

Michigan's Financial Exploitation Prevention Act Empowers Banks to Ask Questions and Take Action

By Miriam Bingham



Banks and other financial institutions are asking customers more questions as they process transactions. Those extra steps are now required by law, to prevent financial exploitation by those who might seek to manipulate account holders.

Last September, Gov. Gretchen Whitmer signed the Financial Exploitation Prevention Act which requires financial institutions to conduct employee training and put other procedures in place to sensitize them to the signs of financial exploitation. This act protects vulnerable individuals who can't protect themselves from abuse, neglect, or exploitation because of a mental or physical impairment, or because of advanced age.

Along with FEPA, institutions in the community are working to inform older adults about the act.

The Elder Law and Advocacy Center is a nonprofit organization providing education on elder abuse

to people over age 60, especially those in Wayne County.

"Physical abuse, sadly, is sometimes easier to see than financial abuse. That's why FEPA is so important. This act now has made financial institutions mandatory reporters," said Tracey Rowens, a staff attorney at Elder Law and Advocacy Center.

"The act came about because sometimes the bank is the first entity to recognize that something is not going well."

Successful Aging through Financial Empowerment is a program being offered by the Institute of

Gerontology at Wayne State University. It is helping to keep seniors and their money SAFE.

Latoya Hall, the SAFE program director, assisted in the development and implementation of the program. She says, although it saddens her to see older adults being exploited by predators, she is

AN ACT to require financial institutions to report financial exploitation of their customers or members; to allow financial institutions to freeze customer or member transactions or assets under certain circumstances; to provide immunity from criminal, civil, or administrative liability to financial institutions for actions taken in good faith under this act; and to provide for the powers and duties of certain governmental officers and entities.

Act 344 of 2020

Effective September 26, 2021

happy to be able to assist them in navigating the processes to address being a victim.

"Since its inception in 2017, SAFE has provided no cost one-on-one financial exploitation resolution and financial management services to 130 older adults and 40 caregivers, and saved or recovered approximately \$130,000 in funds," said Hall.

While the act has empowered banks and other institutions to provide more ways to help vulnerable adults, it is a work in progress to address financial exploitation, often called FE, and its effects.

"The body of research on FE is growing," said Hall. "There's lots of new and interesting research coming out on the topic and its impacts on urban African-American populations."

Those who believe they have been a victim of financial exploitation, can go to Michigan.gov for warning signs. For more information, or to put steps in place to recover from financial exploitation, go to SAFE at www.iog.wayne.edu/outreach/success-after-financial-exploitation-safe.

Contact LaToya Hall at 313.664.2608 or l.hall@wayne.edu.