



Senate Bill 754 – Financial Institutions – Consumer Protection – Money Transmission and Virtual Currencies

Senate Finance Committee

March 3, 2020

Oppose

Senate Bill 754 expands the Maryland Money Transmission Act (MMTA) by, among other things, updating the definition of “money transmission” to provide that certain forms of value (e.g., cryptocurrencies and prepaid access system cards) are items of monetary worth, subject to regulation under MMTA. Moreover, the bill establishes new licensing and regulatory requirements related to currency exchanges. Finally, the bill reestablishes the Maryland Financial Consumer Protection Commission.

The Maryland Bankers Association represents FDIC-insured community, regional and nation-wide banks that employ more than 26,000 Marylanders, serve more than 6 million customers in our State and hold more than \$145 billion in deposits in 1,420 branches across our State.

The Maryland Bankers Association is opposed to Senate Bill 754 for the following reasons:

- The bill sets out 35 pages of new language related to virtual currency, currency exchanges, cryptocurrencies and more. The Maryland Financial Consumer Protection Commission had one brief meeting about this issue in 2019. We do not know the impact of this new language in this emerging area.
- The bill also reestablishes the Maryland Financial Consumer Protection Commission for another two years and adds to its initial charge the broad topic of “assessing the impact of new developments in financial services that have revealed risks to consumers.” Where will this Commission’s work stop? The issues addressed in Senate Bill 754 go way beyond the original purpose of the Commission which was to examine changes to the Dodd-Frank-Act. The Senate Finance Committee rejected extending the Commission beyond its two-year tenure when it voted unfavorably on Senate Bill 786 in the 2019 Session. **MBA is strongly opposed to extending the Commission and urges the Committee to reject its reestablishment.**

For these reasons, the Maryland Bankers Association urges the Committee to give Senate Bill 754 an unfavorable report.