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March 18, 2021

To: The Honorable Delores Kelley  
Chair, Finance Committee

From: Steven M. Sakamoto-Wengel  
Consumer Protection Counsel for Regulation, Legislation and Policy

Re: Senate Bill 933 – Financial Regulation – Access to Banking and Financial Services – Reporting (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of Senate Bill 933, sponsored by Senator Benson, which would require the Commissioner of Financial Regulation to report on the availability of banking services in Maryland, particularly in disadvantaged communities, and recommend strategies to ensure that those communities have access to financial services.

Despite the Community Reinvestment Act's requirement that financial institutions invest in low income and minority communities, more and more banks are shutting down branches in disadvantaged communities, making it more difficult for those residents to access traditional financial services. The Federal Reserve found that, in 2019, about one-fourth of American adults were unbanked or under-banked, meaning that they lacked a bank account or had to rely upon check cashing services. The COVID-19 pandemic has only exacerbated the problem, as travel outside of citizens' immediate neighborhoods to access banking services has become more difficult and presents the risk of catching COVID-19. Senate Bill 933 will help provide a better understanding of where in Maryland traditional banking services are not available, which will provide essential information to begin addressing the problem.

For the past six months, more than 300 stakeholders across the public and private sector have been meeting as part of the Attorney General's COVID-19 Access to Justice Task Force to confront this growing disaster by developing strategies for reforming longstanding inequities in housing access and several other civil legal areas. The resulting Report, "Confronting the COVID-19 Access to Justice Crisis" is available online at

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[www.marylandattorneygeneral.gov/pages/A2JC/default.aspx](http://www.marylandattorneygeneral.gov/pages/A2JC/default.aspx). As Attorney General Frosh noted in his introduction to the Report:

COVID-19 did not create the systemic failings and inequities of our social safety net and civil justice system. Those most vulnerable to any setback have disproportionately experienced the effects of these deficiencies for generations. Yet the pandemic exacerbated and brought to light with painful clarity these deficiencies and the suffering that they cause. We must, therefore, seize this unprecedented chance and collectively work together to fix them.

Senate Bill 933 will start addressing the disproportionate impact of banking deserts in low income and minority communities and we ask that the Finance Committee return a favorable report on Senate Bill 933.

cc: The Honorable Joanne Benson  
Members, Finance Committee