TESTIMONY

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OFFICE OF THE LIEUTENANT GOVERNOR

DIVISION OF BANKING, INSURANCE AND FINANCIAL REGULATION

BEFORE THE

THIRTY-SIXTH LEGISLATURE OF THE VIRGIN ISLANDS

COMMITTEE ON CULTURE, YOUTH, AGING, SPORTS AND PARKS

Friday, July 17, 2026

Good morning, Committee Chairman Honorable Angel L. Bolques, Jr. and Honorable Members of the Thirty-Sixth Legislature of the Virgin Islands Committee on Culture, Youth, Aging, Sports and Parks, other Senators present today, as well as the listening and viewing audience. I am Attorney Glendina P. Matthew, Director of the Division of Banking, Insurance and Financial Regulation ("Division"), within the Office of the Lieutenant Governor. I respectfully appear before you today to testify on Bill No. 36-0192, the Senior Financial Protection and Promissory Note Abuse Prevention Act of 2025, which establishes reporting requirements, compliance standards, and penalties aimed at protecting seniors from financial exploitation, particularly through the misuse of promissory notes

Pursuant to Title 9 of the Virgin Islands Code, the Division of Banking, Insurance and Financial Regulation serves as the administrative arm of the Virgin Islands Banking Board ("Board") and is responsible for the licensure and regulation of banks, mortgage lenders and brokers, finance lenders and brokers, small loan companies and other financial entities specifically named in Title 9, Virgin Islands Code that conducts business in the Virgin Islands. As the administrative arm of the Board tasked with regulatory oversight of financial institutions, the Division was invited to provide its perspective on the implementation, reporting protocols, institutional compliance and training requirements contemplated by this

Bill. Accordingly, I will focus my remarks today on the impact of this Bill on financial institutions within the Division's purview and Senior banking clients in the Territory.

This discussion is both timely and critical. According to the 2020 U.S. Virgin Islands Census, seniors aged 65 and older now make up more than twenty one percent of the territory's population. As this demographic continues to grow, so does the number of adults living independently, increasing their exposure to sophisticated financial scams and exploitation. In December 2025, the Federal Trade Commission, issued in its annual report, *Protecting Older Consumers,* to United States Congress, that a growing number of senior adults are reporting fraud losses due to the following financial scams: Tech support scams; prizes; sweepstakes and lotter scams; romance scams; online marketplace scams; investment fraud and government impersonation scams.

According to the Federal Trade Commission (FTC) Press Release, fraud losses reported by adults 60 years and older quadrupled from 600 million in 2020 to 2.4 billion in 2024. Additionally, adults 80 and over experienced the highest individual losses in the FTC *Protecting Older Consumers Report*. Alarmingly, older demographics less likely to report these crimes compared to younger victims, making the true financial impact even higher.

It is for these reasons the Division is in full support of Bill No. 36-0192, with certain amendments proposed to enhance clarity. Notably, the Bill as drafted does not define the term "financial institution." For guidance, the term is defined in Titles 9, Chapter 1, §1, and 13, Chapter 13, §801 of the Virgin Islands Code. It is therefore recommended that the Bill be revised to define in §492 the entities that falls within the definition of financial institution, ensuring precision and consistency within the legislative framework. Also, to avoid imposing an undue burden on financial institutions, Section 496 of the Bill should be amended to replace the immediate hold-reporting requirement with a 24-hour reporting window.

A survey of licensed banks in the territory revealed safeguards to protect seniors and vulnerable adults from financial exploitation. All banks require staff training to detect and report elder abuse, with some extending these protocols to adults with disabilities. Furthermore, all but one bank has formal, written policies outlining how to handle and report suspected financial fraud. The single exception—while lacking a formalized reporting document—proactively protects elders by having bank representatives directly contact Adult Protective Services (APS) to request wellness checks whenever exploitation is suspected.

In reviewing any applicable or similar key Federal legislation, I found the *Elder Abuse Prevention and Prosecution Act* of 2017, The *Senior Safe Act* of 2018 and The *Financial Exploitation Prevention Act* previously passed by the House of Representatives and is awaiting a vote in the senate. Federal laws like the *Elder Abuse Prevention and Prosecution Act* of 2017 and the *Senior Safe Act* of 2018 provide existing frameworks for protecting older adults. These laws collectively provide legal immunity for reporting suspected fraud, enhance criminal prosecutions, and grant financial firms authority to delay suspicious transactions. While licensed banks follow these federal best practices, pending legislation, such as the Financial Exploitation Prevention Act, aims to establish mandatory requirements for all U.S. Virgin Islands financial institutions to ensure consistent legal protections.

Chairman Bolques, Jr., Members of the Thirty- Sixth Legislature of the Virgin Islands Committee on Culture, Youth, Aging, Sports and Parks, other Senators present today and the listening and viewing audience, the Division's hardworking Staff members and the Board continue to be committed to regulating the banking sector in the Territory and protecting the interests of Virgin Islands residents, in particular our senior population and as such we respectfully offer our comments on this Bill. This concludes the Division's testimony on Bill

No. 36-0192. We thank you for the opportunity granted to the Division to appear before you today. We are prepared to respond to your questions.