

STATE OF NEW YORK

7019

2025-2026 Regular Sessions

IN ASSEMBLY

March 18, 2025

Introduced by M. of A. SEAWRIGHT, ROMERO -- read once and referred to the Committee on Banks

AN ACT to amend the general business law, the banking law, and the social services law, in relation to protecting eligible adults from financial exploitation

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The general business law is amended by adding a new section
2 352-m to read as follows:

3 § 352-m. Protecting eligible adults from exploitation. 1. Definitions.
4 As used in this section the following terms shall have the following
5 meanings:

6 (a) "Adult protective services" means the division of the New York
7 city human resources administration and each county agency responsible
8 for providing adult protective services pursuant to section four hundred
9 seventy-three of the social services law.

10 (b) "Eligible adult" means an individual who is: sixty years of age or
11 older; or at least the age of eighteen and who, because of mental or
12 physical impairment, is unable to manage their own resources or protect
13 themselves from financial exploitation without assistance from others.

14 (c) "Financial exploitation" means: (i) the improper use of an eligi-
15 ble adult's funds, property, income or assets; or (ii) any act or omis-
16 sion by a person, including through the use of a power of attorney,
17 guardianship or any other authority regarding an eligible adult to: (A)
18 obtain control, through deception, intimidation, threats or undue influ-
19 ence over the eligible adult's money, assets, income or property; or

20 (B) convert the eligible adult's money, assets, income or property.

21 (d) "Law enforcement agency" means any agency, which is empowered by
22 law to make an arrest for a felony, and any agency which is authorized
23 by law to prosecute a felony and including any police officer as defined

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 by subdivision thirty-four of section 1.20 of the criminal procedure law
2 and any prosecutor.

3 (e) "Qualified individual" means any agent, investment adviser repre-
4 sentative or person who serves in a supervisory, compliance, legal, or
5 senior or vulnerable adult protection capacity for a broker-dealer or
6 investment adviser.

7 2. Notification. If a broker-dealer, investment adviser, or qualified
8 individual reasonably believes financial exploitation of an eligible
9 adult has occurred, has been attempted, or is being attempted, such
10 broker-dealer, investment adviser, or qualified individual may promptly
11 notify the adult protective services and/or law enforcement.

12 3. Application of transaction hold. (a) If a broker-dealer, invest-
13 ment adviser, or qualified individual reasonably believes that financial
14 exploitation of an eligible adult may have occurred, may have been
15 attempted, or is being attempted, then such broker-dealer, investment
16 adviser, or qualified individual may place a transaction hold on such
17 transaction.

18 (b) A broker-dealer, investment adviser, or qualified individual shall
19 hold a transaction if adult protective services or a law enforcement
20 agency notifies such broker-dealer, investment adviser, or qualified
21 individual that it reasonably believes that the transaction is the
22 subject of or related to financial exploitation of an eligible adult.

23 (c) A broker-dealer, investment adviser, or qualified individual that
24 applies a transaction hold shall: (i) provide notice of such hold, in
25 writing, to all parties authorized to transact business on the account
26 that is the subject of a transaction hold, as well as any designated
27 third party, no later than two business day after the application of the
28 transaction hold; (ii) if the transaction hold has been applied pursuant
29 to paragraph (a) of this subdivision, no later than two business days
30 after application of the transaction hold, notify adult protective
31 services and/or a law enforcement agency of the belief of financial
32 exploitation and the transaction hold; and (iii) at the request of adult
33 protective services or a law enforcement agency, provide any information
34 and documents relating to the transaction hold within three business
35 days after the request for such information or documents.

36 4. Duration of transaction hold. A transaction hold shall expire
37 fifteen business days after its application except that (i) a trans-
38 action hold may be extended for up to forty additional business days if
39 there is a continued reasonable belief of exploitation, unless sooner
40 terminated or further extended by adult protective services, law
41 enforcement, any agency of competent jurisdiction or a court of compe-
42 tent jurisdiction; (ii) if a broker-dealer, investment adviser, or qual-
43 ified individual no longer reasonably believes that a transaction is the
44 subject of or related to financial exploitation, it shall release such
45 transaction, provided that adult protective services or the law enforce-
46 ment agency that the broker-dealer, investment adviser, or qualified
47 individual has notified of such hold pursuant to subparagraph (i) of
48 paragraph (c) of subdivision three of this section does not object.

49 5. Records. A broker-dealer or investment adviser shall provide access
50 to or copies of records that are relevant to the suspected or attempted
51 financial exploitation of an eligible adult to adult protective
52 services, an agency of competent jurisdiction, and law enforcement,
53 either as part of a notification or at the request of adult protective
54 services, a law enforcement agency, or an agency of competent jurisdic-
55 tion. All records made available to adult protective services, an agency
56 of competent jurisdiction, or law enforcement shall be considered confi-

1 dential records and shall not be available for examination by the
2 public.

3 6. Trainings and written procedures. Before placing a delay on a
4 disbursement or transaction pursuant to this section, a broker-dealer,
5 investment adviser, or qualified individual must do all of the follow-
6 ing: (a) develop training policies or programs reasonably designed to
7 educate employees who perform or approve transactions on behalf of
8 customers on issues pertaining to financial exploitation of specified
9 adults; (b) conduct training for employees described in paragraph (a) of
10 this subdivision as soon as reasonably practicable and maintain a writ-
11 ten record of all trainings conducted. With respect to an individual
12 who begins employment with covered broker-dealer, investment adviser, or
13 qualified individual after July first, two thousand twenty-four, such
14 training must be conducted within one year after the date on which the
15 individual becomes employed by or affiliated or associated with the
16 covered broker-dealer, investment adviser, or qualified individual; and
17 (c) develop, maintain, and enforce written procedures regarding the
18 manner in which suspected financial exploitation is reviewed internally,
19 including, if applicable, the manner in which suspected financial
20 exploitation is required to be reported to supervisory personnel.

21 7. Immunity. A broker-dealer, investment adviser, or a qualified indi-
22 vidual shall be immune from civil and administrative liability for good
23 faith actions in relation to the application of this section.

24 8. Regulations. The attorney general may promulgate regulations to
25 effectuate the purposes of this section, including setting forth factors
26 that a broker-dealer, investment adviser, or qualified individual may
27 consider in determining whether to apply a transaction hold to a trans-
28 action pursuant to paragraph (a) of subdivision one of this section, the
29 form and manner of any notification mandated by subdivision one of this
30 section, and the implementation of training programs for a broker-deal-
31 er, investment adviser, or qualified individual relating to recognizing
32 financial exploitation.

33 9. Communication with reporters. Notwithstanding any other law to the
34 contrary, adult protective services, law enforcement or any agency of
35 competent jurisdiction may provide a general case status or final dispo-
36 sition to a broker-dealer, investment adviser, or qualified individual
37 that reported such a case to an agency.

38 10. Alteration of obligations. Absent a reasonable belief of finan-
39 cial exploitation as provided in this section, this section does not
40 otherwise alter a broker-dealer, investment adviser, or qualified indi-
41 vidual's obligations to all parties authorized to transact business on
42 an account and any trusted contact named on such account.

43 § 2. The banking law is amended by adding a new section 4-d to read as
44 follows:

45 § 4-d. Protecting eligible adults from financial exploitation. 1.
46 Definitions. As used in this section the following terms shall have the
47 following meanings:

48 (a) "Adult protective services" means the division of the New York
49 city human resources administration and each county agency responsible
50 for providing adult protective services pursuant to section four hundred
51 seventy-three of the social services law.

52 (b) "Banking institution" means any bank, trust company, savings bank,
53 savings and loan association, credit union or branch of a foreign bank-
54 ing corporation that is chartered, organized or licensed under the laws
55 of this state or any other state or the United States, and, in the ordi-
56 nary course of business offers deposit accounts in this state.

1 (c) "Financial exploitation" means: (i) the improper use of an eligi-
2 ble adult's funds, property, income or assets; or (ii) any act or omis-
3 sion by a person, including through the use of a power of attorney,
4 guardianship or any other authority regarding an eligible adult to: (A)
5 obtain control, through deception, intimidation, threats or undue influ-
6 ence over the eligible adult's money, assets, income or property; or

7 (B) convert the eligible adult's money, assets, income or property.

8 (d) "Law enforcement agency" means any agency, which is empowered by
9 law to make an arrest for a felony, and any agency which is authorized
10 by law to prosecute a felony and including any police officer as defined
11 by subdivision thirty-four of section 1.20 of the criminal procedure law
12 and any prosecutor.

13 (e) "Eligible adult" means an individual who is: sixty years of age or
14 older; or at least the age of eighteen and who, because of mental or
15 physical impairment, is unable to manage their own resources or protect
16 themselves from financial exploitation without assistance from others.

17 2. Application of transaction hold. (a) If a banking institution or
18 an employee of a banking institution reasonably believes that a finan-
19 cial exploitation of an eligible adult may have occurred, may have been
20 attempted, or is being attempted, then the banking institution may place
21 a transaction hold on such transaction.

22 (b) A banking institution shall apply a transaction hold to a trans-
23 action if adult protective services or a law enforcement agency notifies
24 the banking institution that it reasonably believes that the transaction
25 is the subject of or related to financial exploitation of an eligible
26 adult.

27 (c) A banking institution that applies a transaction hold shall: (i)
28 provide notice of such hold, in writing, to all parties authorized to
29 transact business on the account that is the subject of a transaction
30 hold, as well any designated third party, no later than two business
31 days after the application of the transaction hold; (ii) if the trans-
32 action hold has been applied pursuant to paragraph (a) of this subdivi-
33 sion, no later than two business days after application of the trans-
34 action hold, notify adult protective services and/or a law enforcement
35 agency of the belief of financial exploitation and the transaction hold;
36 and (iii) at the request of adult protective services or a law enforce-
37 ment agency, provide any information and documents relating to the tran-
38 saction hold within three business days after the request for such
39 information or documents.

40 3. Trainings and written procedures. Before placing a delay on a
41 disbursement or transaction pursuant to this section, a financial
42 institution must do all of the following:

43 (a) Develop training policies or programs reasonably designed to
44 educate employees who perform or approve transactions on behalf of
45 customers on issues pertaining to financial exploitation of specified
46 adults.

47 (b) Conduct training for employees described in paragraph (a) of this
48 subdivision as soon as reasonably practicable and maintain a written
49 record of all trainings conducted. With respect to an individual who
50 begins employment with a covered financial institution after July first,
51 two thousand twenty-four, such training must be conducted within one
52 year after the date on which the individual becomes employed by or
53 affiliated or associated with the covered financial institution.

54 (c) Develop, maintain, and enforce written procedures regarding the
55 manner in which suspected financial exploitation is reviewed internally,

1 including, if applicable, the manner in which suspected financial
2 exploitation is required to be reported to supervisory personnel.

3 4. Notification. If a banking institution reasonably believes finan-
4 cial exploitation of an eligible adult has occurred, has been attempted,
5 or is being attempted, the banking institution may promptly notify the
6 adult protective services and law enforcement.

7 5. Duration of transaction hold. A transaction hold shall expire
8 fifteen business days after its application except that (i) a trans-
9 action hold may be extended for up to forty additional business days
10 upon request if there is a continued reasonable belief of exploitation,
11 unless sooner terminated or further extended by adult protective
12 services, law enforcement, any agency of competent jurisdiction or a
13 court of competent jurisdiction; (ii) if a banking institution no longer
14 reasonably believes that a transaction is the subject of or related to
15 financial exploitation, it shall release such transaction, provided that
16 adult protective services or the law enforcement agency that the banking
17 institution has notified of such hold pursuant to subparagraph (i) of
18 paragraph (c) of subdivision two of this section does not object.

19 6. Records. A banking institution shall provide access to or copies of
20 records that are relevant to the suspected or attempted financial
21 exploitation of an eligible adult to adult protective services, an agen-
22 cy of competent jurisdiction, and law enforcement, either as part of a
23 notification or at the request of adult protective services, a law
24 enforcement agency, or an agency of competent jurisdiction. All records
25 made available to adult protective services, an agency of competent
26 jurisdiction, or law enforcement shall be considered confidential
27 records and shall not be available for examination by the public.

28 7. Regulations. The superintendent may promulgate regulations to
29 effectuate the purposes of this section, including setting forth factors
30 that a banking institution may consider in determining whether to apply
31 a transaction hold to a transaction pursuant to paragraph (a) of subdi-
32 vision two of this section, the form and manner of any notification
33 mandated by subdivision two of this section, and the implementation of
34 training programs for banking institution staff relating to recognizing
35 financial exploitation.

36 8. Immunity. A banking institution or an employee of a banking insti-
37 tution shall be immune from civil and administrative liability for good
38 faith actions in relation to the application of this section.

39 9. Communication with reporters. Notwithstanding any other law to the
40 contrary, adult protective services, law enforcement or any agency of
41 competent jurisdiction may provide a general case status or final dispo-
42 sition to a banking institution that reported such a case to an agency.

43 10. Absent a reasonable belief of financial exploitation as provided
44 in this section, this section does not otherwise alter a financial
45 institution's obligations to all parties authorized to transact business
46 on an account and any trusted contact named on such account.

47 § 3. Section 473 of the social services law is amended by adding a new
48 subdivision 5-a to read as follows:

49 5-a. Whenever a social services official, or their designee authorized
50 or required to determine the need for, or to provide or arrange for the
51 provision of protective services to adults in accordance with the
52 provisions of this title has a reason to believe that financial exploi-
53 tation of an eligible adult has occurred, has been attempted, or is
54 being attempted, the social services official or their designee must
55 report this information to the appropriate law enforcement agency and
56 notify any broker-dealer, investment adviser, or banking institution

1 involved in the relevant financial transactions of the need to hold a
2 transaction.

3 § 4. Paragraph (g) of subdivision 6 of section 473 of the social
4 services law, as added by chapter 395 of the laws of 1995, is amended to
5 read as follows:

6 (g) "Financial exploitation" means:

7 (i) the improper use of an adult's funds, property, income or
8 [~~resources by another individual, including but not limited to, fraud,~~
9 ~~false pretenses, embezzlement, conspiracy, forgery, falsifying records,~~
10 ~~coerced property transfers or denial of access to assets]~~ assets; or

11 (ii) any act or omission by a person, including through the use of a
12 power of attorney, guardianship or any other authority regarding an
13 adult to: (A) obtain control, through deception, intimidation, threats
14 or undue influence over the adult's money, assets, income or property;
15 or (B) convert the adult's money, assets, income or property.

16 § 5. This act shall take effect on the one hundred eightieth day after
17 it shall have become a law.