



**Senate Bill 659 – Consumer Protection – Electronic Funds Transfers –  
Regulations (Elder Fraud Prevention Act of 2025)  
Hearing on February 20, 2025 – Finance Committee  
Position: FAVORABLE**

*Maryland Legal Aid (MLA) submits its written and oral testimony on SB 659 in response to a request from Senator Justin Ready.*

Maryland Legal Aid (MLA) appreciates the opportunity to testify in support of this vital legislation. We are the state's largest nonprofit law firm, representing thousands of low-income Marylanders every year in matters from housing to family law to matters that focus on senior citizens including social security and Medicaid benefits. According to the U.S. Census July 2024 population estimates, 17.3 percent of the State's population is over the age of 65 years of age<sup>1</sup>. Because SB 659 would protect seniors from possible financial exploitation, MLA testifies in strong support of this bill.

As technology has improved exponentially in the last few decades, financial scams have increasingly targeted seniors. A report from the Nation Credit Union Administration included a reference to a recent study finding that financial exploitation of seniors was estimated as high as \$28.3 billion<sup>2</sup>. Financial scams include instructions to seniors to electronically transfer funds to unknown accounts. This proposed legislation would direct the Commissioner of Financial Regulation to create a regulation to protect all Marylanders where an electronic fund transfer is involved. Maryland has the fifth-largest number of imposter scams, where a person poses as a younger relative or love interest to exploit a senior out of money, in the country, which is a common scam where electronic transfer is used<sup>3</sup>.

At MLA, we have seen clients who have fallen victim to electronic financial scams and have suffered financial hardship because of it. MLA represented a senior client whose sister had been instructed to transfer thousands of dollars each month to an unknown account. The client, seeking to help his sister, gave her money to pay this scammer because she asked him. This caused the client to go into foreclosure because he stopped paying his mortgage to support his sister's request. MLA assisted the client and prevented a foreclosure, but this situation may have been avoided had the regulation this law seeks to create existed at the time.

Also, MLA has seen that the cost of these scams increasing every year as the perpetrators get more creative and aggressive with their scams. MLA had a person come into one of our

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<sup>1</sup> <https://www.census.gov/quickfacts/fact/table/MD/PST045224>

<sup>2</sup> <https://ncua.gov/newsroom/press-release/2024/agencies-issue-statement-elder-financial-exploitation/interagency-statement> at footnote 3.

<sup>3</sup> <https://marylandmatters.org/2024/06/10/state-officials-aarp-urge-older-adults-to-be-on-guard-against-financial-scams/>

outreach clinics who had given hundreds of thousands of dollars to a scammer who was pretending to be someone who was interested in dating the client. In addition, MLA represented a client who had a substantial inheritance, but who lost it to a financial scam, and almost no funds were returned, even after the financial fraud was discovered. This senior then had to go on public assistance, which resulted in a cost the State of Maryland. This proposed legislation is very timely, as every year, financial scams get more expensive for all Marylanders, including our low-income clients.

This bill strengthens regulatory efforts to prevent financial scams targeting all Marylanders, especially seniors. MLA strongly supports SB 659. If you need additional information in regard to this bill, please contact William Steinwedel at [wsteinwedel@mdlab.org](mailto:wsteinwedel@mdlab.org) and (410) 951-7643.