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MINORITY WHIP
Finance Committee



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THE SENATE OF MARYLAND
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SB 659
Elder Fraud Prevention Act of 2025
Consumer Protection - Electronic Funds Transfers – Regulations

Chair Beidle, Vice Chair Hayes and member of the Finance Committee:

As amended, SB 659 is bipartisan legislation aimed at closing a loophole by extending existing consumer protections related to electronic transactions to consumer wire transfers. Currently Maryland has fourth highest rate of fraud reports in the nation¹. In 2023, Maryland filed 43,000 fraud reports resulting in a loss of \$264.3 million, up 16% from 2022². The median loss was \$562.

Scamming senior citizens is often accomplished by using unauthorized electronic wire transfers. Scammers manipulate seniors into sending them money (by pretending to be a child or grandchild in need of money urgently, e.g.) or get the senior's bank information (through phishing schemes or phone calls) and send themselves money. Banks often don't ask questions on these transactions.

Currently, consumer wire transfers aren't covered under Federal law (Electronic Funds Transfers Act - EFTA), they're covered under the Maryland Uniform Commercial Code (UCC) which is much weaker. The UCC doesn't limit liability, and doesn't require the same kinds of preventative measures as EFTA. For fraud victims of this type, there's no way to get the money back other than finding the scammer (which can take a long time and often doesn't happen).

The loophole that exists in the EFTA is that that consumer wire transfers to domestic parties are not covered, yet EFTA covers most consumer electronic transactions: debit cards, withdrawals, deposits, etc. EFTA does cover consumer wire transfers only when a consumer transfers money to a foreign party. Consumer wire transfers to a domestic party are specifically exempt in EFTA.

¹ [Fraud Reports | Tableau Public](#)

² [Fraud and scams cost Marylanders more than \\$164M last year - The Baltimore Banner](#)

Closing this loophole would provide would be good for the consumer as it would establish a process for consumers to dispute transfers. It would limit liability (losses are capped at \$500), require financial institutions to take preventative and responsive measures (keep track of consumer agreements, establish error resolution procedures, reimburse certain fees, and establish a private right of action for fraud victims.

Senate Bill 659 would take provisions from the EFTA and put them into Maryland's UCC to apply to consumer wire transfers. I respectfully request a favorable on Senate Bill 659.