



Temporary holds

An immediate stopgap to protect funds from elder financial abuse and scams



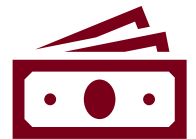
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Executive summary



Elder financial exploitation, including scams, fraud, and financial abuse, is a significant and growing crime. Protecting at-risk adults and older adults' financial wellbeing is a priority for adult protective services (APS) and the financial services industry, yet stopping exploitation is difficult when perpetrators have access to accounts or when victims are manipulated by scammers to lie to concerned parties about the purpose of suspicious transactions.



When older adults are unable or unwilling to stop risky financial activity and protect their assets from scams and abuse, pausing the suspicious transaction or temporary freezing the at-risk account(s) may be necessary to “stop the bleeding” and prevent further harm. Temporary holds give financial institutions time to investigate suspicious activity, coordinate with APS and law enforcement, and reach out to authorized contacts listed on the account. Temporary holds also buy time for APS to identify trusted friends or family members who can provide financial oversight or file for emergency conservatorship if greater levels of protection are needed. While the hold is in place, further conversations with the older person can help break through the financial predator's psychological manipulation and encourage accountholders to cut ties with whoever is stealing their funds.



We conducted a multi-year mixed method study assessing the implementation of temporary holds in Minnesota, which are authorized under Minnesota Statute 45A. Building from our research findings, this policy brief provides recommendations to policymakers considering new or expanded temporary hold legislation to bolster their current adult protection laws. The brief also outlines best practices for financial institutions implementing temporary holds.



Key Points



Each state should establish a team of financial exploitation investigators within their regulatory agencies to receive reports and assist financial institutions and APS with coordinating investigations and holds.

Temporary holds stop money from leaving older and vulnerable adults' accounts when there is reasonable suspicion that they are experiencing financial abuse or a scam.

Financial institutions must work with their customers and clients to ensure routine bills and necessary expenses are covered while account holds are in place.

Temporary hold statutes are inconsistent across states, with some states having no legislation and others only covering securities accounts. This leads to inconsistent protection for older adults across the nation.

Financial institutions should immediately communicate hold decisions to customers and work through secure channels with social services and law enforcement agencies to implement additional protections while the hold is in place.

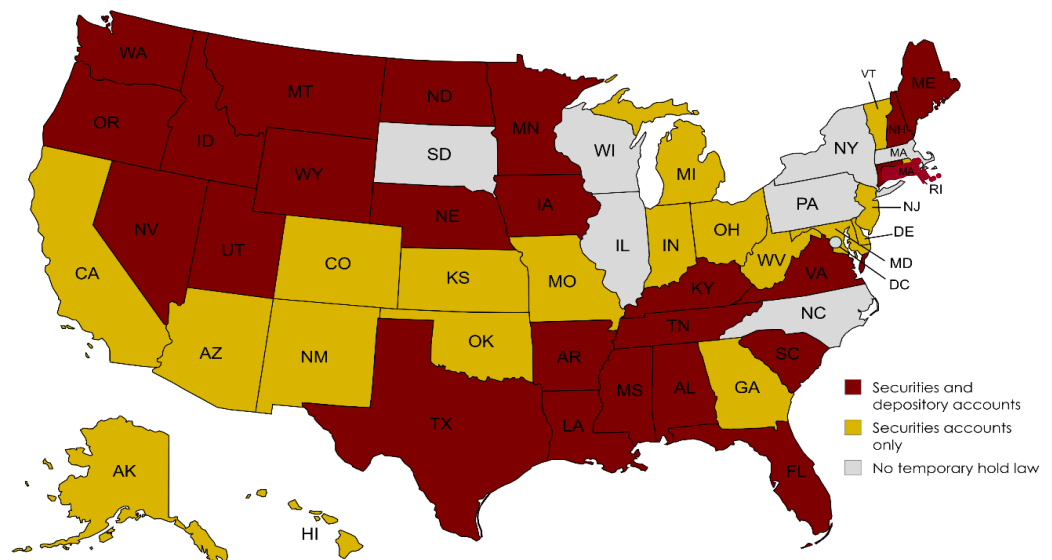
Introduction



How do temporary holds “stop the bleeding”?

Temporary holds offer an immediate but short-term safeguard to prevent misuse of funds if elder financial exploitation is reasonably suspected and if the accountholder meets age or vulnerability criteria. Once in place, a temporary hold restricts account activity such that funds cannot be transferred out of the account for a specific period of time, such as 3-5 weeks. In some cases, holds are applied to a specific disbursement or transaction request or to a defined amount of money in the account. In other cases, a freeze is applied to the entire account, sometimes blocking deposits in addition to withdrawals. State statutes vary with respect to the length of the hold, the population protected (i.e., age and vulnerability status), reporting requirements, and types of financial institutions and accounts covered.

FIGURE 1:
U.S. states with
temporary hold
statutes by type of
account(s)
covered (as of
June 2026)



Origin of temporary hold legislation



The North American Securities Administrators' Association (NASAA) introduced template legislation on temporary holds in 2015 with the "Model Act to Protect Vulnerable Adults from Financial Exploitation" (NASAA, 2019). In 2017, the Financial Industry Regulatory Authority (FINRA), a federally sanctioned self-regulatory organization for broker-dealers, approved a similar statute, FINRA Rule 2165. NASAA's "Model Act" and FINRA Rule 2165 offer broker-dealers and covered investment advisors immunity from civil or administrative liability for reporting exploitation to state and local authorities and temporarily delaying disbursements. These safe harbor protections reduce concerns about potential litigation from accountholders and regulators and motivate the financial services industry to be more proactive (Winter, 2019).

The Model Act and FINRA Rule 2165 apply only to funds held in securities accounts, leaving more accessible accounts, like checking and savings, less protected. In the absence of a federal statute for banks and credit unions, many states have expanded their temporary hold legislation to cover depository accounts. As of July 2026, 27 states (see Figure 1) had enacted temporary hold statutes that cover both securities and depository accounts (FTC, 2024a, 2024b; author research). In these states, banks and credit unions are also permitted to hold funds and report exploitation if it is reasonably suspected. Statutory language differs across states with respect to the length of the hold, the population protected (i.e., age and vulnerability status), reporting requirements, safe harbors, and whether training is required for employees.



Senior Safe Act, or “Chapter 45A”

Minnesota adopted the Model Act in 2018 with “Chapter 45A: Financial Exploitation Protections for Older or Vulnerable Adults.” In 2020, the law was expanded to cover holds placed on other account types by banks, credit unions, and regulated lenders.



The Minnesota Department of Commerce (Commerce) is charged with receiving reports of suspected financial exploitation from financial institutions, APS, law enforcement, and community members. Senior Safe specialists gather information about suspicious financial activity, interview and provide resources and education to the victim, and act as a liaison between APS, law enforcement, and financial institutions. Senior Safe Specialists can recommend delaying a disbursement or holding funds in an account based on risk of continued exploitation. Commerce also fields inquiries and appeal requests from accountholders or other parties.

Commerce and APS may cross-report cases to each other, but the victim must be considered a vulnerable adult to be eligible for APS in Minnesota. Vulnerability status is not required to place a temporary hold if the victim is age 65 or older; adults ages 18 to 64 must meet Minnesota’s vulnerability criteria.

The research



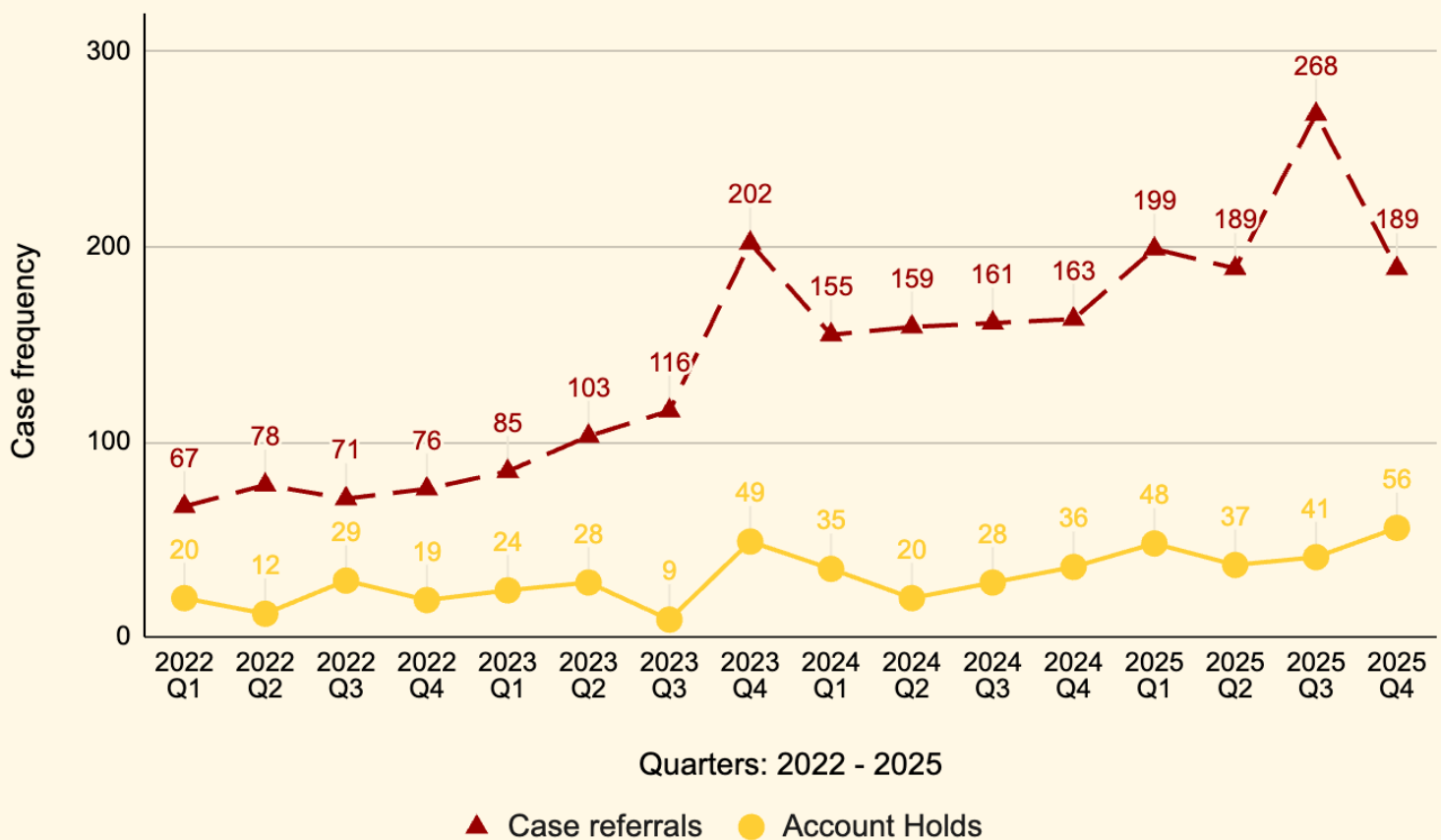
University of Minnesota researchers collaborated with Commerce to examine monthly trends in the number of reported cases and the number of temporary holds placed from 2022 to 2025. In first quarter of 2022, 67 cases were reported to Commerce. By the fourth quarter of 2025, 189 cases were reported, an increase of 182% (Figure 2, next page). The number of temporary holds recorded from Q1 2022 to Q4 2025 also increased by 180%, from 20 holds in Q1 2022 to 56 holds in Q4 2025. In total, holds were placed on 21.5% of cases reported between 2022 and 2025, and total involved funds (where data was available) approximated more than \$40M.

In addition to examining trends, we conducted 24 interviews with victims who experienced temporary account holds, APS investigators, and fraud and compliance officers at banks, credit unions, and brokerage firms that have placed temporary holds to prevent exploitation. Based on findings from the interviews and the trend data, we offer the following recommendations for temporary hold legislation and implementation by financial institutions.

Report and hold trends



FIGURE 2. Minnesota report and hold trends from 2022 to 2025, by quarter



Note: Report volumes peaked in Q4 2024 and Q3 2025, and growth in the number of reports outpaced growth in the number of temporary holds in several quarters (e.g., Q2-Q3 2025).

Recommendations for policymakers



1.1

Expand legislation nationwide to cover holds on checking and savings accounts

Six states and the District of Columbia have not passed legislation covering temporary holds on securities accounts, and 23 states do not have temporary hold legislation covering checking or savings accounts held at banks and credit unions. This means that older bank customers in one state with more expansive temporary hold laws have more access to financial protection than customers of the same bank who live in a different state where safe harbor protections do not extend to banks and credit unions.

According to the Federal Deposit Insurance Corporation (FDIC, 2024), 96% of Americans have a bank account (2024) while only 61% own securities (Desilver, 2024). This figure drops to just 39% of Black households and 28% of Hispanic households with securities accounts (Desilver, 2024). Moreover, checking accounts are more likely to be targeted by financial predators because they are more accessible, have a higher volume of transactions, and have less oversight than investment accounts. In an 18-month subsample of cases reported to the Minnesota Department of Commerce, banks and credit unions reported at the highest rates. Eighty-five percent of cases involved checking accounts whereas only 6% involved brokerage, securities, or retirement accounts. This data suggests that banks and credit unions need coverage too.

Minorities and low-income victims who rely on the funds held in checking accounts and reside in states without safe harbor laws for banking could experience catastrophic financial losses. Without liability protections, banks and credit unions have less incentive to place holds. They may choose to terminate relationships with customers involved in fraud to minimize risk exposure rather than hold funds in the account. Taken together, evidence indicates that temporary hold legislation should cover depository accounts and provide safe harbor protections for banks and credit unions that use holds to protect their customers.

Recommendations for policymakers



1.2

Establish a dedicated unit within states' financial industry regulatory agencies to consult on hold decisions

Temporary hold statutes in most states either require financial institutions to report to APS or give them discretion to simply place the hold without reporting to any state agency. While encouraging the discretionary use of holds, Senior Safe Specialists within the Minnesota Department of Commerce also provide a critical investigative resource for financial institutions and advocate for older accountholders through education, outreach, and helping resolve disputes about hold placements.

There are several advantages to establishing Senior Safe teams within state financial industry regulatory agencies. First, industry regulators have pre-existing relationships with financial institutions. Investigators can act as authorized and trusted liaisons to help APS and law enforcement work with financial institutions to protect victims. Second, individual banks or broker-dealers can only observe suspicious activity within their own institution or receive limited information from peer institutions. State regulatory agencies that have law enforcement authority can sometimes track funds and suspicious activity (e.g., money laundering) across multiple financial services and payment organizations. Third, Senior Safe Specialists can act as neutral third parties when victims disagree with their financial institution about the hold. Specialists can explain the law and listen to victims' frustrations while offering potential solutions. Commerce also fields inquiries and appeal requests from accountholders or other parties concerned. Minnesota has approximately 1 million older residents and three full-time Senior Safe investigators. Other states should consider investing in a dedicated unit that is available for consultations, supports victims, and advocates on their behalf with financial institutions, assisting with investigations and coordinating efforts across state agencies.

Recommendations for policymakers



1.3 Holds should last 15 business days with the option to extend if risks persist

In Minnesota, holds may last 15 business days (three weeks) with the option to extend an additional 10 business days if needed. In our study, interview participants from financial institutions and APS expressed that this length was appropriate for most cases, but flexibility was also important. Some situations may call for early removal of a hold, for example, if the older adult appoints a trusted power of attorney to manage their financial affairs. In other cases, holds need to be extended to give concerned family members or APS more time to file for emergency conservatorship.

1.4 Reconsider age limits

Current temporary hold statutes are rooted in adult protection laws. As such, victims generally must be aged 60 or 65 years and above, or be considered a vulnerable adult to receive protections. But people of all ages can be victims of fraud and financial crimes. Scammers do not discriminate based on age. Temporary hold safeguards should be able to protect all victims of scams and abuse regardless of age or cognitive and physical vulnerability status.

1.5 Standardize statutory language and reporting requirements

The current patchwork of state laws (see Figure 1) makes it difficult for financial institutions with a national footprint to provide equal protection to their customers and clients who reside across the nation. The variation in reporting requirements are also burdensome. In addition to standardizing statutory language regarding temporary holds, a universal reporting portal would significantly reduce administrative burden and ensure that all key agencies are notified when financial exploitation is suspected. A universal reporting portal may also improve collaboration and case coordination between financial institutions, APS, regulatory agencies, and local law enforcement.

Recommendations for financial institutions



1.1 Restrict account services first

Many victims we interviewed expressed deep frustration with their financial services provider when they could not access money to cover bills and other routine expenses. Full account lockdowns can compound the financial harm they experienced from exploitation. Therefore, financial institutions should consider restricting services and account privileges first before freezing entire accounts. For example, if a perpetrator has access to the victim's debit card and pin number, only debit card transactions and ATM withdrawals should be paused. If the victim is requesting to wire funds to a suspicious third party but their other financial activity is consistent with past behavior, only orders to wire funds should be refused.

In some cases, however, full account freezes are necessary as scammers coach victims to try another transfer method or to break up requests into smaller amounts to evade transaction holds. Victims may falsely state they need the money for bills yet continue to ask for large amounts of cash that is transferred to perpetrators. Therefore, hold decisions require flexibility and a balance of technical capabilities, resources, and weighing the exploitation risk against the potential harm that a temporary hold could cause.

1.2 Continue to pay routine bills

While an account hold is in place, financial institutions should work with the accountholder or other third-party (e.g., APS, local aging organizations, fiduciary) to make sure that regular bills are paid on time, and that the accountholder can access sufficient funds to cover groceries, medications, and other goods and services. Manual review of their transactions or automated transaction monitoring tools that authorize automatic bill pay and routine purchases, while selectively blocking suspicious transactions, is needed.

Recommendations for financial institutions



1.3 Communicate hold decisions verbally

Financial institutions should communicate hold decisions clearly to the accountholder, assist with bill payment during the hold period, and give clear information on how to appeal the decision according to the state statute. This information should be communicated clearly to the accountholder in addition to mailing the required notices. Leadership should train frontline staff to respond calmly to negative reactions using empathy and non-judgmental communication. Staff should offer to meet with accountholders to talk through their bills and other expenses, ensure sufficient funds available to cover routine expenses during a hold, and discuss whether there is a trusted person they can contact to help.

1.4 Consider victims' underlying vulnerabilities

Holds are not a long-term exploitation prevention strategy. Without addressing the issues underlying vulnerability to exploitation – loneliness, cognitive decline, and presence of financially dependent relatives – exploitation is likely to continue. Referrals to social services agencies such as adult protective services, legal aid clinics, financial and debt counseling services, and mental health providers may be necessary. Financial professionals should consider working with local adult protection multidisciplinary teams (MDTs) to strengthen their network of responders. Supported financial decision making and the engagement of trusted contacts can offer more consistent protection.

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The full research study is available at:

DeLiema, D., Gao, S., & Ambrose, T. (2026). Using temporary holds to stop elder financial exploitation: A Minnesota case study. *Journal of Aging and Social Policy*. 1–16. <https://www.tandfonline-com.ezp1.lib.umn.edu/doi/full/10.1080/08959420.2026.2733654?scroll=top&needAccess=true&#abstract>

