October 30, 2019

The Honorable Maxine Waters
Chairwoman
House Financial Services Committee
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
House Financial Services Committee
Washington, DC 20515

Re: The Empowering States to Protect Seniors from Bad Actors Act

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of the National Association of Insurance Commissioners (NAIC)[1], we write in support of draft legislation entitled "The Empowering States to Protect Seniors from Bad Actors Act." The legislation would amend Section 989(A) of the Dodd-Frank Act to allow for the funding of the senior investor protection grant program by the CFPB in the same manner all as other CFPB activities.

Senior financial exploitation continues to be a growing problem in this country. It is estimated that roughly one in five older Americans have been victimized by financial fraud and have consequently lost an estimated $2.9 billion per year. Aging seniors cannot afford to lose these valuable funds that are critical to ensuring a secure retirement. This problem is particularly troubling considering the aging of the baby boom generation and that millions of Americans have not saved enough for retirement. Combating senior financial exploitation is critical to ensuring that the retirement crisis is not further exacerbated.

Section 989(A) authorizes the creation of a grant program by the CFPB to assist states with protecting seniors against financial exploitation. Such a program will provide additional resources to state insurance departments and other state agencies to combat fraud against seniors, provided the state receiving such funds have implemented rules that conform to minimum requirements set forth in model laws and regulations developed by the NAIC and the North American Securities Administrators (NASAA). While the program was initially authorized in 2010 as part of the Dodd-Frank Act, it was never established ostensibly due to certain alleged funding impediments. This legislation will remove those impediments and make clear that the CFPB has an ongoing obligation to establish and fund these grants.

[1] As part of our state-based system of insurance regulation in the United States, the NAIC provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. The U.S. standard-setting organization is governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer reviews, and coordinate regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. For more information, visit www.naic.org.

Thank you for your attention to this important issue. Should you have any questions, don't hesitate to contact Mark Sagat, Assistant Director, Financial Policy & legislation at (202) 471-3987 or msagat@naic.org, or Brooke Stringer, Senior Financial Policy and Legislative Advisor at (202) 471-3974 or bstringer@naic.org.

Sincerely,

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