



SB 881 – Commercial Financing - Small Business Truth in Lending Act

Committee: Senate Finance Committee

Date: February 27, 2026

Position: Favorable

The Maryland Bankers Association (MBA) **SUPPORTS** SB 881. This legislation establishes a clear and comprehensive regulatory framework for entities engaged in commercial financing transactions structured as the purchase and sale of small business accounts receivable. By creating defined standards and oversight mechanisms, this bill appropriately places such activities under the regulatory and enforcement authority of the Office of Financial Regulation (OFR).

Although OFR currently possesses the authority to investigate financial transactions and identify potential violations, SB 754 strengthens Maryland’s commercial financing in the small business accounts receivable landscape by implementing consistent disclosure requirements, transparency standards, and uniform practices for lenders participating in these types of transactions. These measures will help ensure fairness, accountability, and clarity in lending—particularly for Maryland’s small businesses, which often face complex and inconsistent financing terms in the absence of such regulation.

Maryland banks are committed to serving thousands of businesses across the state and are proud to offer a wide range of responsible, transparent, and well-regulated commercial financing products and services. MBA strongly supports efforts that enhance transparency and promote informed decision-making for all small business borrowers.

SB 881 represents a prudent and meaningful step toward protecting Maryland’s small businesses and promoting a fair and competitive commercial financing marketplace. Accordingly, the Maryland Bankers Association respectfully urges a **FAVORABLE** report on SB 881.

The Maryland Bankers Association (MBA) represents FDIC-insured community, regional, and national banks, employing thousands of Marylanders and holding \$194.8 billion in deposits in over 1,100 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.