



January 21, 2016

The Honorable Kelly Hancock  
Chairman,  
Senate Committee on Business & Commerce  
P.O. Box 12068 – Capitol Station  
Austin, Texas 78711

Dear Chairman Hancock,

In advance of next week's Committee hearing on the issue of elder financial abuse and steps the State of Texas should take to help protect older Texans from financial exploitation, I wanted to take this opportunity to share TBA's perspective on this issue and how it arose to the forefront of our minds during the 84<sup>th</sup> Session of the Texas Legislature.

Last session, Representative John Raney introduced a bill, 84R HB 1454, relating to notice, reporting, and records requirements for holders of certain personal property that is or may be presumed abandoned. This legislation was introduced at the request of one of Representative Raney's constituents, a financial planner who reported having clients who received notices from their banks and mutual fund companies warning them that the funds held in those accounts were in danger of escheating to the state due to inactivity on the accounts. The constituent's clients, often retirees, were confused by these notices and yet were unwilling to designate powers of attorney for these accounts. His proposed solution, found in HB 1454, was for the legislature to create a personal representative for account abandonment issues.

Admittedly, this bill was through the House before our members realized the problems it could create. However, once we became aware of the potential issues with the bill, we immediately sat down with Representative Raney and explained our concerns. Namely, our members report that they routinely see fraudulently executed powers of attorney, and the creation of a new document, essentially one step down from a power of attorney, could present fraudsters with another avenue to take advantage of elderly Texans. Furthermore, based on their experiences in other states, many of our multi-state members believe that the new document created by HB 1454 would create even more avenues for financial fraud.

Representative Raney and Chairman Eltife, the Senate Sponsor of HB 1454, were gracious enough to take our concerns under consideration and agreed to move the effective date of HB 1454 to September 1, 2017 on the understanding that we would work over the interim leading up to the 2017 legislative session to study the impact of the state's escheatment and abandoned

*Founded in 1885, TBA represents the FDIC insured institutions in Texas — with members ranging from the smallest bank in the nation to the largest bank in the nation. This includes 85 percent of Texas banks, 90 percent (5,300) of bank branches and 95 percent of Texas deposits.*

property laws on elderly Texans and also examine steps that can be taken to protect older Texans from financial exploitation.

Immediately after session, TBA conducted our biennial Legislative Tour of 18 cities across the state and briefed more than 1,000 of our member bankers about the actions taken by the 84<sup>th</sup> Legislature. Without fail, two central themes emerged from these visits when we were discussing HB 1454. First, front line bank employees are routinely presented with powers of attorney they believe to have been fraudulently executed. And, second, with the advent of technology, particularly social media, financial exploitation of elderly Texans is growing problem.

I am grateful to the Committee for studying this important issue; TBA stands ready to assist members and their staffs on arriving at a workable solution.

Sincerely,

A handwritten signature in black ink that reads "J. Eric T. Sandberg, Jr." The signature is written in a cursive style with a large, stylized initial "J" and a prominent "r" at the end.

J. Eric T. Sandberg, Jr.  
President & CEO