

February 6, 2026

VIA MYMGA UPLOAD

The Maryland House of Delegates
6 Bladen Street
Annapolis, Maryland 21401

Re: House Bill 152

Dear Economic Matters Committee:

My name is Pat McNichol, and I'm an attorney at Kelly Guzzo, PLC, a Virginia-based law firm devoted to consumer protection issues in Maryland, Washington D.C., and Virginia. I was raised up the road in Ferndale, Maryland, and I retain strong roots to the State, including through my consumer protection advocacy as a licensed attorney in Maryland.

House Bill 152 is necessary because consumers are often without recourse when they're victimized by wire transfer fraud—even when the fraud is carried out by a bad guy behind a computer screen, sometimes halfway around the world. This means that, when a fraudster hacks your online bank account without your permission and sends your hard-earned money to an external account, you eat the loss.

Most perplexing in the current legal landscape, many courts and arbitrators treat wire transfers differently than other electronic transfers, the latter of which *are undoubtedly* covered by the federal Electronic Fund Transfer Act (the "EFTA").

Relevant here, the EFTA protects consumers by ensuring that banks bear the risk of loss when the consumer is a victim of an *unauthorized* electronic transfer. The key word is "unauthorized." If a transaction was not authorized, the bank's reimbursement obligation is mandatory.

With reason, prospective clients are often baffled when I tell them that a court or arbitrator may not apply the EFTA because of the type of transfer that the bad guy decided to use. They're especially confused because wire transfers, which are capable of doing the most harm in the fastest way, should warrant the most protection with respect to consumer accounts.

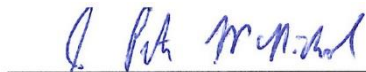
In tribunals where the EFTA is found to not apply to wire transfers, consumers are forced to seek recourse under the Uniform Commercial Code, which as the word "commercial" in the name suggests, was not drafted with consumers in mind.

That law affords limited relief in only a few circumstances, and it forces consumers to pay their own attorneys' fees, even when they prevail. Thus, banks have incentive to stonewall their customers and ensuing litigation (if the consumer even bothers to sue) resembles a game of chicken

that tests who is willing to spend more money. As you can imagine, the banks have more weight to throw around in that regard.

HB152 would close the wire transfer loophole that banks try to exploit and would ensure that victims of wire fraud have the same recourse that victims of other bank fraud have; that is, a viable cause of action with meaningful remedies.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Patrick McNichol", is positioned above a horizontal line.

J. Patrick McNichol
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