



One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpm
facebook.com/aarpm

HB 1471 Innovative Financial Product or Service Certification Program
House Economic Matters Committee
March 4, 2025
UNFAVORABLE

Good afternoon, Chair Wilson and Members of the House Economic Matters Committee, On behalf of AARP and our nearly 850,000 members in Maryland, we respectfully submit this testimony in strong opposition to HB 1471 Innovative Financial Product or Service Certification Program. AARP is committed to helping all Marylanders—particularly older residents—achieve financial security and consumer protections that safeguard against predatory financial practices.

HB 1471 would establish a certification program for certain financial products, specifically peer-to-peer lending services, and would exempt certified entities from essential consumer protection laws related to lending, lender licensing, and collection agencies. This bill raises significant concerns for older Marylanders, who are often targeted by high-risk lending schemes, misleading financial products, and aggressive debt collection practices.

AARP's Opposition to HB 1471

AARP opposes HB 1471 because:

1. **It Weakens Consumer Protections for Older Marylanders**
Many older adults live on fixed or limited incomes and are particularly vulnerable to misleading or high-risk financial products. Maryland has long-standing lending and licensing laws designed to prevent predatory practices—HB 1471 would create a loophole that allows unregulated financial entities to sidestep these protections. This lack of oversight increases the risk of deceptive lending, exorbitant fees, and unfair collection tactics, disproportionately impacting older borrowers.
2. **Peer-to-Peer Lending Poses High Risks**
While marketed as an innovative financial service, peer-to-peer lending has a history of fraud, default risks, and inconsistent regulation. Many older adults may not fully understand the risks associated with these services, and the lack of regulatory oversight could lead to financial exploitation, loss of retirement savings, and debt traps.
3. **Maryland's Current Consumer Protections Should Not Be Weakened**
Maryland has strong laws in place to ensure fairness and transparency in lending and debt collection. Exempting certain lenders from these regulations would create an uneven playing field, making it harder to hold bad actors accountable. This bill would set a dangerous precedent by allowing financial products to bypass existing state protections, potentially leading to increased financial hardship for vulnerable residents.

Conclusion

For these reasons, AARP strongly urges the committee to oppose HB 1471. Maryland must uphold strong financial protections that safeguard older adults from predatory financial schemes—not create new exemptions that increase financial risk. We encourage the General Assembly to prioritize consumer protections, fairness, and transparency in financial services rather than weakening essential regulatory safeguards.

Thank you for the opportunity to provide testimony. We respectfully request an unfavorable report on HB 1471. For follow up or questions, please reach out to me at tbresnahan@aarp.org.