



STATE OF MAINE
DEPARTMENT OF PROFESSIONAL & FINANCIAL
REGULATION
BUREAU OF FINANCIAL INSTITUTIONS



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132nd Maine Legislature, First Special Session

Joint Standing Committee on Health Coverage, Insurance, and Financial Services

April 17, 2025, at 1:00pm

**Testimony of Chase Hewitt, Staff Attorney
Bureau of Financial Institutions**

**Department of Professional and Financial Regulation
In Support of L.D. 1445**

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

Senator Bailey, Representative Mathieson, and Members of the Committee:

My name is Chase Hewitt and I am the Staff Attorney for the Maine Bureau of Financial Institutions. On behalf of the Bureau and the Administration, I am here to testify in support of L.D. 1445: An Act to Prevent Financial Exploitation of Maine Residents 62 Years of Age or Older.

L.D. 1445 authorizes a state-chartered financial institution to report suspected financial exploitation of an adult 62 years of age or older to the Office of the Attorney General or to a trusted person designated by the account beneficiary. The bill also authorizes a bank or credit union to delay, for a certain period of time and under certain conditions, a disbursement from an account if financial exploitation is suspected. An institution that takes action in good faith in response to suspected financial exploitation is immune to administrative or civil liability.

Enacting this bill would allow financial institutions to intervene to prevent scammers from defrauding those over the age of 62. The Bureau is aware of many examples of scammers directing elderly individuals to quickly withdraw money. Allowing banks and credit unions to pause transactions and evaluate the likelihood of a scam could prevent the loss of customer funds, potentially saving funds otherwise unrecoverable in the aftermath of a scam.

Although not controlling of Maine financial institutions, subchapter 8 of the Maine Uniform Securities Act similarly protects vulnerable adults from financial exploitation (32 M.R.S. 16801 et. seq.). The Act applies to adults 65 years of age or older, or individuals protected under the Adult Protective Services Act. The term "financial exploitation" is also defined in the Adult Protective Services Act with similar language to L.D. 1445.

Broker-dealers and advisors may delay disbursements from accounts when they reasonably believe a beneficiary is subject to financial exploitation. Broker-dealers and securities advisors shall notify DHHS when they reasonably believe that the financial exploitation of an

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eligible adult will or has occurred. The Act provides immunity from administrative or civil liability that may arise from the disclosure or failure to notify an eligible adult of the disclosure. If the committee decides to adopt this bill, The Bureau recommends considering whether the age threshold of 62 in L.D. 1445 be raised to match that of the Uniform Securities Act (65 years old).

Thank you for the opportunity to testify before you today. I would be happy to answer any questions now or at the work session.



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