

**MEMO# 31053**

January 24, 2018

## **Pennsylvania Confirms Returned Mail as the Trigger for Deeming Property Abandoned**

[31053]

January 24, 2018 TO: Transfer Agent Advisory Committee RE: Pennsylvania Confirms Returned Mail as the Trigger for Deeming Property Abandoned

The Institute is pleased to inform you that Pennsylvania Treasurer Joe Torsella has announced a “new consumer protection measure for unclaimed property” to prevent securities from being prematurely deemed abandoned.<sup>[1]</sup> Of particular concern to the Treasurer is protecting securities purchased with a “buy and hold” strategy. The announcement corresponds to guidance Treasurer Torsella’s Bureau of Unclaimed Property published in December<sup>[2]</sup> affirming that, to presume property abandoned, a holder must meet two conditions: (1) it must have “lost contact” with the owner for 3 years; and (2) the owner of the property has not expressed an indication of interest in the property for the 3-year period. This Guidance was effective upon its publication.

**Importantly, for owners who receive first class mail from the holder, “lost contact” occurs when two consecutive mailings sent by first class mail to the owner are returned as undeliverable.** If the holder communicates with the owner electronically, the holder must attempt to contact the owner by email two years following the owner’s last indication of interest in the account. If there is no response to the holder’s email within 30 days or the email bounces back, the holder must contact the owner by first class mail. If such mailing is undeliverable, the holder shall be deemed to have lost contact with the owner.

With respect to the owner’s indication of interest in the property, the Guidance provides a non-exhaustive list of ways in which owners may indicate an interest in their property. This list includes the following:

- Increasing or decreasing the principal,
- Accepting payments of the principal or income,
- Initiating a transfer to or from the account,
- Logging onto the account’s online site,
- Emailing the holder,
- Telephoning and speaking with a holder,
- Corresponding with the holder, or

- Expressing any similar interest in a different financial account or property overseen and held by the same holder, such as a checking account, savings account, credit account, or similar financial account of the owner.

The Guidance notes the Treasurer’s intent to memorialize its Guidance through a statutory enactment.

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#### **endnotes**

[1] See “*Treasurer Torsella Announces New Consumer Protection Measure for Unclaimed Property*”, Office of the State Treasurer Press Release (December 21, 2017), which is available at:  
<https://patreasury.gov/newsroom/archive/2017/12-21-Torsella-Announces-Protection-BUP.html>.

[2] See “*POLICY GUIDANCE: Reporting Standards for Business Associations General Unclaimed Property Notice Requirement For properties outlined in 72 PS §§ 1301.6(2) & (3)*”, Pennsylvania Treasury, Bureau of Abandoned and Unclaimed Property (“Guidance”), which is available at:  
<https://patreasury.gov/pdf/unclaimed-property/Policy-Guidance-Business-Associations.pdf>.