



March 27, 2023

The Honorable Bill Dodd
Member, California State Senate
1021 O Street, Room 7610

RE: Senate Bill 278: Elder Abuse- OPPOSE

On behalf of our nearly 220-member credit unions and the nearly 13 million members of those credit unions, the California Credit Union League (CCUL) must regretfully oppose SB 278 and its well-intended but misguided efforts to hold a credit union liable for elder financial abuse if the credit union knowingly or unknowingly “assists” in any case of elder financial abuse.

Credit unions are not for profit-member-owned cooperatives and take the abuse of their members-owners very seriously. Credit union employees are mandated reporters, meaning the employees must report any instances of elder financial abuse to the authorities. As mandated reporters, credit union employees undergo training on how to identify and stop cases of elder financial abuse. Elder financial abuse is a very difficult situation for all parties involved. Many times, the senior truly believes in the scam and will not take advice from the credit union employee, even though the employee has their best interest in mind. If the senior member wants to proceed with the transaction, the credit union must comply since the money is the member’s money.

Under SB 278, even if a credit union complied with all their policies and procedures and reported the event of elder financial abuse to the authorities, they could still be held liable for the transaction. This puts credit unions in an impossible situation. Credit unions can face lawsuits if they comply with the members request under this bill or have the member pull their money from the credit union and take it elsewhere.

CCUL recognizes that not all institutions and individuals take elder financial abuse seriously and as credit unions, we appreciate the goal of protecting seniors. However, if the bill goes into law as drafted, it will impact how credit unions interact with their senior members which then could lead to discrimination lawsuits based on age. To strike a balance between being able to serve our member-owners while also holding institutions that do not try to protect the senior population accountable, CCUL has suggested a “safe harbor” amendment in the bill. This safe harbor would still hold bad actors liable for elder financial abuse while also protecting credit unions that are taking all the necessary steps to prevent these transactions from going through.

If you have any questions on the California Credit Union League’s position, please contact Robert Wilson, Senior Vice President of State Government Affairs, at Robertw@ccul.org or 916-325-1366.