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THE MARYLAND HOUSE OF DELEGATES
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Testimony for House Bill 139: Consumer Protection – Electronic Transactions – Sale of Vehicles

Economic Matters Committee

Good afternoon Chairman, Vice Chair, and distinguished members of the committee. I am Del. Brian Crosby and it's an honor to present House Bill 139 entitled **Consumer Protection – Electronic Transactions – Sale of Vehicles**.

The purpose of this bill is to ensure that consumers purchasing a vehicle in Maryland through electronic means are provided with two basic protections in order to be fully informed of the contract for sale before signing electronically. First, it requires that the consumer be provided with a clear, readable, and complete copy of the contract, either in electronic or written form. Second, it provides consumers with a reasonable opportunity to review the contract before providing an electronic signature.

While these protections may seem standard, and in many cases are the best industry practices, there is nothing currently in Maryland state law which secures these protections for consumers. These protections are needed in an age of increasing electronic transactions, where auto-lenders and dealers frequently require e-signature due to their ease, convenience, and low cost of transaction. E-signatures also enable the dealers to be paid more quickly for their vehicles.

However, e-signatures can easily become a tool for shady dealers and bad actors to deceive consumers. These dealers often present the contracts on iPads where the contents are not easily readable, or where only the signature page is shown. Vehicle sales are complex, lengthy, and significant contracts with a tedious number of legal boilerplates which many consumers may not expect. Aside from a house, automobile purchases are one of the largest and most complicated purchases that a consumer will make in their lifetime, and they should be afforded every reasonable protection when conducting one.

For these reasons, I urge this committee to favorably report on HB139.