# MBA FEPA Webinar Series

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

Suspicious Activity Reporting

Elder Abuse Task Force
FinCEN Financial Trend Analysis

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

Figure 2. Elder Financial Exploitation Suspicious Activity Amounts by Year

<table>
<thead>
<tr>
<th>Time-period</th>
<th>Suspicious Activity Amount Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2013-December 2013</td>
<td>$821,928,748</td>
</tr>
<tr>
<td>2014</td>
<td>$2,205,167,799</td>
</tr>
<tr>
<td>2015</td>
<td>$2,243,662,333</td>
</tr>
<tr>
<td>2016</td>
<td>$2,983,001,672</td>
</tr>
<tr>
<td>2017</td>
<td>$4,802,762,284</td>
</tr>
<tr>
<td>2018</td>
<td>$3,738,805,523</td>
</tr>
<tr>
<td>January 2019-August 2019</td>
<td>$5,048,710,020</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$21,844,038,379</strong></td>
</tr>
</tbody>
</table>
Estimate how many SARs related to elder abuse or financial exploitation your bank filed within the last year.

- A: 8%
- B: 58%
- C: 17%
- D: 8%
- E: 8%

Respond at PollEv.com/midifspolls100
Text MIDIFSPOLLS100 to 22333 once to join, then A, B, C, D, or E
Has your bank, or a customer of your bank experienced financial loss related to elder abuse or financial exploitation within the last year?

- Yes: 87%
- No, not that I am aware of: 13%
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

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

- Already developed. We are ready to go. 14%
- Moving along nicely, but still need to make some final adjustments. 36%
- Just getting started and not sure when we will be ready to go. 50%
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
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: 0%
Questions?

• Contact info:
  David Merchant
  Assistant Director – Office of Banking
  Department of Insurance and Financial Services
  Office: (517) 284-8834
  Email: MerchantD@michigan.gov