



**House Bill 152 – Consumer Protection – Electronic Funds Transfers –  
Regulations (Elder Fraud Prevention Act of 2026)  
Hearing on February 10, 2026 – Economic Matters Committee  
Position: FAVORABLE**

*Maryland Legal Aid (MLA) submits its written and oral testimony on HB 152 in response to a request from Delegate Vaughn Stewart.*

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 HB 152 would protect seniors from possible financial exploitation, MLA testifies in strong support of this bill.

As technology advances financial scams increase that are targeted at seniors. A report from the Nation Credit Union Administration included 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. 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>.

HB 152 directs the Commissioner of Financial Regulation to create a regulation to protect all Marylanders where an electronic fund transfer is involved. Currently, there is a loophole in the Electronic Funds Transfer Act of 1978 that allows ancillary bank to bank transfers via a wire service to be exempted from regulation. This loophole is creating an opportunity for scammers to take advantage of Maryland consumers, especially elderly consumers. HB 152 seeks to close this loophole and have these transfers regulated the same as all other electronic transfers to prevent this loophole from being used to scam Maryland consumers.

At MLA, we see clients who have fallen victim to electronic financial scams and suffers financial hardship because of it. MLA represented a senior client whose sister was 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

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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/>

assisted the client and prevented a foreclosure, but this situation may have been avoided had the regulation proposed by HB 152 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 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 had to turn to public assistance after the scam, which resulted in a cost the State of Maryland.

HB 152 strengthens regulatory efforts to prevent financial scams targeting all Marylanders, especially seniors. MLA strongly supports HB 152. If you need additional information in regard to this bill, please contact William Steinwedel at [wsteinwedel@mdlabor.org](mailto:wsteinwedel@mdlabor.org) and (410) 951-7643.