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STATUTES

Financial Exploitation Prevention Act enacted to require mandatory reporting by financial institutions when "covered financial exploitation" of a vulnerable adult is suspected, and to place notice, reporting, and confidentiality requirements on law enforcement.

Public Act 344 of 2020 enacted the Financial Exploitation Prevention Act (FEPA) to require financial institutions (e.g., credit unions and banks) to train relevant employees to recognize signs of "covered financial exploitation" of its members or customers, and to report suspected activity to a law enforcement agency or adult protective services (APS). Under the FEPA, all law enforcement agencies that receive a FEPA report are subject to specific confidentiality, notice, and reporting requirements as described below.

Definitions

Terms defined for purposes of the FEPA are detailed in [MCL 487.2083](#) and include the following:

- "Covered financial exploitation" means financial exploitation of an individual through deception, manipulation, coercion, intimidation, or improper leveraging of a caregiver relationship. [MCL 487.2083\(b\)](#).
- "Financial exploitation" means a fraudulent or otherwise illegal, unauthorized, or improper act or process of an individual that uses or attempts to use the financial resources of another individual for monetary or personal benefit, profit, or gain, or that results or is intended to result in depriving another individual of rightful access to or use of benefits, resources, belongings, or assets. [MCL 487.2083\(e\)](#).

Financial Institution training and reporting

FEPA requires financial institutions to develop and implement policies for training relevant employees to recognize signs of covered financial exploitation of its members or customers, and to report that activity to a law enforcement agency or APS. [MCL 487.2085\(1\)](#).

FEPA reports of covered financial exploitation

A report of suspected or detected covered financial exploitation made by a financial institution, or by any other person under [MCL 487.2091\(3\)](#), must include all the following:

- The name of the individual believed to be the victim.
- A description of the suspected or detected covered financial exploitation.

- A designated contact for notices required under [MCL 487.2085\(4\)](#) if the reporter is a financial institution.

If a report is made by telephone, the law enforcement agency that receives the report must make a written record of the information provided in the telephone report. [MCL 487.2085\(3\)](#).

Required notice to financial institution

Within 10 business days after receiving a FEPA report from a financial institution, the law enforcement agency must provide written notification to the designated contact of the financial institution that clearly indicates whether the reported incident is under investigation. As soon as practicable after the investigation, the investigating enforcement member must notify the financial institution of the disposition of the reported incident. [MCL 487.2085\(4\)](#).

Required notice to county prosecutor

Within 10 business days after it receives a FEPA report from a financial institution, the law enforcement agency must notify the office of the county prosecutor. Notification must be made in a manner prescribed by the Attorney General and must include, at a minimum, all the following:

- A copy of each report submitted to or committed to written form by the law enforcement agency.
- The response or action taken by the law enforcement agency based on the report. [MCL 487.2085\(5\)](#).

Confidentiality

Except for disclosures required under [MCL 487.2085\(5\)](#) or required in a civil or criminal proceeding, a law enforcement agency, APS, or county prosecutor is prohibited under [MCL 487.2085\(7\)](#) from disclosing any of the following:

- The identity of an individual or financial institution that makes a FEPA report without the reporters' consent.
- The identity, personal information, or account information, of an individual that is the subject of a FEPA report without that individual's consent.

Freedom of Information Act (FOIA) exemption

The identity of an individual or financial institution that makes a FEPA report is exempt from disclosure under [MCL 15.243\(1\)\(b\)\(4\)](#) or (d) of the FOIA. [MCL 487.2085\(8\)](#).

The identity, personal information, or account information of an individual who is the suspected or confirmed victim of covered financial exploitation is exempt from disclosure under section under [MCL 15.243\(1\)\(a\)](#), (b)(ii), or (d) of the FOIA. [MCL 487.2085\(8\)](#).