

HB 2622 STAFF MEASURE SUMMARY

Senate Committee On Judiciary

Prepared By: Whitney Perez, Counsel

Meeting Dates: 5/9

WHAT THE MEASURE DOES:

Allows financial institutions to refuse transactions based on a reasonable belief that financial exploitation of vulnerable persons may have or is occurring. Allows refusal of withdrawals, disbursements, changes in ownership, transfers of funds, or compliance with instructions given by agent under power of attorney. Provides immunity for refusals or actions taken in good faith. Gives financial institution discretion to determine whether to act upon suspected financial exploitation. Requires financial institution to make reasonable effort to notify all parties authorized on account involved in the transaction refusal unless such notice would compromise investigation. Specifies transaction refusal expires after 15 days. Allows financial institution to proceed prior to expiration of the specified period upon satisfaction that transaction will not result in financial exploitation or upon court order. Allows financial institution to extend refusal upon reasonable belief of continued exploitation unless otherwise directed by court order. Specifies this authority does not infringe on contract rights or rights of financial institution. Becomes operative October 1, 2017. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to a 2015 report by the Oregon Department of Human Services' (Department) Office of Adult Abuse Prevention and Investigation, of over 19,000 investigations of abuse conducted by the Department that year, 1,526 resulted in findings of substantiated financial exploitation, the leading type of reported and substantiated abuse of vulnerable adults. The average dollar amount lost in a financial exploitation case is \$24,915.

House Bill 2622-A allows financial institutions, including credit unions, to refuse transactions when they reasonably suspect financial exploitation or have received information from the Department, law enforcement or a district attorney's office that financial exploitation is suspected or has occurred. Financial institutions are not required to freeze transactions but, if they do so in good faith, they are given civil, administrative, and criminal immunity. Freezes may last up to 15 days. Freezes may be terminated by a court order or upon satisfaction to the financial institution that financial exploitation is not occurring.