

Credit Unions of 
Rhode Island
Creating Cooperative Power

February 25, 2021

Senator Cynthia A. Coyne
Chairperson
Senate Committee on Judiciary
Rhode Island
State House
82 Smith Street
Providence, RI 02903

Senate 264, An Act Relating to Financial Institutions - The Elder Adult Financial Exploitation Prevention Act

BY EMAIL ONLY

Dear Chairperson Coyne:

On behalf of the credit unions of Rhode Island, please accept this letter of qualified support relative to Senate 264, *An Act Relating to Financial Institutions - The Elder Adult Financial Exploitation Prevention Act*, pending before the Senate Committee on Judiciary. The Cooperative Credit Union Association, Inc. (“Association”) is the state credit union trade association, serving approximately 20 state and federally-chartered, not-for-profit financial cooperatives owned by over 436,000 consumers as members.¹ The Association supports the goals of Senate 264 and offers a suggestion for change to the bill within this letter.

Credit Union Overview

Credit unions in Rhode Island have a long history of supporting efforts to eradicate financial or material exploitation of an elder’s funds, property or assets.² A cornerstone of the commitment

¹ On average, one in three Rhode Island consumers are credit union members. Furthermore, the industry employs over 3,100 full and part-time employees. As not-for-profit cooperatives, over 1,600 volunteer directors further serve credit unions who deliver \$42 million in member benefits annually through higher yield on savings, lower fees, lower loan rates, and savings to nonmembers (by impact of credit union presence in the marketplace).

² Examples include, but are not limited to, cashing an elderly person's checks without authorization or permission; forging an older person's signature; misusing or stealing an older person's money or possessions; coercing or deceiving an older person into signing any document (e.g., contracts or will); and the improper use of conservatorship, guardianship, or power of attorney.

of credit unions in Rhode Island to elders is rooted in their continuing financial investment in having frontline staff become certified in a web-based credit union educational program referred to as CU Senior Safeguard. The thrust of the educational training is to credential employees with knowledge about elder financial exploitation, how to spot it and what to do in responding to it. To become more familiar with elder financial abuse and to take action in local communities, credit unions also made this online program accessible to all, credit union members, families and beyond, at no cost on a credit union sponsored website: www.BetterValuesBetterBanking.com.

Within local credit unions, over 250 employees of credit unions have participated in the CU Senior Safeguard Training and are certified to help prevent and stop elder financial abuse beginning at the first contact with a credit union.³ Many credit unions have engaged in certification of 100% of all employees.

Prior to the COVID-19 state of emergency, efforts had also expanded to host “Lunch & Learn” events in Rhode Island at senior centers for credit unions to highlight awareness and concerns of elder financial abuse, as well as the value CU Senior Safeguard can bring in the fight to prevent it. Finally, to reinforce principles learned, the Association created an online Elder Financial Abuse Compliance Toolkit, available 24/7, to assist member credit unions and stakeholders in combatting elder exploitation.⁴

Credit Union Priority Issues in Senate 264

19-34-2(b)(2)(i-ii). Reporting suspected financial exploitation of elder adults.

The Association appreciates the need for timely reporting of suspected activity under the bill, and notes with support the extension of the timeframe for reporting from previous versions of the bill. As many credit unions continue to work with a rotating, remote or reduced capacity workforce under the COVID-19 state of emergency, the additional flexibility in reporting timeframes of no later than two days to the seventh business day will permit credit unions to act in a timely manner reflective of their business operating environment.

19-34-3. Notifying third parties of suspected financial exploitation or abuse.

The Association supports provisions that permit a credit union, as a regulated financial institution, to notify a non-participatory third party reasonably associated with the elder adult of any suspected financial exploitation or abuse. Financial abuse is most often committed by a family member or caretaker who has access to the senior’s financial accounts and records. These provisions will greatly assist credit unions in working with a variety of family, extended family members or other account holders to help protect elderly members. Often credit union staff are

³ Training areas include: 1) Expectations of a Financial Caregiver: understand the role and expectations of a financial caregiver; 2) Preventing Elder Fraud: learn about scams and financial abuse targeting older individuals and how to stop them; 3) Planning for a Caregiver: learn what a caregiver does and how to select one that meets your specific needs; and 4) Becoming a Caregiver: review legal caregiver roles and understand how to plan ahead.

⁴ <https://www.ccu.org/compliance/compliance-toolkits/preventing-elder-financial-exploitation-compliance-toolkit>.

amongst the first points of contact to discern abuse and therefore, make them the essential first responders to tackle prohibited abuse.

19-34-4. Temporary hold on transactions in certain cases of suspected financial exploitation.

The Association supports provisions found in Senate 264 that permit an account hold on certain transactions. The inclusion of these provisions adds clarity as well as another tool for credit unions to use to help vulnerable members in a timely manner.

19-34-5. Immunity.

The Association is pleased that Senate 264 contains provisions to generally grant immunity to employees of credit unions from civil or criminal liability arising from the notification, report, testimony, or participation in a judicial proceeding, unless the employee or regulated institution acted in bad faith. In addition, it is noted that immunity is also generally extended to regulated institutions as well acting in good faith. The Association, however, questions the application of the phrase “disciplinary action” in line 18 of the bill to regulated financial institutions. It may be more directly applicable to employees of such institutions.

19-34-7. Training

The Association supports the inclusion of employee training and believes that the credit union industry sponsored program CU Senior Safeguard meets the proposed statutory requirements. Accordingly, the ability for regulated institutions to develop their own training is strongly supported.

Additionally, the Association appreciates the extended timeframes provided to mandate training, from a date certain to a more flexible period of 45 days after passage. This more flexible window of time to provide training will allow credit unions to access and to institutionalize quality training across a credit union’s workforce and locations. It is also a more realistic schedule as Rhode Island continues to further open the business community.

Credit Union Suggestions for Change in Senate 264

19-34-6. Records

Depending on the situation, regulated financial institutions may be required to research and compile extensive information over a period of time as part of the process to trace or document a claim of elder financial abuse or exploitation as investigations proceed. The Association is very mindful of members with limited financial resources who are preyed upon in these circumstances and does not seek to exacerbate or further injure those most in need. However, if an elderly person, who is in need of intervention to forestall economic injury, has sufficient resources to pay for part or all of the actual cost of document production, then the Association respectfully encourages the ability to recover such costs in the bill from the appropriate investigatory agency.

Conclusion

Local credit unions in Rhode Island have dedicated much time and effort to help lead the way in efforts to protect seniors and their life savings from loss, abuse, and scams. The Association applauds efforts to advance Senate 264 as another important tool to achieve our collective goal

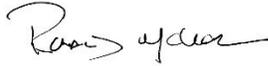
Senate 264

An Act Relating to Financial Institutions - The Elder Adult Financial Exploitation Prevention Act

Page 4

and offers comments to strengthen it as suggested in this letter. Please do not hesitate to let us know how credit unions may be of assistance in any final deliberations of the Committee.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ronald McLean".

Ronald McLean
President/CEO
Cooperative Credit Union Association, Inc.

RM/mac/kb