



BEFORE THE HOUSE FINANCIAL INSTITUTIONS COMMITTEE
House Bill 560
Ohio Bankers League Proponent Testimony
Wednesday, March 18, 2026

Chairman Oelslager, Vice Chair Pizzulli, Ranking Member Russo, and members of the House Financial Institutions Committee, thank you for the opportunity to provide testimony in support of House Bill 560, the Protect Our Parents Act.

My name is Don Boyd, and I serve as Senior Vice President of Government Relations and General Counsel for the Ohio Bankers League (OBL).

About the Ohio Bankers League

The Ohio Bankers League is the foremost trade association for the Ohio banking industry and the only organization dedicated to representing all FDIC-insured banks and thrifts in the Buckeye State. Our membership includes more than 170 financial institutions of all sizes employing over 75,000 Ohioans and serving customers in every region of the state.

OBL's Position on House Bill 560

The Ohio Bankers League supports House Bill 560 because it provides **additional, carefully tailored tools for financial institutions to prevent fraud and financial exploitation** while maintaining appropriate safeguards to ensure customers retain timely access to their funds.

Banks are often the first line of defense when fraud or financial exploitation occurs. Frontline employees regularly observe unusual withdrawal patterns, urgent wire transfer requests, or sudden changes in account behavior that may indicate a scam or coercion. Under current law, institutions may detect these warning signs but lack clear statutory authority to pause suspicious transactions long enough to investigate. HB 560 helps address this gap by allowing depository institutions to place temporary holds on transactions when there is reasonable cause to suspect financial exploitation.

Key Components of House Bill 560

House Bill 560 establishes a practical framework that allows financial institutions to intervene when financial exploitation is suspected while ensuring appropriate oversight and customer protections. Key provisions include:

- **Permissive Transaction Hold Authority:** Financial institutions may place a temporary hold — generally **up to fifteen business days** — on a transaction or disbursement when there is reasonable cause to believe financial exploitation has occurred, is occurring, or has been attempted.
- **Coordination With Public Authorities:** When a hold is placed, institutions must **promptly report the hold and relevant facts** to the Ohio Division of Financial Institutions and the appropriate county department of Job and Family Services (Adult Protective Services), helping facilitate timely investigation and intervention.
- **Trusted Contact Provision:** Institutions are permitted to notify individuals authorized on the account or a **customer-designated trusted contact**, except where the institution reasonably believes that individual may be involved in the suspected exploitation.
- **Internal Procedures and Training:** Banks must maintain **written internal procedures** for reviewing suspected exploitation and may conduct employee training to help frontline staff identify and escalate suspicious activity.
- **Permissive Framework:** The bill is structured to provide authority — not mandates — allowing financial institutions to use professional judgment based on facts and circumstances.
- **Safe Harbor / Immunity Protections:** Institutions and employees acting in **good faith** in placing a hold, making a report, or attempting to comply with the law are granted civil and administrative immunity. This protection is critical to enabling proactive intervention on behalf of customers.

Proposed Changes Under Consideration

We also understand that the sponsors are developing substitute language that would make several substantive revisions to the as-introduced version of House Bill 560.

Based on information shared with stakeholders, these proposed changes may include:

- **Expanding the scope of the bill** beyond vulnerable adults to apply more broadly to all account holders.
- **Clarifying and defining “trusted contact,”** while maintaining the permissive nature of whether a financial institution utilizes trusted contact information.
- **Modifying the transaction hold timeframe** from a specific fifteen-day period to a more flexible standard allowing holds for as long as reasonably practicable — generally not to exceed sixty days without review by regulators, Adult Protective Services, law enforcement, or a court.
- **Aligning training requirements with existing federal obligations,** including recognizing training conducted under the Bank Secrecy Act or similar anti-fraud programs as satisfying the bill’s training expectations when such training addresses financial exploitation or fraud risks.

- **Allowing institutions to rely on training materials or best practices** developed by the Ohio Attorney General’s Elder Abuse Commission.

The Ohio Bankers League appreciates the sponsors’ continued engagement with industry stakeholders as these concepts are being developed. At this time, OBL is actively **soliciting feedback from our member institutions** on the potential operational, compliance, and customer service implications of these proposed changes.

We look forward to continuing constructive dialogue to ensure any revisions maintain an appropriate balance between empowering fraud prevention efforts and preserving reliable customer access to funds.

The Dual Responsibility of Financial Institutions

Financial institutions operate under a dual responsibility.

On the one hand, banks are expected — and required — to take meaningful steps to identify and prevent fraud, money laundering, and financial exploitation. On the other hand, banks are subject to federal and state laws that require **prompt availability of customer funds and prohibit unnecessary delays or wrongful dishonor of transactions**.

For example:

- Federal funds availability requirements under Regulation CC require timely access to deposited funds.
- Electronic fund transfer protections and consumer protection laws impose obligations on banks to process legitimate transactions without undue delay.
- Commercial law principles reinforce expectations of access and reliability in payments systems.

HB 560 helps institutions navigate this difficult balance by providing **clear statutory authority and safe harbor protections**, allowing trained professionals to pause suspicious transactions briefly while coordinating with law enforcement or adult protective services.

Fraud Is Increasing in Frequency and Sophistication

Fraud targeting consumers — particularly older adults and vulnerable populations — is rising rapidly and becoming increasingly sophisticated. Criminal actors now leverage artificial intelligence, social engineering, spoofed communications, and coordinated online campaigns to manipulate victims into transferring funds quickly.

National research underscores the scope of the problem. A survey conducted by the ABA Foundation found that about **half of responding banks operating in states with transaction hold laws have used those laws to delay suspicious transactions**, often using the time to contact law enforcement or trusted contacts and prevent losses.

The same research shows that nearly **90% of banks operating in states without such laws believe hold authority would be beneficial** in protecting customers.

Customer Expectations and Trust

Consumers recognize the role banks play in fraud prevention. National polling shows that **nine in ten customers believe their bank takes proactive steps to protect them from fraud**, and nearly all respondents report that fraud alerts from their bank are valuable.

This trust places significant responsibility on financial institutions. Customers expect banks to intervene when warning signs appear — yet also expect uninterrupted access to their funds. HB 560 supports institutions in meeting both expectations.

Supporting Victims and Encouraging Rapid Reporting

It is also critical to recognize the human dimension of fraud. Victims often experience embarrassment, fear, or hesitation that delays reporting. We want to emphasize clearly: **no one should feel ashamed if they have been targeted or victimized by fraud.**

Fraudsters are highly skilled at manipulation and coercion. They exploit trust, urgency, and emotional vulnerability.

When fraud is suspected or discovered, **time is of the essence.** Immediate communication with a bank can make the difference between recovering funds and permanent loss. Transaction hold authority — used appropriately and in coordination with investigators — can help preserve assets long enough for intervention to occur.

Conclusion

The Ohio Bankers League appreciates the leadership of Representatives Swearingen and White in introducing House Bill 560 and engaging stakeholders in its development.

This legislation represents a **measured and practical step forward** in protecting Ohioans from financial exploitation. It gives financial institutions additional tools to intervene when warning signs appear, while preserving the fundamental principle that customers must have reliable and timely access to their funds.

We look forward to continuing to work collaboratively with the sponsors and members of this Committee to ensure the legislation achieves its intended purpose in a way that supports both consumer protection and the safe functioning of Ohio's banking system.

Thank you for the opportunity to testify. I would be happy to answer any questions.