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**Statement of the Maryland Federation of  
National Active and Retired Federal Employees  
House Economic Matters Committee Hearing, February 10, 2026  
On HB 152 – Consumer Protection – Electronic Funds Transfers –  
Regulations (Elder Fraud Protection Act of 2026)**

**(Position – FAV)**

To: Chair Kris Valderamma  
Economics Matters Committee

From: Robert Doyle, Chair  
State Legislative Committee  
MD Federation – NARFE

I am pleased to provide you with this statement today 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 HB 152, Consumer Protection – Electronic Funds Transfers – Regulations (Elder Fraud Prevention Act of 2026). We thank Delegate Vaughn Stewart, the primary sponsor, for his efforts today and in past years.

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 2025 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.<sup>1</sup>

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.

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.

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<sup>1</sup> 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.

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.”<sup>2</sup>

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.<sup>3</sup>

## **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 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.<sup>4</sup>

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<sup>2</sup> 15 U.S.C. §1693a(7)(B).

<sup>3</sup> 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.

<sup>4</sup> 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.

The Federal Trade Commission's (FTC) recent 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.<sup>5</sup> 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.

I wanted to take note of a court decision in early 2025 which could have a bearing on the law in this area. In 2024, the New York Attorney General (NY AG) sued Citibank, N.A., after funds were allegedly stolen from several consumers' Citibank accounts as a result of fraudulent wire transfers. The NY AG alleged that Citibank violated the EFTA by requiring consumers to provide affidavits before investigating the fraudulent wire transfers and for failing to provisionally credit or reimburse consumers for the stolen funds. The core issue in the case was whether wire transfers could be subject to the EFTA.

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<sup>5</sup> <https://public.tableau.com/app/profile/federal.trade.commission/viz/FraudReports/PaymentContactMethods>

Citibank argued that the definition of “electronic funds transfer” under the EFTA expressly excludes wire transfers. The NY AG took the opposite position, arguing a theory of liability for Citibank, which essentially breaks down wire transfers into three phases: *first*, a customer/payor sends instructions to its bank; *second*, the bank initiates a wire transfer to the payee’s bank; *third*, the payee’s bank credits the payee’s account. According to the NY AG, only the “bank-to-bank” transfer in step two is exempt from the EFTA, and financial institutions can be held liable under the EFTA for losses suffered by the customer arising out of fraud in connection with the first and third steps in the transaction.

In January 2025, Judge Paul Oetken of the Southern District of New York rejected Citibank’s argument that the EFTA is categorically inapplicable to consumer wire transfers and ruled against Citibank on a motion to dismiss. The Court subsequently allowed Citibank to appeal this decision to the Second Circuit and the matter is pending.<sup>6</sup>

Nevertheless, as Delegate Stewart noted in his testimony for the Bill last year, the EFTA eventually could be found to apply to wire transfers as the law of the land per judicial decree. But while the NY case plays out, hundreds if not thousands of seniors in Maryland will be scammed in the meantime. Delegate Stewart noted correctly, “we should not wait for the court case to work its way through the system. We should act now to protect Maryland seniors.”

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<sup>6</sup> <https://www.mayerbrown.com/en/insights/publications/2025/12/second-circuit-poised-to-rule-on-what-law-applies-to-consumer-wire-fraud>, <https://www.mofo.com/resources/insights/250424-cfpb-reverses-course-withdrawing-unprecedented-efta-interpretation>

We support HB 152 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 HB 152. Thank you.

Robert M. Doyle, Chair  
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