



SB 930 - Commercial Law - Consumer Wire Transfers - Liability

(Elder Fraud Prevention Act of 2024)

Committee: Senate Finance Committee

Date: March 6, 2024

Position: Unfavorable

The Maryland Bankers Association (MBA) **OPPOSES** SB 930. This legislation exempts consumer wire transfers from the Maryland Uniform Commercial Code and establishes State law that replicates provisions of the federal Electronic Funds Transfer Act.

The Electronic Funds Transfer Act (EFTA), passed by Congress in 1978, provides consumer protections for electronic transactions. These transactions include transactions such as debit card transactions, ACH payments, and ATM transfers. The EFTA excluded wire transfers since wire transfers are typically transactions that are between financial institutions or large businesses and are not typically subject to outside risk.

The issue of wire fraud is something that banks in Maryland take very seriously. However, there are serious concerns regarding the impact of this legislation on bank operations. To the best of our knowledge, no other state in the country has implemented this type of legislation. There are concerns that this legislation may be costly and burdensome for banks to implement and may ultimately lead to additional fraud with an increase in illegitimate transaction disputes. The MBA also shares the concerns of the Office of Financial Regulation that Maryland-chartered banks may be put at a disadvantage with other state and national banks who will not have to comply with the legislation.

Maryland banks continue to educate customers on scams that involve wire fraud and implement additional strategies to prevent fraudulent transactions. The MBA is supportive of policy initiatives that will help reduce fraud and keep the hard-earned money of Marylanders safe, but there are too many unanswered questions and concerns with SB 930 as currently drafted.

Accordingly, the MBA urges issuance of a **UNFAVORABLE** report on SB 930.

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.