



**HB 1135 - Financial Institutions - Community Benefit Plan Act of 2024**

**Committee:** House Economic Matters Committee

**Date:** February 27, 2024

**Position:** Unfavorable

The Maryland Bankers Association (MBA) strongly **OPPOSES** HB 1135. This legislation requires banks incorporated in Maryland to submit Community Benefit Plans to the Commissioner of Financial Regulation. Given that all banks in Maryland are subject to the federal Community Reinvestment Act (CRA), HB 1135 is a duplicative and burdensome piece of legislation that will significantly increase compliance costs for Maryland banks who are already meeting the needs of their customers and communities.

In 2021, the Maryland General Assembly passed legislation that required the Commissioner of Financial Regulation to submit a report that analyzed the banking environment in Maryland. The report, titled [Report Analyzing the Banking Environment in Maryland](#), highlighted the continued trend of consolidation across the banking industry nationwide. One of the key reasons mentioned for continued consolidation is the “difficulties small banks have in keeping up with technology and regulatory burdens.” Given that HB 1135 imposes an additional regulatory burden for Maryland’s banks, it is entirely possible that this legislation will further push banks into increased consolidation, decreasing competition and consumer choice for financial products across the State.

CRA exam scores show that Maryland banks have gone above and beyond to serve communities across the State. Only one Maryland bank currently in existence has had issues fulfilling their CRA obligations over the past 20 years, and this bank has received satisfactory scores in their past two exams. It is worth noting that these CRA obligations will soon increase due to recent modernization efforts by federal regulators that are still being litigated. HB 1135 will unnecessarily add requirements that, if not fulfilled, will hamper banks’ ability to serve their customers and communities.

Accordingly, MBA urges issuance of a **UNFAVORABLE** report on HB 1135.

*The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing more than 26,000 Marylanders and holding more than \$209 billion in deposits in over 1,200 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.*