

LD 1445 – An Act to Prevent Financial Exploitation of Maine Residents 62 Years of Age or Older

Testimony of John Brautigam, Esq. for Legal Services for Maine Elders Joint Standing Committee on Health Coverage, Insurance, and Financial Services

April 17, 2025

Senator Bailey, Representative Mathieson, and members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services.

My name is John Brautigam, and I am here today on behalf of Legal Services for Maine Elders. LSE provides free legal help for Mainers aged 60 and older when their basic human needs are at stake.

LD 1445 would authorize financial institutions to implement a "stop and hold" protocol when they suspect a customer is being coerced or defrauded into making a harmful financial transaction.

This legislation addresses a growing and deeply troubling form of abuse—financial exploitation, particularly targeting older and vulnerable adults. It comes in many forms: a scammer posing as a grandchild, a romantic predator online, a coercive caregiver, or a manipulative relative. But the pattern is familiar—pressure is applied to convince the victim to withdraw money, wire funds, or deplete their life savings for no legitimate purpose. In many cases, the transaction cannot be reversed. And the financial loss is compounded by emotional trauma and a breach of trust.

As policymakers, you face the challenge of preventing these harms without undermining the dignity and independence of older adults, or anyone managing their own finances. That is why we strongly support a carefully crafted "stop and hold" law.

Why This Law Matters

The idea is simple: allow a bank or credit union—when it has a reasonable suspicion of coercion or exploitation—to pause a transaction temporarily. This delay creates a narrow window of time to alert the account holder, reach out to a trusted contact if one is designated, and notify Adult Protective Services or law enforcement if needed. Without such a tool, financial institutions often feel they must honor every transaction, even when they fear it will cause irreparable harm.

Good policy in this area would include safeguards to protect individual rights:

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- Strict time limits on a hold, extendable only under specific conditions.
- **Prompt notice** to the account holder, with transparency about their rights and the reason for the delay.
- Clarity regarding the financial institution's role, so that banks and credit unions can be confident what is required or not required.
- **Documentation and oversight**, so the decision to intervene is based on clear and consistent standards.
- Safe harbor protections for institutions acting in good faith, but no blanket immunity—they must still act with care, judgment, and respect.

Centering the Account Holder's Autonomy

Older adults have the right to control their finances, even if others question their choices. That autonomy must not be compromised lightly. But autonomy also means being protected from manipulation and having a trusted ally when something doesn't feel right. A "stop and hold" law doesn't override a customer's agency—it empowers institutions to act briefly, with restraint, when red flags appear.

We especially appreciate the bill's provisions regarding designating a trusted contact. This may go a long way toward quickly and safely resolving any questionable transactions in a way that is consistent with the account holder's intentions.

In our work with older Mainers, we hear too often about devastating losses: a life savings drained in an instant, with no way to recover. The customer may be embarrassed, afraid to tell anyone, or unsure whom to trust. In these cases, the ability of a local bank teller to say, "I'm concerned—let's just take a pause and check this out," can mean the difference between safety and catastrophe.

Final Thoughts

This legislation will not solve every instance of financial exploitation. But it provides a **critical and narrowly tailored tool** that financial institutions can use responsibly. It is not a restriction on liberty—it is a brief pause in service of safety, transparency, and dignity.

I urge you to support this bill, with the thoughtful safeguards that protect individual rights while preventing exploitation. Let's give our financial institutions the legal clarity they need, and our vulnerable residents the protection they deserve—without compromising anyone's autonomy.

Thank you for your time, and I would be happy to answer any questions.