



Maryland Consumer Rights Coalition

**Testimony to the Senate Finance Committee**  
**SB 754 - Financial Institutions - Consumer Protection - Money Transmissions and Virtual Currencies**  
**Position: Favorable**

March 3, 2020

The Honorable Delores Kelley, Chair  
Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, Maryland 21401  
cc: Members, Senate Finance Committee

Honorable Chair Kelley and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in support of bill SB 754.

As an organization with the protection of Maryland consumers at the heart of our work, we support the steps this bill takes to provide further protections for Marylanders through licensing and increased oversight on virtual currencies. SB 754 would bring Maryland law in line with federal law through the incorporation of applicable federal definitions. Specifically, the bill expands the Maryland Money Transmission Act (MMTA) by including cryptocurrencies and virtual currencies within the jurisdiction of MMTA. This alignment allows for the explicit addition of the supervision of virtual currencies, the exchange of virtual currencies, or other new technologically advanced money service businesses which allow for the expansion of consumer protections provisions surrounding such transactions. MCRC is supportive of the expansion of these provisions including anti-fraud and money laundering stipulations.

The bill also establishes new licensing and regulatory requirements related to currency exchanges. Maryland is not the only state seeking to establish such licensing measures. California and New York have taken the lead on increasing cryptocurrency regulations, but other states, including Wisconsin and Arizona, have also enacted legislation related to virtual currency exchanges.

Additionally, the expansion of MMTA reporting through the Nationwide Multistate Licensing System and Registry (NMLS), equips the bill with strong oversight. The collection of state and national data allows the department to establish an analytical tool to assess risk and identify potentially risky companies and exchanges.



Maryland Consumer Rights Coalition

Through our participation in the Maryland Financial Consumer Protection Commission, and direct service with financially vulnerable Marylanders, MCRC maintains that the expansions in licensing and oversight put forth in SB 754 provide necessary protections for Maryland consumers.

For all these reasons, we urge a favorable report.

Best,

Marceline White  
Executive Director