



**Statement of the Maryland Federation of
National Active and Retired Federal Employees
Senate Finance Committee Hearing, February 20, 2025
On SB 659 – Consumer Protection – Electronic Funds Transfers –
Regulations (Elder Fraud Protection Act of 2025)**

(Position – FAV)

To: Chair Beidle
Vice-Chair Hayes
Members of the Finance Committee

From: Robert M. Doyle
Co-Chair, State Legislative Committee
Maryland Federation – National Active and
Retired Federal Employees

I am pleased to present you with this statement on behalf of the State
Legislative Committee of the Maryland National and Active and Retired Federal
Employees Association (NARFE), representing approximately 317,000 federal
annuitants and employees in Maryland. For the continuing protection and benefit
of all Maryland seniors – our members and all others -- we support and ask you for
a favorable report on SB 659, Consumer Protection – Electronic Funds Transfers –

Regulations (Elder Fraud Prevention Act of 2025). We thank Senator Ready and the co-sponsors for introducing this bill.

As laid out in the Fiscal and Policy Note, this bill requires the Maryland Commissioner of Financial Regulation (OFR) to adopt consumer protection regulations consistent with those afforded consumers by the Federal Electronic Funds Transfer Act (EFTA) of 1978 for financial institutions that initiate a domestic electronic funds transfer (EFT) as defined by EFTA. This bill has the basic goals that Delegate Stewart's 2024 version of the EFPA, namely, to close two critical gaps in consumer protection laws. First, the bill would require a bank to follow the same rules under EFTA that apply to other forms of electronic payments when a consumer disputes an unauthorized wire transfer taken out of their account. Second, the bill would protect consumers who are defrauded by a criminal into sending money through wire transfers.¹

The FPN also notes that the bill applies to all financial institutions operating in the State, but if it is found to be inapplicable to federally chartered financial institutions or financial institutions operating in the State that are chartered outside of the State, it abrogates and ceases to carry any force.

¹ From Testimony on HB 1156, the EFPA of 2024, by Carla Sanchez-Adams, Senior Attorney, National Consumer Law Center, 2/23/2024, found on the MGA website.

EFTA is the primary federal law that protects our bank accounts and payments. It provides a right to protection against unauthorized electronic fund transfers and errors and provides specific procedures that banks must follow when a consumer disputes a transfer as unauthorized or another error.

But the EFTA does not cover electronic or wire transfers, other than ACH (Automated Clearing House) transfers, made “by means of a service that transfers funds held at either Federal Reserve banks or other depository institutions and which is not designed primarily to transfer funds on behalf of a consumer.”²

Wire transfers were not covered at the time the EFTA was written in 1978, because bank-to-bank wire transfer services were not viewed as a consumer payment system. That has clearly changed— bank-to-bank wire transfer services are now incorporated into consumer mobile and online banking services and electronic fund transfers are generally far more common among consumers today than in 1978. For large payments, bank-to-bank wire transfers are the primary way consumers can conduct electronic transfers.³

The Problem of Wire Fraud

Wire transfer fraud includes any bank fraud that involves electronic communication mechanisms instead of face-to-face communication at a financial institution. It also involves the fraudulent attainment of banking information, by way of false pretense, to gain access to another

² 15 U.S.C. §1693a(7)(B).

³ From Testimony on HB 1156, the EFPA of 2024, by Carla Sanchez-Adams, Senior Attorney, National Consumer Law Center, 2/23/2024, found on the MGA website.

person's bank account. Because wire transfers are nearly instantaneous and extremely difficult to reverse, they present a preferred payment method for scammers. By the time victims realize they've been scammed, the fraudster is gone along with their money.⁴

The Federal Trade Commission's (FTC) latest consumer fraud data show that, in terms of dollars lost, "Bank Transfer or Payment" is the largest payment method used by fraudsters. The data from the FTC Consumer Sentinel Database for 2024 show 29,505 reported cases of wire fraud with consumers losing \$208.4 million.⁵ For 2023 (the most recent year of detailed data collection broken down by state), the FTC data for Maryland also shows total fraud cases numbering 84,533 with 18% of the cases involving imposter scams where wire fraud cases would show up. Clearly Maryland seniors are at risk for wire fraud schemes, among other financial crimes.

We support SB 659 as a means to protect all Maryland seniors and all consumers who have been victimized by unauthorized and fraudulently induced wire transfers by extending the core EFTA protections to wire transfers and provide remedies for fraudulently induced wire transfers sent to criminals.

We respectfully ask that you give a favorable report to SB 659. Thank you.

Robert M. Doyle, Co-Chair

⁴ From letter to Chair C.T. Wilson, Chair, Economic Matters, from Karen Straughn, Consumer Protection Division, State of Maryland – Office of the Attorney General, February 27, 2024, found in HB 1156 Hearing records.

⁵ <https://public.tableau.com/app/profile/federal.trade.commission/viz/FraudReports/PaymentContactMethods> I was unable to find

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