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AB-909 Financial abuse of an elder or dependent adult: fraudulent transactions: liability. (2025-2026)

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AMENDED IN ASSEMBLY MARCH 28, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 909

Introduced by Assembly Member Schiavo

February 19, 2025

An act to [amend Section 1798.97.1 of the Civil Code, to add Section 11109 and Chapter 6 \(commencing with Section 11600\) to Division 11 of the Commercial Code, to amend Section 90003 of the Financial Code, and to amend Section 15630.1 of the Welfare and Institutions Code, relating to financial abuse.](#)

LEGISLATIVE COUNSEL'S DIGEST

AB 909, as amended, Schiavo. Financial abuse of an elder or dependent ~~adult: mandated reporters.~~ [adult: fraudulent transactions: liability.](#)

Existing law, the Uniform Commercial Code (UCC), provides that, unless displaced by the particular provisions of the UCC, the principles of law and equity, including the law merchant and the law relative to capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, and other validating or invalidating cause supplement the UCC.

Existing law generally regulates fund transfers, including by prescribing rules applicable to a transfer pursuant to a security procedure for the detection of error to a beneficiary not intended by the sender.

This bill would similarly specify that those fund transfer provisions do not displace those principles of law and equity.

Existing law requires all officers and employees of a financial institution to report known or suspected instances of financial abuse of an elder or dependent adult, as specified. *Existing law imposes a civil penalty for violation of this prohibition in an amount not exceeding \$1,000 or, if the failure to report is willful, a civil penalty not exceeding \$5,000, as specified.*

This bill would ~~make nonsubstantive changes to those provisions.~~ *increase those civil penalties to \$10,000 and \$50,000, respectively, and would additionally authorize an elder or dependent adult who suffers financial abuse because of the noncompliance to recover those civil penalties.*

This bill would also enact various provisions related to protecting a victim of abuse of an elder or dependent adult with respect to a fraudulently induced transaction, defined as an "injured consumer," including by limiting the liability of an injured consumer for a

fraudulently induced transaction to the lesser of \$50 or the amount of money or value of property or services obtained in the fraudulently induced transaction before the financial institution has notice that, or a reasonable basis to believe that, a fraudulently induced transaction involving the injured consumer's account has been, or may be, effected, as prescribed.

This bill would also require a financial institution that, within 60 days of transmitting to a consumer certain required documentation related to the consumer's account, receives oral or written notice in which the consumer, among other things, indicates the consumer's belief that the consumer is an injured consumer, to investigate, as prescribed, the alleged reasons and determine whether the consumer is an injured consumer within 10 business days. This bill would authorize an injured consumer to bring a civil action against a noncompliant financial institution, as prescribed.

Vote: majority Appropriation: no Fiscal Committee: ~~no~~yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. *Section 1798.97.1 of the Civil Code is amended to read:*

1798.97.1. For purposes of this ~~title, the following definitions apply:~~ *title:*

(a) "Adequate documentation" means documentation that identifies a particular debt, or portion thereof, as coerced debt, describes the circumstances under which the coerced debt was incurred, and takes the form of any of the following:

(1) A police report.

(2) A Federal Trade Commission identity theft report identifying a particular debt, or portion thereof, as coerced, but not as identity theft.

(3) A court order issued pursuant to Section 6340 of the Family Code relating to domestic violence, Section 213.5 of the Welfare and Institutions Code relating to a dependent or ward of the juvenile court, or Section 15657.03 of the Welfare and Institutions Code relating to elder or dependent adult abuse.

(4) (A) A sworn written certification from a qualified third-party professional based on information they received while acting in a professional capacity.

(B) The documentation described by subparagraph (A) shall be signed by a qualified third-party professional and display the letterhead, address, and telephone number of the office, institution, center, or organization, as appropriate, that engages or employs, whether financially compensated or not, the qualified third-party professional, or, if the qualified third-party professional is self-employed, the documentation shall display the letterhead, address, and telephone number of the qualified third-party professional.

(b) "Claim" means a right to payment, whether or not that right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, or equitable.

(c) (1) "Claimant" means a person or an entity who has or purports to have a claim against a debtor arising from coerced debt, or that person's or entity's successor or assignee. "Claimant" includes, but is not limited to, a debt collector or a debt buyer.

(2) Notwithstanding paragraph (1), "claimant" shall not include a person who caused the claim described in paragraph (1) to arise through duress, intimidation, threat of force, force, fraud, or undue influence perpetrated against the debtor.

(d) "Coerced debt" means a particular debt, or portion thereof, for personal, family, or household use in the name of a debtor who is a victim of domestic violence, or a victim of elder or dependent adult abuse, or a person who is a foster youth, incurred as a result of duress, intimidation, threat of force, force, fraud, or undue influence.

(1) For purposes of this subdivision, "domestic violence" has the same meaning as in Section 6211 of the Family Code.

(2) For the purposes of this subdivision, "foster youth" has the same meaning as in Section 42238.01 of the Education Code.

(3) For the purposes of this subdivision, "dependent adult" has the same meaning as in Section 15610.23 of the Welfare and Institutions Code.

(4) For the purposes of this subdivision, "elder" has the same meaning as in Section 15610.27 of the Welfare and Institutions Code.

(e) "Debtor" means a person who ~~owes~~ *owes*, or is otherwise liable ~~for~~ *for*, coerced debt.

(f) "Fraud" means an initial fraudulent act that is perpetrated against the ~~debtor~~ *debtor, including a transaction initiated by a debtor through fraudulent inducement.*

(g) "Immediate family member" has the same meaning as defined in paragraph (3) of subdivision (h) of Section 1946.7.

(h) "Person" means a natural person.

(i) "Qualified third-party professional" means any of the following:

(1) A domestic violence counselor, as defined in Section 1037.1 of the Evidence Code.

(2) A sexual assault counselor, as defined in Section 1035.2 of the Evidence Code.

(3) A Court-Appointed Special Advocate, as defined in Section 101 of the Welfare and Institutions Code.

(4) A court-appointed attorney, as defined in subdivision (e) of Section 317 of the Welfare and Institutions Code.

(5) A board certified psychiatrist or psychologist.

(6) A licensed marriage and family therapist.

(7) A licensed professional clinical counselor.

(8) A licensed clinical social worker.

(9) A social worker or caseworker employed by an adult protective service agency for the purposes described in Chapter 13 (commencing with Section 15750) of Part 3 of Division 9 of the Welfare and Institutions Code.

(10) A social worker who has completed the child welfare training program described in Article 2 (commencing with Section 16205) of Chapter 3 of Part 4 of Division 9 of the Welfare and Institutions Code.

(j) (1) "Sworn written certification" means a document in which the author declares under penalty of perjury as true any material fact, and which is accompanied by the following, to the extent that an item listed below is relevant to the debtor's allegation that the debt is coerced debt:

(A) A copy of the debtor's driver's license or identification card, as issued by the state.

(B) Any other identification document that supports the statement that the particular debt, or portion thereof, is coerced debt.

(C) An express statement that the debtor did not willingly authorize the use of the debtor's name or personal information for incurring the coerced debt, and specific facts supporting the claim of coerced debt, if available, and, if not all of the debt was coerced, a statement identifying the portion thereof that was coerced.

(D) Any available correspondence disputing the coerced debt after transaction information has been provided to the debtor.

(E) Information, if known by the debtor, including, but not limited to, a credit card number or loan number, that can be used by the claimant to identify the account associated with the coerced debt and the person or persons in whose name the debt was incurred.

(F) The identity of the person or persons who coerced the debtor into incurring the debt and contact information for that person or persons, if known by the debtor, unless the debtor signs a sworn statement that disclosing this information is likely to result in abuse, as defined in Section 6203 of the Family Code, to the debtor or an immediate family member of the debtor.

(G) A telephone number for contacting the person signing the certification concerning any additional information or questions, or direction that further communications to the debtor be in writing only, with the mailing address specified in the statement.

(2) The certification required by this subdivision shall be sufficient if it is in substantially the following form:

"I declare under penalty of perjury that the representations made herein are true, correct, and contain no material omissions of fact.

_____(Date and Place) _____(Signature) _____"

SEC. 2. *Section 11109 is added to the Commercial Code, to read:*

11109. *This division does not displace, as described in Section 1103, the principles of law and equity, including the law merchant and the law relative to capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, and other validating or invalidating cause.*

SEC. 3. Chapter 6 (commencing with Section 11600) is added to Division 11 of the Commercial Code, to read:

CHAPTER 6. Fraudulent Transfers

11600. (a) California residents reported losing over one billion four hundred thirty-four million dollars (\$1,434,000,000) to fraud in 2023.

(b) The true amount lost due to fraud is substantially greater than is reported due to unawareness of reporting mechanisms and other factors.

(c) Data consistently show that elders are more likely to lose substantial amounts to fraud than their younger counterparts.

(d) Fraud detrimentally impacts the economic stability of elders and dependent adults. As a social determinant of health, the economic instability caused by fraud has a wide range of health and quality-of-life consequences and robs elders and dependent adults of dignity, self-worth, independence, and mental well-being.

(e) Fraudulently induced transactions cause elders and dependent adults to lose critical savings, which leads to a higher demand for public services and costing taxpayers significant sums of money each year.

(f) Elders and dependent adults rely on financial institutions to protect them from threats of fraudulently induced transactions.

(g) Financial institutions are best suited to identify fraudulently induced transactions and money laundering and better equipped to bear the risk of loss therefor.

11601. (a) "Abuse of an elder or dependent adult" has the same meaning as defined in Section 15610.07 of the Welfare and Institutions Code.

(b) "Consumer" means a natural person who resides in California.

(c) "Debt collector" has the same meaning as defined in Section 1788.2 of the Civil Code.

(d) "Dependent adult" has the same meaning as defined in Section 15610.23 of the Welfare and Institutions Code.

(e) "Elder" has the same meaning as defined in Section 15610.27 of the Welfare and Institutions Code.

(f) "Financial institution" means a state or national bank, a state or federal savings and loan association, a mutual savings bank, a state or federal credit union, or any other person who, directly or indirectly, holds an account belonging to a person.

(g) "Fraudulently induced transaction" means a fund transfer, payment order, cash withdrawal, cash advance, direct deposit, credit extension, or other financial transaction available to consumers, however made or denominated, that was entered into by an elder or dependent adult in reliance on any fraudulent, deceptive, or misleading information or representation of another person.

(h) "Injured consumer" means a natural person who resides in the state who is a victim of abuse of an elder or dependent adult with respect to a fraudulently induced transaction.

(i) "Payment order" has the same meaning as defined in Section 11103.

(j) "Person" has the same meaning as defined in Section 1201.

(k) "Reimbursing institution" means a financial institution that credits an injured consumer's account pursuant to subdivision (b) of Section 11605.

11602. (a) (1) Except as provided in paragraph (2), an injured consumer's liability for a fraudulently induced transaction shall not exceed the lesser of either of the following:

(A) Fifty dollars (\$50).

(B) (i) The amount of money or value of property or services obtained in the fraudulently induced transaction before the financial institution has notice that, or a reasonable basis to believe that, a fraudulently induced transaction involving the injured consumer's account has been, or may be, effected.

(ii) For purposes of this subparagraph, notice is sufficient if steps have been taken as may be reasonably required in the ordinary course of business to provide the financial institution with the pertinent information, whether or not a particular officer, employee, or agent of the financial institution does in fact receive that information.

(2) An injured consumer's liability may exceed the amounts listed in paragraph (1) if the financial institution establishes that the financial liability in excess of those amounts would not have occurred but for the injured consumer's failure to report within 60 days of transmittal to the injured consumer of the periodic statement pursuant to Sections 1637 and 1693d of Title 15 of the United States Code any fraudulently induced transaction which appears on that periodic statement.

(b) In an action to determine a consumer's liability for a financial transaction that the consumer alleges was fraudulently induced, both of the following apply:

(1) The financial institution bears the burden of proof to show that the transaction was not fraudulently induced.

(2) If the financial institution admits the transaction was fraudulently induced, then the financial institution bears the burden of proof to show that both of the following are true:

(A) Paragraph (2) of subdivision (a) applies to financial liability caused by the transaction.

(B) If the transfer was initiated after January 1, 2026, the financial institution complied with subdivisions (a) and (b) of Section 11604.

(c) Notwithstanding any other law, if a transaction involves both a fraudulently induced transaction and an extension of credit, as defined in Section 1602 of Title 15 of the United States Code, pursuant to an agreement between the injured consumer and the financial institution to extend that credit to the injured consumer if the injured consumer's account is overdrawn, the limitation on the injured consumer's liability for that transaction shall be determined solely in accordance with this section.

(d) This section does not impose liability upon an injured consumer for a fraudulently induced transaction in excess of the injured consumer's liability for that transfer under other applicable law or under any agreement with the injured consumer's financial institution.

11603. (a) A person who receives the proceeds of a fraudulently induced transaction and knows, or should know, of the transaction's fraudulently induced nature shall be liable to a reimbursing institution in an amount equal to the amount reimbursed by the reimbursing institution to the injured consumer.

(b) (1) A financial institution that receives the proceeds of a fraudulently induced transaction shall, with any other financial institution that receives the proceeds of the fraudulently induced transaction, be jointly and severally liable to a reimbursing institution in an amount equal to half of the amount reimbursed by the reimbursing institution to the injured consumer.

(2) Any amount collected by a reimbursing institution pursuant to subdivision (a) shall offset pro rata the liability owed to the reimbursing institution by a financial institution that receives a fraudulently induced transaction.

11604. A financial institution shall, in the periodic statement required under Sections 1637 and 1693d of Title 15 of the United States Code or similar law, disclose to a consumer, in readily understandable language, both of the following:

(a) The consumer's liability for fraudulently induced transactions.

(b) The telephone number and address of the person or office to be notified in the event the consumer believes that a fraudulently induced transaction has been, or may be, effected.

11605. (a) (1) Subject to subdivision (c), if a financial institution, within 60 days of transmitting to a consumer documentation pursuant to Section 11604, receives oral or written notice in which the consumer does all of the following, the financial institution shall investigate the alleged reasons and determine whether the consumer is an injured consumer within 10 business days:

(A) States, or otherwise enables the financial institution to identify, the name and account number of the consumer.

(B) Indicates the consumer's belief that the consumer is an injured consumer.

(C) States the reasons for the consumer's belief that the consumer is an injured consumer, including the amount of any fraudulently induced transactions.

(2) (A) A financial institution that receives an oral notice described in paragraph (1) may require the consumer to give it written confirmation within 10 business days of the oral notification if, when the oral notification is made, the consumer is advised of that requirement and the address to which the written confirmation should be sent.

(B) A financial institution that requires written confirmation in accordance with subparagraph (A) shall not be required to provisionally recredit the consumer's account pursuant to subdivision (c), and the financial institution shall not be liable under subdivision (e) if the written confirmation is not received within the 10-day period described in subparagraph (A).

(b) Subject to subdivision (c), if the financial institution determines that the consumer is an injured consumer, it shall, within one business day of making the determination, reimburse the injured consumer, subject to Section 11602, including the crediting of interest if applicable.

(c) (1) If a financial institution receives notice from a consumer that complies with subdivision (a), it may, in lieu of the requirements of subdivisions (a) and (b), within 10 business days after receiving the notice, provisionally recredit the consumer's account for the amount of any alleged fraudulently induced transaction, subject to Section 11602, including interest if applicable, pending the conclusion of its investigation and its determination of whether the consumer is an injured consumer.

(2) An investigation described in paragraph (1) shall be concluded not later than 45 days after receipt of a notice described in paragraph (1) of subdivision (a), and the consumer shall have full use of the funds provisionally recredited while the investigation is ongoing.

(d) (1) If the financial institution determines after its investigation pursuant to subdivision (a) or (c) that the consumer is not an injured consumer, it shall deliver or mail to the consumer an explanation of its findings within three business days of the conclusion of its investigation and, upon request of the consumer, promptly deliver or mail to the consumer reproductions of all documents that the financial institution relied on to reach its conclusion.

(2) The financial institution shall include notice of the right to request reproductions of documents pursuant to paragraph (1) with the explanation of its findings.

11606. (a) An injured consumer may bring a civil action against a financial institution that fails to comply with this chapter, except for a fraudulently induced transaction that has been resolved in accordance with Section 11605, to obtain all of the following relief:

(1) Actual damages sustained by the consumer as a result of the noncompliance.

(2) Treble damages if either of the following is true:

(A) The financial institution did not provisionally recredit a consumer's account within the 10-day period described in subdivision (c), and the financial institution did not make a good faith investigation of the notice described in subdivision (a) of Section 11605 or did not have a reasonable basis for believing that the consumer was not an injured consumer.

(B) The financial institution knowingly and willfully concluded that the consumer was not an injured consumer when that conclusion could not reasonably have been drawn from the evidence available to the financial institution at the time of its investigation.

(3) (A) If the consumer filed an individual action, statutory damages in an amount not less than one hundred dollars (\$100) but not greater than one thousand (\$1,000).

(B) In a class action, statutory damages in an amount as the court may allow subject to both of the following:

(i) A minimum recovery shall not apply to any member of the class.

(ii) A financial institution shall not be liable for more than the lesser of five hundred thousand dollars (\$500,000) and 1 percent of the defendant's net worth arising from the same violation of this chapter.

(4) Reasonable attorney's fees and costs, including, but not limited to, reasonable fees for the services of a conservator devoted to the litigation of a claim brought under this subdivision.

(b) (1) In an action to collect on a debt, at least part of which is caused by a fraudulently induced transaction, the defendant may raise as a defense to collection the defendant's qualification as an injured consumer, which shall offset the debt in an amount up to the amount of the fraudulently induced transaction, plus any interest and fees.

(2) If it is proven by a preponderance of the evidence that the plaintiff had notice that the defendant was an injured consumer before commencement of the lawsuit, the plaintiff shall be liable to the defendant for treble damages and attorney's fees and costs.

(3) An original creditor's notice under subparagraph (B) of paragraph (1) of subdivision (a) of Section 11602 or subdivision (a) of Section 11605 that a debt qualifies a consumer as an injured consumer shall be imputed to any subsequent buyer of that debt and any debt collector attempting to collect that debt.

(4) A debt collector with notice that a debt qualifies a consumer as an injured consumer shall not seek to collect on that debt.

SEC. 4. Section 90003 of the Financial Code is amended to read:

90003. (a) It is unlawful for a covered person or service ~~provider, as defined in subdivision (f) of Section 90005,~~ *provider* to do any of the following:

(1) Engage, have engaged, or propose to engage in any unlawful, unfair, deceptive, or abusive act or practice with respect to consumer financial products or services.

(2) Offer or provide to a consumer any financial product or service not in conformity with any consumer financial law or otherwise commit any act or omission in violation of a consumer financial law.

(3) Fail or refuse, as required by a consumer financial law or any rule or order issued by the department thereunder, to do any of the following:

(A) Permit the department access to or copying of records.

(B) Establish or maintain records.

(C) Make reports or provide information to the department.

(b) For any person who knowingly or recklessly provides substantial assistance to a covered person or service provider in violation of subdivision (a) or any rule or order issued thereunder, the provider of that substantial assistance shall be deemed to be in violation of that section to the same extent as the person to whom that assistance is provided.

(c) Notwithstanding subdivision (b), a person shall not be held to have violated paragraph (1) of subdivision (a) solely by virtue of providing or selling time or space to a covered person or service provider placing an advertisement.

(d) A violation of Chapter 6 (commencing with Section 11600) of Division 11 of the Commercial Code shall be deemed to be an unlawful, unfair, deceptive, or abusive act or practice with respect to consumer financial products or services.

SECTION 1. SEC. 5. Section 15630.1 of the Welfare and Institutions Code is amended to read:

15630.1. (a) As used in this section, "mandated reporter of suspected financial abuse of an elder or dependent adult" means all officers and employees of financial institutions.

(b) As used in this section, the term "financial institution" means any of the following:

(1) A depository institution, as defined in Section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. Sec. 1813(c)).

(2) An institution-affiliated party, as defined in Section 3(u) of the Federal Deposit Insurance Act (12 U.S.C. Sec. 1813(u)).

(3) A federal credit union or state credit union, as defined in Section 101 of the Federal Credit Union Act (12 U.S.C. Sec. 1752), including, but not limited to, an institution-affiliated party of a credit union, as defined in Section 206(r) of the Federal Credit Union Act (12 U.S.C. Sec. 1786(r)).

(c) As used in this section, "financial abuse" has the same meaning as in Section 15610.30.

(d) (1) Any mandated reporter of suspected financial abuse of an elder or dependent adult who has direct contact with the elder or dependent adult or who reviews or approves the elder or dependent adult's financial documents, records, or transactions, in connection with providing financial services with respect to an elder or dependent adult, and who, within the scope of their employment or professional practice, has observed or has knowledge of an incident, that is directly related to the transaction or matter that is within that scope of employment or professional practice, that reasonably appears to be financial abuse, or who reasonably suspects that abuse, based solely on the information before them at the time of reviewing or approving the document, record, or transaction in the case of mandated reporters who do not have direct contact with the elder or dependent adult, shall report the known or suspected instance of financial abuse by telephone or through a confidential internet reporting tool, as authorized pursuant to Section 15658, immediately, or as soon as practicably possible. If reported by telephone, a written report shall be sent, or an Internet report shall be made through the confidential Internet reporting tool established in Section 15658, within two working days to the local adult protective services agency or the local law enforcement agency.

(2) When two or more mandated reporters jointly have knowledge or reasonably suspect that financial abuse of an elder or a dependent adult for which the report is mandated has occurred, and when there is an agreement among them, the telephone report or Internet report, as authorized by Section 15658, may be made by a member of the reporting team who is selected by mutual agreement. A single report may be made and signed by the selected member of the reporting team. Any member of the team who has knowledge that the member designated to report has failed to do so shall thereafter make that report.

(3) If the mandated reporter knows that the elder or dependent adult resides in a long-term care facility, as defined in Section 15610.47, the report shall be made to the local ombudsman or local law enforcement agency.

(e) An allegation by the elder or dependent adult, or any other person, that financial abuse has occurred is not sufficient to trigger the reporting requirement under this section if both of the following conditions are met:

(1) The mandated reporter of suspected financial abuse of an elder or dependent adult is aware of no other corroborating or independent evidence of the alleged financial abuse of an elder or dependent adult. The mandated reporter of suspected financial abuse of an elder or dependent adult is not required to investigate any accusations.

(2) In the exercise of their professional judgment, the mandated reporter of suspected financial abuse of an elder or dependent adult reasonably believes that financial abuse of an elder or dependent adult did not occur.

(f) Failure to report financial abuse under this section shall be subject to a civil penalty not exceeding ~~one~~ *ten* thousand dollars ~~(\$1,000)~~ *(\$10,000)* or if the failure to report is willful, a civil penalty not exceeding ~~five~~ *fifty* thousand dollars ~~(\$5,000)~~ *(\$50,000)*, which shall be paid by the financial institution that is the employer of the mandated reporter to the party bringing the action. Subdivision (h) of Section 15630 shall not apply to violations of this section.

(g) (1) The civil penalty provided for in subdivision (f) ~~shall~~ *may* be recovered ~~only~~ in a civil action brought against the financial institution by the Attorney General, a district attorney, or a county counsel. ~~No action shall be brought under this section by any person other than the Attorney General, a district attorney, or a county counsel.~~ Multiple actions for the civil penalty may not be brought for the same violation.

(2) An elder or dependent adult who suffers financial abuse because of the failure to report may recover the civil penalty provided for in subdivision (f) and the remedies provided for financial abuse in Section 15657.5.

~~(2)~~

(3) Nothing in the Financial Elder Abuse Reporting Act of 2005 shall be construed to limit, expand, or otherwise modify any civil liability or remedy that may exist under this or any other law.

(h) As used in this section, "suspected financial abuse of an elder or dependent adult" occurs when a person who is required to report under subdivision (a) observes or has knowledge of behavior or unusual circumstances or transactions, or a pattern of behavior or unusual circumstances or transactions, that would lead an individual with like training or experience, based on the same facts, to form a reasonable belief that an elder or dependent adult is the victim of financial abuse as defined in Section 15610.30.

(i) Reports of suspected financial abuse of an elder or dependent adult made by an employee or officer of a financial institution pursuant to this section are covered under subdivision (b) of Section 47 of the Civil Code.

(j) (1) A mandated reporter of suspected financial abuse of an elder or dependent adult is authorized to not honor a power of attorney described in Division 4.5 (commencing with Section 4000) of the Probate Code as to an attorney-in-fact, if the mandated reporter of suspected financial abuse of an elder or dependent adult makes a report to an adult protective services agency or a local law enforcement agency of any state that the principal may be subject to financial abuse, as described in this chapter or as defined in similar laws of another state, by that attorney-in-fact or person acting for or with that attorney-in-fact.

(2) If a mandated reporter of suspected financial abuse of an elder or dependent adult does not honor a power of attorney as to an attorney-in-fact pursuant to paragraph (1), the power of attorney shall remain enforceable as to every other attorney-in-fact also designated in the power of attorney about whom a report has not been made.

(3) For purposes of this subdivision, the terms "principal" and "attorney-in-fact" shall have the same meanings as those terms are used in Division 4.5 (commencing with Section 4000) of the Probate Code.