

New Jersey Statutes Annotated  
Title 17. Corporations and Institutions for Finance and Insurance (Refs & Annos)  
Subtitle 2. Financial Institutions  
Part 9. Financial Institutions Generally  
Chapter 16T. Release of Certain Account Information

N.J.S.A. 17:16T-1

17:16T-1. Legislative findings and declarations

Currentness

The Legislature finds and declares that many customers of financial institutions have worked diligently to accumulate savings and other resources deposited in, or managed by, financial institutions. Some of these customers are vulnerable to fraudulent or other illegal schemes because of advanced years or because of physical or mental illness, disability or deficiency, or because they lack sufficient understanding of and do not have the capacity to make, communicate or carry out decisions concerning the management of their savings or resources. Financial institutions, in the course of conducting business with these vulnerable customers and senior customers, suspect, from time to time, that these customers are targets of illegal schemes but choose not to act because they are unclear about the conditions under which they may release account information, how much information may be released, and the entities to whom they may release such information. Therefore, the Legislature finds that it is appropriate to provide statutory guidance to financial institutions in this situation.

**Credits**

L.1998, c. 121, § 1, eff. Nov. 9, 1998.

**Editors' Notes**

**SENATE STATE GOVERNMENT, BANKING AND FINANCIAL INSTITUTIONS COMMITTEE STATEMENT**

**Senate, No. 888--L.1998, c. 121**

The Senate State Government, Banking and Financial Institutions Committee reports favorably Senate Bill No. 888.

The senior citizens and vulnerable adults of this State are sometimes targets of illegal schemes involving their accounts in New Jersey financial institutions. In some of these cases, the financial institutions have knowledge of, or a suspicion of, illegal activity involving these accounts but are reluctant to inform authorities because they may be subject to a civil suit alleging that the customer's common law right of privacy was violated.

This bill provides that financial institutions may release certain customer account information relevant to actual or suspected illegal activities to a law enforcement agency or a county adult protective service provider, or both.

If a financial institution makes the release of information in accordance with the provisions of this bill, it would be immune from liability under any law or regulation or common law of this State in a suit alleging that the customer's right of financial privacy had been violated. In addition, if a financial institution, officer, employee or agent thereof, decides in good faith not to disclose information it is permitted to disclose under this bill, it would not be liable under any law or regulation or common law for that decision. This bill would give financial institutions legal comfort in contacting law enforcement agencies or county adult protective service providers in those cases where they suspect

that illegal activity has occurred or may occur involving an account in which a senior or vulnerable customer has a beneficial interest.

The federal "Right to Financial Privacy Act of 1978," [12 U.S.C. s.3401 et seq.](#), provides, among other things, that a financial institution may release account information to federal governmental agents if the information may be relevant to a possible violation of any statute or regulation. However, the federal law does not address releases of information to state, county or municipal law enforcement agencies or to county adult protective service providers. This bill would complement and parallel the federal act by providing that financial institutions may release relevant information to State and local law enforcement agencies as well as to county adult protective service providers if a financial institution suspects illegal activity related to a senior or vulnerable customer's account.

This bill is identical to Assembly, No. 986.

N. J. S. A. 17:16T-1, NJ ST 17:16T-1

Current with laws effective through L.2015, c. 61.

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