. Older Americans stand to benefit directly from such reporting, because early detection and reporting will minimize their financial losses from exploitation, and because improved protection of their finances ultimately helps preserve their financial independence and their personal autonomy. Financial institutions stand to benefit, as well, through preservation of their reputation, increased community recognition, increased employee satisfaction, and decreased uninsured losses.

In conclusion, state securities regulators strongly support passage of the SeniorSafe Act of 2017. Please do not hesitate to contact me, or Michael Canning, NASAA Director of Policy, at (202) 737-0900, if we may be of any additional assistance.

Sincerely,

A handwritten signature in black ink that reads "Mike Rothman". The signature is fluid and cursive, with the first name "Mike" and last name "Rothman" clearly legible.

Mike Rothman  
NASAA President and Minnesota Commissioner of Commerce

CC: The Honorable Claire McCaskill  
United States Senator

January 23, 2017

The Honorable Susan Collins  
United States Senate  
Washington, DC 20510

The Honorable Claire McCaskill  
United States Senate  
Washington, DC 20510

Dear Chairman Collins and Senator McCaskill:

On behalf of the Credit Union National Association (CUNA), I am writing in support of the "SeniorSafe Act of 2017." CUNA represents America's credit unions and their more than 100 million members.

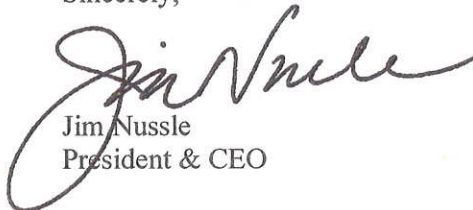
Financial exploitation is one of the most common forms of elder abuse. CUNA strongly supports the goal of this legislation to help seniors avoid financial exploitation and to encourage responsible decisions regarding financial management.

Many credit unions provide a full range of financial services, including financial management, retirement planning, and credit counseling to their members, including seniors and their families. Credit unions also provide elder abuse information and additional resources to help consumers, including on the credit union's websites and with account statements. The member-owner relationship between the credit union and its members puts credit union employees in a key position to detect suspicious activity around senior accounts because often times the employees know the members well. However, in some cases certain privacy laws make it difficult, or in some cases impossible, for employees to ring the alarm bell when exploitation is suspected.

This legislation represents an important step toward improving protection for seniors by providing legal immunity for properly trained financial services employees who disclose concerns about financial exploitation of senior citizens.

On behalf of America's credit unions and their more than 100 million members, thank you for your leadership on this issue.

Sincerely,



Jim Nussle  
President & CEO





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**National Association of Federally-Insured Credit Unions**

January 31, 2017

The Honorable Susan Collins  
Chairman  
Special Committee on Aging  
United States Senate  
Washington, DC 20510

The Honorable Bob Casey  
Ranking Member  
Special Committee on Aging  
United States Senate  
Washington, DC 20510

**RE: Tomorrow's Hearing: "Stopping Senior Scams: Developments in Financial Fraud Affecting Seniors"**

Dear Chairman Collins and Ranking Member Casey:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only trade association exclusively representing the federal interests of our nation's federally-insured credit unions, I am writing to you regarding tomorrow's scheduled hearing to identify developments in financial fraud targeting American seniors. We appreciate the Senate Aging Committee's continued focus on this issue and look forward to working with you to address these challenges.

Although the hearing will be focused on examining the top financial scams affecting seniors, should there be additional discussion about the *SeniorSafe Act of 2017* (S. 223), we would like for the committee to know our support of this important bipartisan legislation and our desire to work with the committee on this important issue.

NAFCU believes this legislation would improve safeguards for seniors, protecting them from financial fraud, while providing legal cover for financial services employees to properly report suspicions of this financial abuse. If passed, it would also incentivize credit unions and financial institutions to adequately train their employees on how to best identify and report predatory targeting practices of seniors to the appropriate authorities. It is imperative that credit unions be able to protect and serve their senior members as they plan for retirement and seek counseling on how to properly manage their credit and savings.

Thank you again for holding this hearing. We look forward to working with the committee as you move forward to address these issues and to work with you to advance the *SeniorSafe Act of 2017*. Should you have any questions or require any additional information please contact me or Allyson Browning, NAFCU's Associate Director of Legislative Affairs, at 703-842-2836 or [abrowning@nafcu.org](mailto:abrowning@nafcu.org).

Sincerely,

Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the Special Committee on Aging





CONFERENCE OF STATE BANK SUPERVISORS

January 23, 2017

Senator Susan Collins  
United States Senate  
Washington D.C. 20510

Senator Claire McCaskill  
United States Senate  
Washington D.C. 20510

Dear Senators Collins and McCaskill:

On behalf of the Conference of State Bank Supervisors (CSBS)<sup>1</sup>, I write to express strong support for the SeniorSafe Act of 2017. State regulators are committed to combatting financial abuse of elderly residents and believe that this bill recognizes the contribution of states while empowering institutions to reduce financial exploitation of the elderly.

State regulators supervise a diverse credit ecosystem, are locally-focused, and have a unique insight on the consequences of abusive practices in their communities. State banking regulators supervise over 4,500 state-chartered depository institutions, representing over 75% of our nation's banks. Additionally, most state banking departments regulate a variety of non-bank financial services providers, including mortgage lenders and consumer finance lenders.

Since the 1980s, several states have enacted laws to address the abuse, neglect, and financial exploitation of their elderly residents. These state laws provide immunity for financial service professionals to report abuse in good faith, contain penalties for failing to report or making false reports of elder abuse, and combat power of attorney abuse.<sup>2</sup> The SeniorSafe Act of 2017 recognizes the important work of states and creates a consumer protection floor upon which states can build.

Financial services professionals are in a position of trust and have a unique window into the financial condition of seniors. Their expertise and vantage point should be leveraged to forcefully combat the growing epidemic of elder abuse.

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<sup>1</sup> CSBS is the nationwide organization of banking regulators from all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. For more than a century, CSBS has given state supervisors a national forum to coordinate supervision of their regulated entities and to develop regulatory policy.

<sup>2</sup> See: [http://www.americanbar.org/groups/law\\_aging/resources/elder\\_abuse.html#banksreporting](http://www.americanbar.org/groups/law_aging/resources/elder_abuse.html#banksreporting)

The SeniorSafe Act incentivizes financial services employees to report any suspected exploitation by making them immune from any civil or administrative liability arising from such a report, provided they exercised due care and reported in good faith. Additionally, to ensure financial services personnel have the requisite expertise, the bill requires, as a condition of receiving immunity, that financial institutions train key personnel regarding the identification and reporting of senior financial exploitation as soon as practicable.

Early detection is key to combatting elder financial abuse and to preventing abuses from occurring in the first place. Moreover, this bill can deepen the involvement of financial institutions in their community, enhance the training of financial services personnel, and reduce insured losses.

Thank you for the opportunity to share our perspective on this issue. CSBS strongly supports the SeniorSafe Act and looks forward to working with you as Congress considers this legislation.

Sincerely,



John W. Ryan  
President and CEO

cc:

Senator Mike Crapo  
Chairman, Senate Committee on Banking, Housing, and Urban Affairs

Senator Sherrod Brown  
Ranking Member, Senate Committee on Banking, Housing, and Urban Affairs



National Association of Insurance  
and Financial Advisors

January 19, 2017

The Honorable Susan Collins  
413 Dirksen Senate Office Building  
Washington, DC 20510

Dear Senator Collins:

The National Association of Insurance and Financial Advisors (NAIFA) applauds your effort to strengthen financial protections for seniors. NAIFA supports the bipartisan, bicameral SeniorSafe Act that would increase protections for senior Americans susceptible to financial and investment fraud.

For well over a century, thousands of dedicated NAIFA members have helped individuals and families reach their financial goals, and occasionally spot suspicious activities. The SeniorSafe Act will remove barriers that might otherwise discourage the reporting of such suspected exploitation to authorities.

We look forward to working with you to put in place meaningful public policies to protect seniors from financial fraud and to incorporate protections for NAIFA members when reporting suspected financial abuse of a senior client. Thank you again for your leadership.

Sincerely,

Paul R. Dougherty, LUTCF, FSS, HIA  
NAIFA President