



To Lead, Advocate and Connect as the Voice of Business

House Bill 274 - Financial Institutions – Security Questions and Measures

Economic Matters Committee

February 26, 2020

SUPPORT WITH AMENDMENT

House Bill 274 requires a financial institution to allow a customer to choose from at least two options for each security question if the customer is required to provide an answer to a security question in connection with the provision of an account. The bill also prohibits a financial institution from using a customer's mother's maiden name as a means of safeguarding access to the account.

The Chamber supports the first portion of the bill; more than one option for a security question ensures the consumer is able to choose a question that best suits their individual needs. However, the prohibition of the use of a mother's maiden name is unnecessarily burdensome and has potential legal ramifications.

There is a concern that this bill could only pertain to State Chartered Banks, as Federal Chartered Banks follow the rules of the federal government. This prohibition could potentially cause issues with not only banks, but credit card companies, and other Federal Chartered Institutions. Finally, there is a cost associated with this prohibition as banks, credit card companies, and others, would have to change the security questions on their respective websites.

For the aforementioned reasons, **the Chamber supports House Bill 274 with an amendment and respectfully urges a favorable report.**

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 500 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.