

**TESTIMONY OF
KENNETH SHERMAN, JR.
OREGON BANKERS ASSOCIATION
re: HB 2622A
Senate Judiciary Committee
May 9, 2017**

I am Kenneth Sherman, Jr., counsel for the Oregon Bankers Association. The Association requested the introduction of House Bill 2622A to give banks, credit unions and trust companies another tool to use in combating financial exploitation of elder persons and other vulnerable persons. Following the lead of a law enacted in Washington state several years ago, HB 2622 would give banks, credit unions and trust companies statutory authority to place a hold on the account of a vulnerable person when financial exploitation is suspected.

The institution would be empowered to act on either its own reasonable belief, or upon information coming from DHS or a law enforcement agency or district attorney. The institution could refuse a transaction, refuse a withdrawal or disbursement from the vulnerable person's account, prevent a change in ownership of the account or the transfer of funds from the account to someone else's account, or refuse to follow the directions of a person holding a power of attorney supposedly given by the vulnerable person.

The bill would not require the bank, credit union or trust company to institute a hold, because that would generate too many false positives. Rather, the bill gives the institution authority to act and would protect it against liability when it does act.

When an institution does institute a hold, the bill would require it to make reasonable efforts to notify all persons on the account, except where it believes that would compromise the investigation.

Once instituted, a hold would continue for 15 business days, unless that period is extended, or the institution sooner becomes satisfied that there is no abuse or a court terminates the hold.

Finally, the bill acknowledges that many banks, credit unions and trust companies already have provisions in their customer account agreements allowing the institution to place a hold on the account and take other appropriate action when the institution suspects abuse or exploitation. Section 3 makes it clear that the authority granted by HB 2622A is in addition to the authority an institution may have under its account contract.

We believe HB 2622A will provide our institutions with an important new weapon in the ongoing war against financial abuse and exploitation of vulnerable individuals. We urge your support.