MD|DC
Credit Union Association

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February 27, 2024

Chairman CT Wilson
Room 231
House Office Building
Annapolis, Maryland 21401

Bill – HB1156 - Commercial Law - Consumer Wire Transfers - Liability (Elder Fraud Prevention Act of 2024)
Organization – MD|DC Credit Union Association
Position - **Informational**

Chairman Wilson, Vice-Chairman Crosby, and Members of the Committee:

The MD|DC Credit Union Association, on behalf of the 70+ Credit Unions and their 1.9 million members that we represent in the State of Maryland, appreciates the opportunity to testify on this legislation. The Association provides legislative and regulatory advocacy, compliance support, educational development, training opportunities, and other services to help its affiliated credit unions more efficiently offer financial services and products to their members.

Credit Unions are member-owned, not-for-profit financial cooperatives that prioritize the financial well-being of their members and communities. **This is a very complex bill and we think it needs more time to be properly vetted due to the potential complications.**

1. **Modifying the Uniform Commercial Code should always be approached with caution.**

We have several issues with this bill that will put the seven Maryland State-Chartered Credit Unions under burdens not faced by the sixty-three Federally Chartered Credit Unions in the State. Our biggest concern is modifying the Uniform Commercial Code (UCC). The UCC is a comprehensive set of uniformly adopted state laws governing all commercial transactions in the United States. **Uniformity is essential for commercial transactions**, as many can be interstate, and changing the UCC should always be approached with caution. The UCC is a vast body of law, and without more time to conduct a detailed analysis, it is difficult to say what issues may arise.

2. **This Bill May Put State Chartered Credit Unions at a Competitive Disadvantage to Federally Chartered Credit Unions.**

Every time a state law that affects state-chartered institutions and not federally chartered institutions is passed, it disadvantages those who choose the state charter. This discrepancy in regulatory environments can create a competitive imbalance, making it more challenging for state-chartered credit unions to remain competitive.

We are happy to discuss this complex topic in more detail with the sponsor to get to the heart of the issue. **Such a complex issue needs far more time to analyze.**

Sincerely,

John Bratsakis
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