

Office of Banking

Financial Exploitation Prevention Act

August 18, 2021

MBA FEPA Webinar Series

Time	Topic
August 17, 2021	
900-915	Financial Exploitation Prevention Act
915-1000	Identifying Financial Exploitation
1000-1045	Practical Resources Bankers Can Access to Stem Elder Exploitation
<i>1045-1100</i>	<i>Stretch Break</i>
1100-1200	Working with Elder Justice Coordinators
August 18, 2021	
900-945	Money Safety for Seniors
945-1030	DIFS Overview of FEPA in Bank Examinations
<i>1030-1045</i>	<i>Stretch Break</i>
1045-1145	State Overview/Efforts



History

Suspicious Activity Reporting



Elder Abuse Task Force



Trends

Figure 1. Monthly Elder Financial Exploitation Filings Approach 7,500 in August 2019

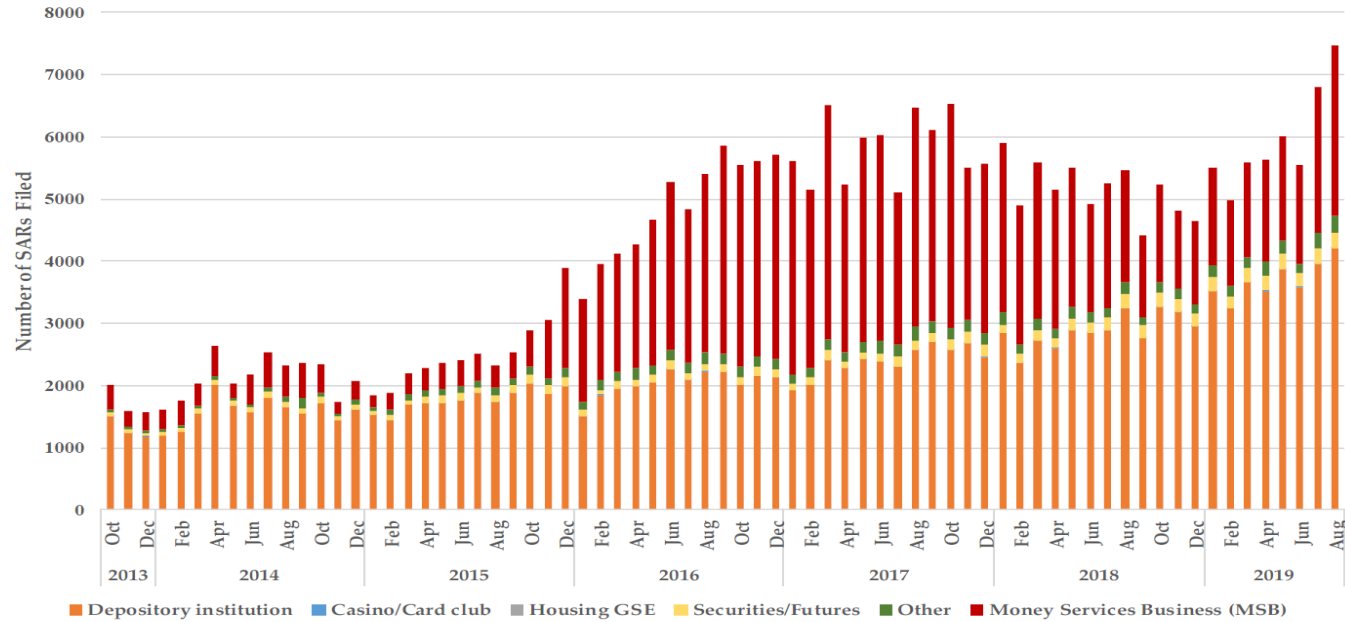


Figure 2. Elder Financial Exploitation Suspicious Activity Amounts by Year

Time-period	Suspicious Activity Amount Total
October 2013-December 2013	\$821,928,748
2014	\$2,205,167,799
2015	\$2,243,662,333
2016	\$2,983,001,672
2017	\$4,802,762,284
2018	\$3,738,805,523
January 2019-August 2019	\$5,048,710,020
	Total: \$21,844,038,379

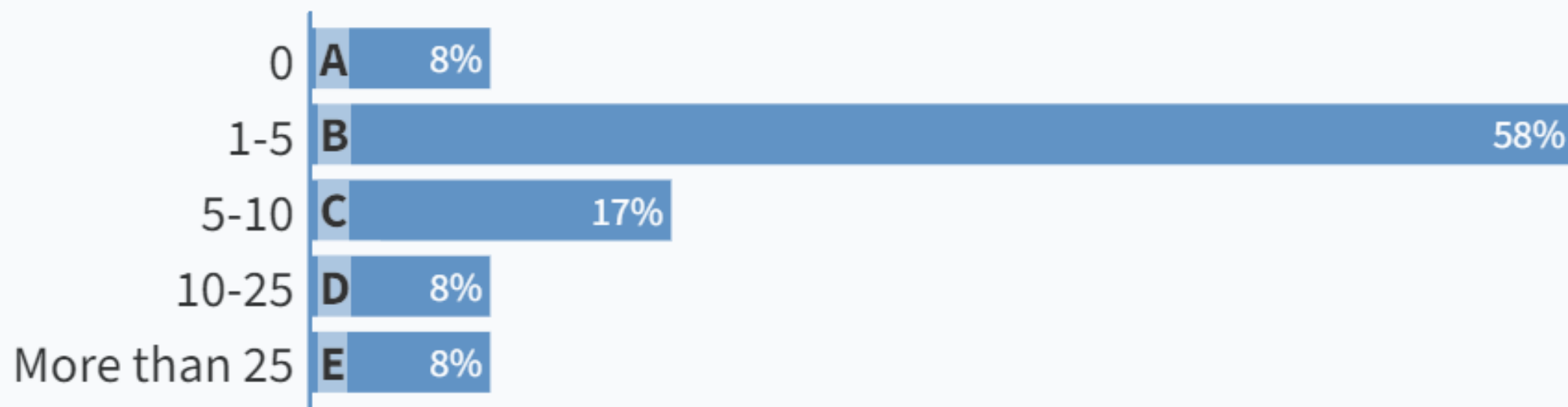




Respond at Pollev.com/midifspolls100

Text **MIDIFSPOLLS100** to **22333** once to join, then **A, B, C, D, or E**

Estimate how many SARs related to elder abuse or financial exploitation your bank filed within the last year.





When poll is active, respond at PollEv.com/midifspolls100

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Has your bank, or a customer of your bank experienced financial loss related to elder abuse or financial exploitation within the last year?



Key Definitions

Financial Exploitation

- **A fraudulent or otherwise illegal, unauthorized, or improper act or process of an individual;**
 - (i) who uses or attempts to use the financial resources of another individual for monetary or personal benefit, profit, or gain**



Purchase of large items the elder adult does not use
(vehicles when the adult does not drive, timeshare purchases when adult is homebound)

- (ii) that results or is intended to result in depriving another individual of rightful access to or use of benefits, resources, belongings, or assets**



Unexpected changes in wills or property deeds
(property deeded/will changed to benefit "new friend")



Key Definitions

Covered Financial Exploitation

- **financial exploitation of an individual through deception, manipulation, coercion, intimidation, or improper leveraging of a caregiver relationship**



Hesitance to speak
in presence of “caregiver”

Caregiver

- **a parent or other relative responsible for the health and safety of an individual, or a guardian, conservator, or any other person with legal or fiduciary obligations to an individual**



Key Definitions

Vulnerable Adult

- **an adult who, because of mental or physical impairment or advanced age, is unable to protect himself or herself from covered financial exploitation**

Law Enforcement Agency

- **Police agency of a city, village, township, or county or the Michigan state police**



Policy Development

Overview – MCL 487.2085(1)

- ❑ A financial institution shall develop and implement a policy for training relevant employees to recognize signs of covered financial exploitation of members or customers of the financial institution, and for reporting that activity to a law enforcement agency or adult protective services. A policy described in this subsection must, at a minimum, include training on and procedures for reporting covered financial exploitation of vulnerable adults, but may include any other categories of potentially affected members or customers or apply generally to all members or customers of the financial institution.**

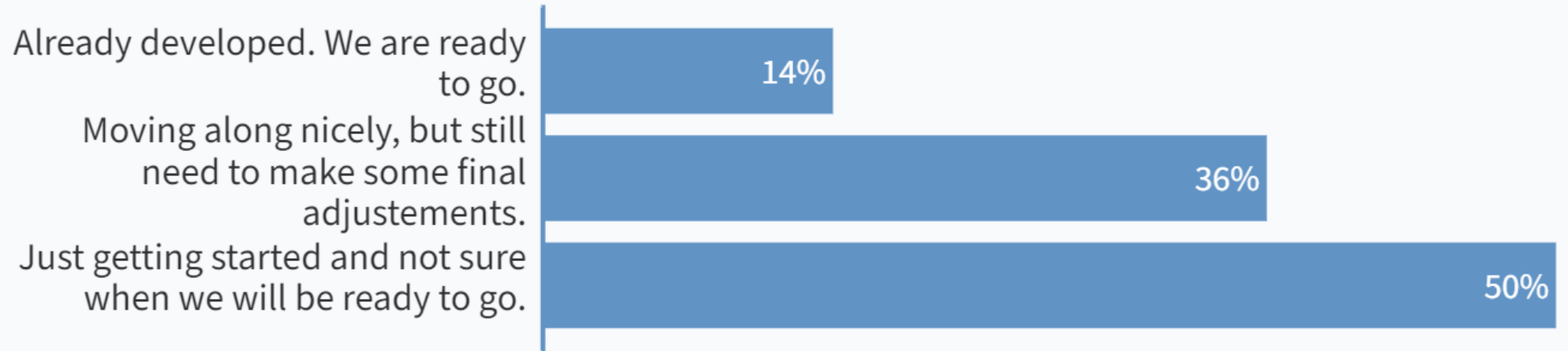




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What stage is your bank in development of policies, procedures, and training to address the requirements of the Financial Exploitation Prevention Act?



Policy Development

Employee Training – MCL 487.2085(1)(a)

- Common types of covered financial exploitation**
- Signs of potential covered financial exploitation**
- Relevant federal advisory opinions or guidance on elder financial exploitation**
- Internal Procedures & Reporting**



Policy Development

Procedures to follow... – MCL 487.2085(1)(b)(c)(d)

- when covered financial exploitation of a member or customer is suspected or detected based on available facts
- when, after examination or investigation of available facts, covered financial exploitation of a member or customer is no longer suspected
- for delaying or placing a freeze on transactions or assets relative to a member's or customer's accounts, individually or jointly held, if covered financial exploitation is suspected or detected



Policy Development

Designation, Reporting, & Citation – MCL 487.2085(1)(e)(f)(g)

- Designation of 1 or more employees to make a report**

- Report to law enforcement agency or APS**
 - Consider relevant advisory opinions or guidance and training
 - Consider safety of employees and customers
 - Consider the need to preserve funds
 - Consideration and discernment of all available facts

- A citation to FEPA Act 344 of 2020**



Other Related Requirements

MCL 487.2085(2)(3)(4)(6)

- When a report is not required**
- What needs to be included in the report**
- Communication with law enforcement agency or APS**
- Unable to communicate**



DIFS Office of Banking Review

Implementation of the Act

Policies & Procedures

Training

Reporting

Documentation, Documentation, Documentation



Resource Links

- ❑ [Act 344 of 2020 – Financial Exploitation Prevention Act](#)
- ❑ [CFPB SARs on Elder Financial Exploitation](#)
- ❑ [FinCEN Financial Trend Analysis](#)
- ❑ [Memo on Financial Institution and Law Enforcement Efforts to Combat Elder Financial Exploitation](#)
- ❑ [Michigan Elder Abuse Task Force](#)





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Does your bank educate and/or provide resources to customers regarding identification and prevention of financial exploitation?

Yes, I believe we do a great job educating customers and providing resources to prevent exploitation

10%

Yes, but after learning of all the available resources during this webinar series, I think we could do better

90%

No, we need to do a better job of educating customers

Questions?

- **Contact info:**

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