



# MARYLAND LEGAL AID

## HB1156 – The Elder Fraud Prevention Act of 2024

Hearing before the Economic Matters Committee on Feb. 27, 2024

### Position: FAVORABLE

*Maryland Legal Aid (MLA) submits its written testimony on HB1156 at the request of bill sponsor Delegate Vaughn Stewart.*

MLA is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. We serve residents in each of Maryland's 24 jurisdictions and handle a range of civil legal matters, including debt collection, bankruptcy, and foreclosure cases. MLA urges the Committee's favorable report on HB1156 which would provide protections for consumers whose bank accounts were depleted through theft caused by wire fraud.

Schemes to defraud consumers are not a new topic but with the proliferation of telephone and computer applications, theft of money and property has grown, particularly affecting person over the age of 60 as discussed in the Federal Bureau of Investigations Elder Fraud Report of 2022.<sup>1</sup> The ability to troll emails and continuously call telephone numbers, text or use Facebook or other social media allows for seniors, in particular, to fall victim to calls for help, romance scams, or false prize schemes. The act to convince a person to disclose personal information that will permit access to a bank account is almost seamless when persons who are trusting, losing cognitive acuity, or easily confused are approached by a well practiced scammer. Once an older person who relies on retirement income loses money, it is hard to replace and the victim may have no family or friends to turn to for assistance with a monetary shortfall. Once stolen a wire fraud transfer can almost never be reversed.

MLA works with many seniors that face all kinds of financial problems brought on by a lack of sufficient income, poor health, caring for family, and rising medical and housing costs. When they have fallen victim to wire theft fraud and they or the family realizes what has occurred, the damage is irreparable. Unlike a credit card charge that can be turned back, money that comes right out a bank account is lost and almost never recovered. Bank websites present messages that suggest

ways for their customers to prevent scams but banks could be a better job of reviewing accounts to ensure that they are protecting their clients' accounts.

HB 1156 sets out a balance between protections for customers and rights of banking institutions that is predictable. Consumers can expect a level of security related to their bank accounts, within limits, while banking institutions are held to act in a way that follows basic, reasonable measures outlined in HB 1156.

For all the foregoing reasons, **Maryland Legal Aid urges the Committee's favorable report on HB1156.** If you have any questions, please contact:

Louise Carwell  
Chief, Baltimore City Housing Consumer Law Unit  
Maryland Legal Aid  
lcarwell@mdl.org | (410) 951-7786

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<sup>1</sup> [https://www.ic3.gov/Media/PDF/AnnualReport/2022\\_IC3ElderFraudReport.pdf](https://www.ic3.gov/Media/PDF/AnnualReport/2022_IC3ElderFraudReport.pdf)