



March 9, 2026

VIA EMAIL TO [pubcom@finra.org](mailto:pubcom@finra.org)

Jennifer Piorko Mitchell  
Office of the Corporate Secretary  
FINRA  
1700 K Street, NW  
Washington, DC 20006-1506

Re: Regulatory Notice 26-02: Request for Comment on Rule Revisions to Help Member Firms Protect Seniors from Financial Exploitation and All Investors from Fraud

Dear Ms. Mitchell,

On behalf of CFP Board<sup>1</sup>, the Financial Planning Association (FPA)<sup>2</sup>, and the National Association for Personal Financial Advisors (NAPFA)<sup>3</sup>, we appreciate the opportunity to respond to the request for comment by the Financial Industry Regulatory Authority, Inc.

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<sup>1</sup> CFP Board consists of two affiliated non-profit organizations, the Certified Financial Planner Board of Standards, Inc. and the Certified Financial Planner Board of Standards Center for Financial Planning, Inc. (collectively, CFP Board). CFP Board operates the CFP® certification program, which sets high standards of competency and ethics for financial planning and is accredited by the National Commission for Certifying Agencies. CFP Board works to advance the financial planning profession for the public's benefit. Today, CFP Board certifies more than 107,000 CFP® professionals (or more than one-third of retail financial professionals) who operate under different business and compensation models and provide professional services on behalf of investment advisers, broker-dealers, insurance companies, banks, and trust companies, among other business types.

<sup>2</sup> FPA® is a 501(c)(6) trade association and the leading Membership organization for CERTIFIED FINANCIAL PLANNER™ professionals and the largest organization representing those individuals engaged in the financial planning process. FPA® represents and supports over 17,000 Members and 79 state and local chapters nationwide. FPA's core Members are CERTIFIED FINANCIAL PLANNER™ professionals, who pride themselves on being held to high standards of professional competence, ethical conduct, and clear, complete disclosure when serving their clients.

<sup>3</sup> NAPFA is the nation's leading organization of fee-only, comprehensive financial planning professionals. There are more than 4,600 NAPFA members across the country serving clients from all backgrounds. NAPFA members adhere to standards of professional conduct that are widely recognized as among the highest in the financial planning profession. A "NAPFA-Registered Financial Advisor" must be registered with the Securities and Exchange Commission (SEC), or with a state securities regulator, as a "registered investment adviser" or "RIA." A "NAPFA-Registered Financial Advisor" also must hold the CERTIFIED FINANCIAL PLANNER® designation from CFP Board.

(FINRA) set forth in Regulatory Notice 26-02 (January 8, 2026),<sup>4</sup> which addresses proposed rule revisions to protect seniors from financial exploitation and all investors from fraud. We enthusiastically support FINRA's continued efforts to provide firms with important tools to combat this widespread problem.

## I. Introduction

CERTIFIED FINANCIAL PLANNER® professionals play a unique role in the fight against financial exploitation and fraud. According to CFP Board's *Code of Ethics and Standards of Conduct*, financial planning is a collaborative process that helps maximize a client's potential to meet life goals by providing financial advice that integrates relevant elements of the client's personal and financial circumstances. As a direct result of the information shared and the relationship that naturally forms during the financial planning process with a client, CFP® professionals may be the first to notice the red flags of financial exploitation or suspect that their client is a victim of fraud or a scam. CFP® professionals are well-positioned to share information and financial education to help clients prevent or cope with this harm.

Given the special role of financial planners, CFP Board, FPA, and NAPFA strongly support policies that educate consumers about fraud, scams, and financial exploitation, and that provide governmental entities, financial firms, and financial professionals with the tools needed to combat these issues.<sup>5</sup> Further, since fraudsters will always find ways to defraud consumers despite our best efforts and intentions, we also support policies that assist victims of financial fraud, scams, and exploitation to recover from their losses.<sup>6</sup>

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<sup>4</sup> See FINRA Regulatory Notice 26-02 (January 8, 2026), <https://www.finra.org/sites/default/files/2026-01/Regulatory-Notice-26-02.pdf>.

<sup>5</sup> For example, CFP Board has endorsed various legislation that would offer support for those fighting against fraud, such as (1) the Senior Security Act, which would establish a Senior Investor Taskforce within the SEC to identify and report on financial scams and challenges targeting investors; (2) the GUARD Act, which would provide law enforcement with federal resources to better investigate scams and fraud; (3) the Preventing Deep Fake Scams Act, which would create a task force to study and mitigate the use of artificial intelligence-generated deep fakes in fraud and scams; (4) the TRAPS Act, which would form a national interagency task force to respond to fraud and scams and improve information sharing between firms and law enforcement; (5) the Strategic Task Force on Scam Prevention Act, which would enable public and private agencies to collaborate on educating the public and coordinate on scam prevention strategies; and (6) the Financial Exploitation Prevention Act, which would provide firms the ability to hold certain suspicious transactions if they suspect any financial exploitation.

<sup>6</sup> See, e.g., the Tax Relief for Fraud Victims Act, which CFP Board has also endorsed.

Amid rising incidences of investment fraud and ever-increasing consumer losses, particularly for seniors,<sup>7</sup> we applaud FINRA's enhanced, multifaceted efforts to protect vulnerable investors from financial exploitation. FINRA's robust resources for firms and consumers, its strong collaboration with regulators and law enforcement, and its rules designed to detect and prevent fraud and financial exploitation are essential to tackle this epidemic. Accordingly, we support the proposed amendments to FINRA Rules 4512 (Customer Account Information) and 2165 (Financial Exploitation of Specified Adults), as well as proposed FINRA Rule 2166 (Temporary Delays for Suspected Fraud). In furtherance of FINRA's efforts and in response to the request for comment in Regulatory Notice 26-02, we offer several observations and recommendations about the proposed amendments and rule.

## II. Proposed Amendments to FINRA Rule 4512 (Customer Account Information)

FINRA's "trusted contact" provision in Rule 4512 serves as a critical safety net, particularly for seniors. A trusted contact allows member firms and associated persons to combat financial exploitation and fraud while maintaining investor autonomy. Importantly, firms may intervene during emergencies—such as for suspected cognitive decline, sudden illness, or potential elder scams—by reaching out to a verified party to confirm an account holder's well-being and the legitimacy of suspicious transactions. Trusted contacts can serve as an early warning system and first line of defense against unauthorized transfers or elder financial abuse, an emergency resource when a point of contact is needed when an investor is unreachable due to travel, illness, or natural disasters, and a mechanism to verify identity. Importantly, trusted contacts preserve privacy by restricting a firm from sharing sensitive account balances or private data, focusing only on the client's safety and whereabouts.

Because a significant number of customers have not authorized a trusted contact, despite known benefits, Regulatory Notice 26-02 proposes amendments to Rule 4512 to increase awareness, understanding, and adoption of the trusted contact framework. FINRA requests comment on alternative, perhaps more recognizable, terminology for "trusted contact," such as "emergency contact," asking: Is the proposed "emergency contact" terminology likely to increase customer comfort and participation?

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<sup>7</sup> For example, as FINRA noted in Regulatory Notice 26-02, in 2024, the Federal Bureau of Investigation reported Americans over 60 lost \$4.8 billion to fraud.

*We Support Offering Firms the Option to Use Alternative Terminology.*

We support the proposed amendment offering firms alternative terminology to “trusted contact” with the goal of increasing customer comfort and participation in the process. The term “emergency contact” is a familiar and standard part of modern life and is used frequently in healthcare, schools, and workplaces. Further, the purpose of an emergency contact is clear: someone to call when the primary person cannot be reached or is in trouble. The term is also arguably less formal and less intimidating for some audiences, better conveying to them that the referenced individual is a safety net, not a secondary decision-maker. Allowing firms to use either or both terms (e.g., “emergency / trusted contact”) to capture different demographics is optimal. With either term, firms should be sure that they provide clear and plain-English (or in the client’s language) explanations that the person’s role is limited to information sharing and does not grant account access.

*Firms Should Have Customers Designate a Trusted Contact or Affirmatively Opt Out.*

FINRA should go further to ensure this critical safety net is utilized. Currently, Rule 4512 requires only “reasonable efforts” from firms to obtain trusted contact information. This has resulted in only 42% of consumers listing a trusted contact, according to FINRA’s Investor Education Foundation survey.<sup>8</sup> FINRA must address this issue. We recommend that FINRA further amend Rule 4512 to require firms to have customers designate a trusted contact or have customers affirmatively opt out of the framework after they have been informed of the benefits of listing a trusted contact. This change would help normalize the designation of a trusted contact and facilitate meaningful conversations between financial professionals and their clients. To prevent administrative and operational burdens that might be presented by the retroactive collection of this “opt out” information, we propose that such a mandate be effective only for new accounts opened after the rulemaking process and a reasonable implementation period, and that FINRA consider the best way to address existing accounts.

*FINRA Should Require an Annual Reminder of the Purpose of a Trusted Contact.*

Along the same lines, given the widespread nature of frauds and scams, FINRA should require firms to remind customers annually that firms will reach out to the trusted contact if they suspect the client may be the victim of a scam or fraud (so long as the trusted contact is not the potential perpetrator) and that doing so is not a privacy breach. This would make it easier for customers to understand that firms are working in their best interest by following this protocol.

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<sup>8</sup> FINRA Investor Education Foundation, *Investors in the United States: A Report of the National Financial Capability Study* (December 2025) at 21.

*FINRA Should Allow Customers the Option to Have One Trusted Contact on All Accounts.*

Regarding trusted contacts, Regulatory Notice 26-02 also asks whether there are potential unintended consequences of allowing a single trusted contact across multiple accounts, including future accounts, or of requiring a customer to be provided the option to select a trusted contact on an account-by-account basis?

We support the proposed amendment that provides customers with the choice to name a trusted contact across all accounts, including future accounts. Applying a single trusted contact the customer previously identified to all future accounts risks the potential for a customer forgetting whom they selected, as well as issues that may result from potential degradation of a customer's relationship with the identified person over time. On the other hand, requiring customers to identify a contact for each account may cause fatigue for some customers, causing them to opt out of identifying anyone at all. This is of particular concern given the already low rate of trusted contact adoption. Allowing customers the choice to provide trusted contacts across accounts or on an account-by-account basis will provide the customer with the most control over personal dynamics across accounts and contacts, though we recognize that this may increase complexity and operational costs for firms.

*FINRA Should Require Firms to Reconfirm Trusted Contacts.*

To keep information current, we recommend that firms be required or at least strongly encouraged to reconfirm trusted contacts on a regular basis—whether identified across accounts or individually—rather than allowing them to remain active indefinitely without review. This could be done in the context of an annual account review, at an appropriate interval within the financial planning process, when a customer discloses a major and relevant life event, or when gathering account update information pursuant to the books and records requirements of Rule 17a-3(a)(17) under the Securities Exchange Act of 1934.

*FINRA Should Allow Customers to Designate Multiple Trusted Contacts.*

Further, we urge FINRA to consider amending Rule 4512 even further to explicitly allow firms to ask customers to designate multiple (more than one) trusted contacts in the manner the customer chooses—across accounts or by account. We understand that many firms are already doing this. Having multiple people listed as trusted or emergency contacts is protective in the event that the trusted contact designated by the customer is the person causing harm to the customer or if another trusted contact is unavailable. As such, we ask you to consider amending Rule 4512(a)(1)(F) as follows (additional text underlined):

(F) subject to Supplementary Material .06, name of and contact information for one or more trusted contact person(s), age 18 or older, who may be contacted about the customer's account; provided, however, that this requirement shall not apply to corporate or other business accounts.

### III. Proposed Amendments to Rule 2165 (Financial Exploitation of Specified Adults)

FINRA Rule 2165 serves as a valuable financial “emergency brake” to protect seniors and other vulnerable adults from financial exploitation. Given the potential complexity and length of investigations of suspected financial exploitation, FINRA proposes in Regulatory Notice 26-02 to extend Rule 2165 to extend the temporary hold period to provide additional time for customers, trusted contacts and authorities to work together to address ongoing or potential harm, and requests comment on whether the proposed 145-business-day maximum temporary hold period for Rule 2165 is appropriate or whether a shorter or longer period would be more appropriate. FINRA also requests comment on whether the proposed conditions for hold extensions are reasonable and balanced.

#### *We Support Extending Hold Periods and Urge Consideration of Mandatory Reporting.*

Extensions to the maximum temporary hold periods in Rule 2165 would be reasonable and appropriate. Firms, Adult Protective Services or law enforcement must be allowed sufficient time to complete an investigation, especially in suspected "pig butchering" or international wire fraud schemes in which money crosses borders and legal jurisdictions. Also, because the agencies with which member firms work are often overwhelmed, a longer hold prevents the "automatic release" of funds simply because an investigator could not get to or complete a review within the existing time frame. While a longer hold period could heighten the risks of potentially unwarranted “locks” on a customer’s liquidity or potential misuse of the hold by member firms to avoid administrative burdens or to retain assets, those are mitigated by FINRA’s proposed amendments to Rule 2165’s Supplementary Materials that would enhance the notification process about holds for impacted customers or trusted contacts, as well as proposed allowances for legitimate transactions and disbursements when account-level restrictions are applied. However, FINRA and firms should remain focused on the potential for these issues.<sup>9</sup>

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<sup>9</sup> FINRA should continue to provide guidance to member firms regarding which red flags contribute to a “reasonable belief” that financial exploitation has occurred, such as in Regulatory Notices 17-11 and 22-05, as well as in FINRA’s FAQs on senior financial exploitation. The types of scams and fraud are evolving quicker than ever, particularly with the proliferation of artificial intelligence-generated impersonation such as deepfake audio or video.

Importantly, we urge FINRA to continue evaluating the need for mandatory reporting to Adult Protective Services and other regulators when red flags appear. The best way to stop a scammer—who is likely scamming multiple individuals with funds at multiple financial institutions—is for all firms to hold suspicious transactions and share information with authorities immediately so that investigations can proceed swiftly.<sup>10</sup>

#### IV. Proposed Rule 2166 (Temporary Delays for Suspected Fraud)

*We Encourage FINRA to Consider an Initial 15-Business-Day Hold for All Suspected Fraud.*

We also strongly support proposed FINRA Rule 2166, which introduces a "speed bump" temporary delay for suspected fraud across all customer accounts. In Regulatory Notice 26-02, FINRA asks whether the proposed five-business-day temporary delay is an appropriate intervention window for proposed Rule 2166 or if a 10-business-day period would be more appropriate. While the proposed five-business-day hold is a significant step forward, we urge FINRA to consider an even more robust, longer framework for these delays to effectively combat the more sophisticated styles of fraud being perpetrated through artificial intelligence and with digital assets. A longer "speed bump" will allow firms to better evaluate the situation and align with law enforcement. It may also help customers recognize what may actually be a high-pressure scam through emotional hijacking, which can cloud a victim's judgment, especially "in the moment."

Accordingly, we suggest that FINRA consider an initial 15-business-day hold for all suspected fraud. Aligning the duration of Rule 2166 with the initial 15-day hold period of Rule 2165 would create a uniform operational standard for firms, reducing the risk of administrative errors during high-stress fraud events.

#### V. Conclusion

Thank you for the opportunity to comment on the proposed amendments and proposed new Rule 2166. We strongly support FINRA's efforts to enhance firms' ability to combat financial exploitation for all customers, and especially seniors and vulnerable adults. However, any sound policy should apply to consumers of all ages, not just to our most vulnerable. Assisting clients in times of need is a crucial aspect of financial planning. FINRA's proposal will improve this critical line of defense to protect customers from losing their life savings to fraud.

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<sup>10</sup> We were pleased to see mention in Regulatory Notice 26-02 of FINRA's leveraging of financial intelligence to combat fraud through its Financial Intelligence Fusion Center (FIFC) and the Financial Intelligence Unit (FIU). These efforts demonstrate the power of information sharing that would only be enhanced through mandatory reporting of financial exploitation red flags to authorities by member firms.

If you have any questions or would like to discuss these issues further, please contact the undersigned individuals.

Sincerely,

Handwritten signature of K. Dane Snowden in cursive.

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