

**ONE HUNDRED SIXTH LEGISLATURE - SECOND SESSION - 2020**  
**COMMITTEE STATEMENT**  
**LB853**

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**Hearing Date:** Tuesday January 28, 2020  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Williams  
**One Liner:** Authorize financial institutions to place a hold on certain customer transactions in cases of financial exploitation

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

**Aye:** 8 Senators Gragert, Howard, Kolterman, La Grone, Lindstrom, McCollister, Quick, Williams

**Nay:**

**Absent:**

**Present Not Voting:**

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**Oral Testimony:**

**Proponents:**

Senator Matt Williams  
George Howard  
Kent Franzen  
Mark Collins  
Theresa Heye  
Elizabeth Simpson  
Brandon Luetkenhaus  
Jina Ragland  
Mark Quandahl  
Bob Hallstrom

**Representing:**

Introducer  
Five Points Bank of Hastings  
Henderson State Bank  
Nebraska Attorney General  
Nebraska Independent Community Bankers Association  
Home Instead, Inc  
Nebraska Credit Union League  
AARP, Nebraska  
Nebraska Department of Banking and Finance  
Nebraska Bankers Association

**Opponents:**

**Representing:**

**Neutral:**

Cameron Guenzel

**Representing:**

Nebraska Association of Trial Attorneys

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**Summary of purpose and/or changes:**

This bill would enact three new sections. It would authorize financial institutions to place a hold, for up to 30 business days, on certain customer transactions in cases of suspected financial exploitation of vulnerable adults or senior adults. The bill would expressly authorize a financial institution to notify a third party reasonably associated with a vulnerable adult or senior adult in the case of suspected financial exploitation.

Under the bill, a financial institution and its employees, officers, and directors would be immune from any civil, criminal or administrative liability that might otherwise exist for delaying or refusing to execute a transaction or disbursement, or for not delaying or refusing to execute such transaction or disbursement, if based upon a good faith belief that financial exploitation may have occurred, may have been attempted, or was being attempted.

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**Explanation of amendments:**

The committee amendments would make the following changes:

In section 1 the committee amendments would add definitions of "department" (Department of Health and Human Services) and "law enforcement agency."

In section 2 the committee amendments would eliminate provisions stating that financial institutions do not have a duty to prevent criminal activity directed at their customers.

In section 3 the committee amendments would provide that a financial institution may choose not to notify a third party reasonably associated with a vulnerable adult or senior adult of suspected financial exploitation of the vulnerable adult or senior adult in the financial institution "reasonably" believes the third party is, may be, or may have been engaged in the financial exploitation of the vulnerable adult or senior adult "or if requested to refrain from making a notification by a law enforcement agency, if such notification could interfere with a law enforcement investigation." The committee amendments would provide that this "shall not prevent a financial institution from notifying the department (Health and Human Services) or a law enforcement agency, if the financial institution reasonably believes that the financial exploitation of a vulnerable adult or senior adult may have occurred, may have been attempted, is occurring, or is being attempted."

The committee amendments would further provide that a financial institution and any employees, agents, officers, and directors shall be immune from civil, criminal, or administrative liability that may otherwise exist (a) for delaying or refusing to execute a transaction, withdrawal, or disbursement, or for not delaying or refusing to execute such transactions, withdrawal, or disbursement under this section, and (b) for actions taken in furtherance of determinations made under this section. The "good faith belief" standard would be replaced by a "reasonable belief" standard.

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Matt Williams, Chairperson