



Michigan Bankers Association

September 8, 2009

The Honorable Sarah Roberts
State Representative
P.O. Box 30014
Lansing, MI 48909

507 S. Grand Ave.
Lansing, MI 48933
www.mibankers.com

517-485-3600
Fax 517-485-3672

Dear Representative Roberts:

I write to express our concerns with HB 5193. The bill is a reintroduction of a bill that passed the House of Representatives last term and would add financial exploitation to the list of reportable abuses of vulnerable adults in the Social Welfare Act. As you know, the members of the Michigan Bankers Association investigate and report financial exploitation and fraud each and every day. They report to the Department of Human Services and to law enforcement. Our members are diligent in detecting fraud and abuse in order to protect all of our customers.

Last term the issue of protecting against financial exploitation included many provisions that made the reporting of the financial exploitation more manageable. For example, the bank was required to be the reporter and was granted civil immunity. When the bank is a reporter, which is common in other states, the institution can do a proper investigation of the fraud, work to stem losses immediately, assure that all state and federal privacy laws are followed and work closely with the state department to ensure that no frivolous reports overwhelm the adult protective services system.

Second, the House recognized that there are various providers of financial services that should be included in the realm of reporting financial exploitation and your bill reflects that request. Lastly, the MBA recommended that the institution should report only financial exploitation as far as it relates to the bank. As introduced last term, a financial institution would have been responsible for reporting all kinds of abuse to the Department of Human Services, simply by including banks in the Social Welfare Act. Although all bankers abhor physical and sexual abuse; our training and knowledge precludes accuracy and accountability of reporting non-financial abuse.

Banks are watchful for financial exploitation to protect all of their customers against fraud and financial damage. Employees are trained to spot it; systems are built and monitored to identify the true criminals violating the law. While this bill is in much better form, the Michigan Bankers Association laments in this mandatory reporting situation as there are more legal considerations and processes a bank would have to have in place. Many of these legal considerations would require more complete definition and refinement. Particularly, "deception", "intimidation", "incapacitated", "vulnerable", "mental or physical impairment" and "advanced age" would need more refinement.

Thank you for your consideration of our position on this very important issue. I look forward to working with you on this bill as it moves through the legislative process.

Sincerely,

Joëlle Demand
Policy Director

Cc: Members of the House Senior Health, Security and Retirement Committee