



**SB 659 - Consumer Protection – Electronic Funds Transfers – Regulations
(Elder Fraud Prevention Act of 2025)
Senate Finance Committee
February 20, 2025
SUPPORT**

Chair Beidle, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 659. This bill requires the Commissioner of Financial Regulation to adopt regulations to protect consumers during domestic electronic funds transfers that apply to financial institutions in the State and are consistent with the federal Electronic Fund Transfer Act.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Older adults are often on fixed incomes and can experience greater financial hardship when confronted with fraud. The stress and anxiety caused by the loss of savings can erode their trust in others, leading to isolation. The emotional toll on their families, along with a decline in trust in the senior's ability to manage their own affairs, can result in reduced independence. All these factors contribute to negative health outcomes for individuals who are already vulnerable, severely impacting their well-being. We have a responsibility to ensure they receive the same level of protection as residents in states that have maintained up-to-date consumer safeguards.

Maryland's aging population is currently at risk due to the state not being in alignment with federal regulations on electronic funds transfers. Federal laws have addressed key loopholes that allow for fraudulent transactions, but these protections have not yet been enacted on the state level. This leaves our residents, particularly older residents who are often targeted by financial scams, especially vulnerable to unauthorized or deceptive transactions.

This bill seeks to address these loopholes by requiring all financial institutions operating in Maryland to follow the same rules for electronic funds transfers. This would ensure that protections are consistent, whether the financial institution is based within Maryland or not. Senate Bill 659 will modernize Maryland's consumer protection laws by establishing a uniform standard with consistent security and oversight across all financial institutions, ensuring that our most vulnerable populations are not left behind.

Thus, we encourage you to return a favorable report for SB 659.

Creating Assets, Savings and Hope