



Michigan Bankers Association

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May 27, 2010

The Honorable Gino Polidori
The Honorable Mary Valentine
The Honorable Robert Dean
State Capitol
Lansing MI 48909

Dear Representatives:

Thank you for giving us the opportunity to comment on your bills HB 4622, 4624, and 4625. We understand that these bills were re-introduced as a result of the Michigan Task Force on Elder Abuse recommendations. The members of the Michigan Bankers Association laud your goals of protecting our seniors from financial exploitation; we share those goals. In fact, our members take every possible step each and every day to protect our customers from abuse everywhere possible. But, as you know, we do have some concerns with your bills.

The bills amend our industry's regulatory acts with essentially the same language, so I thought I would address this letter to all three of you. There are technical issues with the bills as well as policy issues.

First, let me address the technical issues. This language would put a burden of compliance only on state chartered banks. There are pending federal bills and legal cases that are demonstrating the contention of regulations of banks depending on their charter. Consequently, these bills, if enacted into law, will be preempted by federal laws and will not apply to national banks or federal savings banks.

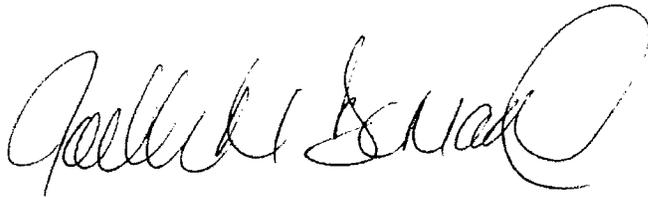
Second, this language amends the banking industry's regulatory statutes which for more than 100 years have been intended to regulate the safety and soundness of depository institutions. These bills materially change the focus of the statutes. There are, in fact, other statutes that are much more appropriate vehicles in which to address this topic; these statutes were never intended to be consumer protection statutes.

Next, the policy concerns we have with the bills begin with their application. The intent of these bills is to address elder financial abuse. But this amendatory language requires only banks to change the disclosure for all joint account holders. These bills would not cover other financial services providers who may provide joint accounts, such as investment accounts, brokerage accounts or insurance products. Banks already provide federally mandated disclosure of all rights and responsibilities of account holders for each and every account a customer opens, and they are examined regularly to assure they follow federal and state law.

To sum up, we feel that there are many problems with this legislation and therefore we cannot support the bills. We share your concerns about financial exploitation of our customers. However, placing this burden on just some of the banks in this state creates a disparate competitive situation, a layering on of regulations which in fact will be counterproductive to the intent of the bills. And, changing the words of a disclosure that is already provided adds no value for Michigan citizens.

Thank you for your time and attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Joelle Demand". The signature is fluid and cursive, with a large loop at the end.

Joelle Demand
Policy Director

CC: The Members of the House Senior Health, Security and Retirement Committee