



**SB 659 - Consumer Protection – Electronic Funds Transfers –
Regulations (Elder Fraud Prevention Act of 2025)**

Committee: Senate Finance Committee

Date: February 20, 2025

Position: Unfavorable

The Maryland Bankers Association **OPPOSES** SB 659. This legislation, which requires the Commissioner of Financial Regulation to adopt regulations that apply provisions of the Electronic Funds Transfer Act (EFTA) to domestic wire transfers, applies different rules to wire transfers in Maryland compared to the rest of the country, and will put Maryland-chartered community banks at a disadvantage in the financial services marketplace.

Article 4A of the Uniform Commercial Code (UCC) governs wire transfers that are not subject to the EFTA. These wire transfers were not included in the EFTA as they are bank-to-bank transactions, and do not involve the same level of outside risk. Article 4A regulates every step of a domestic wire transfer, including how to handle erroneous and unauthorized payment orders, and is uniform across all 50 states. Passing SB 659 would create inconsistencies and confusion between financial institutions involved in wire transfer and could ultimately increase the costs of wire transfers in Maryland.

Additionally, SB 659 includes a provision that abrogates the legislation if it is found to not apply to federally chartered financial institutions. Similar legislation introduced last year, [SB 930](#), would have applied specific provisions of the EFTA to domestic wire transfers. In the [Fiscal and Policy Note](#), the Small Business Effect states that **“the bill may place Maryland-chartered depository institutions at a competitive disadvantage with other state and national banks, as those institutions would not be subject to the bill’s requirements.”** MBA believes that this comment from the Office of Financial Regulation would hold true to SB 659 as well.

Accordingly, MBA strongly urges the issuance of an **UNFAVORABLE** report on SB 659.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding more than \$194 billion in deposits in almost 1,200 branches across our State. The Maryland banking industry serves customers across the State and provides an array of financial services including residential mortgage lending, business banking, estates and trust services, consumer banking, and more.