
MARYLAND DEPARTMENT OF LABOR TESTIMONY ON SENATE BILL 43

TO: Senate Finance Committee
FROM: Tony Salazar, Commissioner of Financial Regulation
DATE: January 29, 2026
BILL: Financial Institutions - Maryland Community Investment Venture Fund
and Regulation of Entities - Revisions

MD LABOR POSITION: Support

This legislation updates **Governor Moore’s 2023 Access to Banking Act (HB 548)** by enhancing fair and equal access to financial services, particularly for consumers and businesses in Low-to-Moderate Income (LMI) communities. The original legislation established the Maryland Community Investment Venture Fund (MCIV), for the purposes of developing opportunities for banking institutions and credit unions to better serve the needs of LMI areas in the State. The changes in this legislation are designed to have a meaningful equity impact and further the original policy's goal of stabilizing branch locations in LMI areas and assisting in closing the racial wealth gap.

Strong progress has already been made in implementing the Access to Banking Act, including giving \$165,148 in 2025 assessment credits to banks and credit unions for maintaining a physical presence in LMI areas. The changes in this legislation aim to address operational challenges identified by the Office of Financial Regulation (OFR) and clarify statutory language to make the application process for the annual assessment fee offset credit more efficient for Maryland state-chartered banks and credit unions. The proposed bill also eliminates two small fees and recognizes that institutions may close a branch or their operations if they face cyber “emergencies.”

The changes to the Access to Banking Act were recommended by the Maryland Community Investment Venture Fund Advisory Council and drafted in consultation with OFR counsel who believe these changes provide important clarification as they improve the implementation of the Access to Banking Act while maintaining its original goals: to foster **greater access to banking services in low- to moderate-income (LMI) areas and strengthen the MCIV Fund.**

Key Changes

- (a) MCIV Fund Non-Lapsing Language:** Includes language to confirm that state money in the MCIV Fund does not lapse at the end of each fiscal year, ensuring continuity of funds.
- (b) Extension of Matching Funds Window:** Extends the period during which the Commissioner may match funds contributed by Maryland state-chartered banks and credit unions to the MCIV Fund from 2028 to 2030.
- (c) Expansion of MCIV Fund Purpose:** Expands the scope of the MCIV Fund to include support for consumers in LMI communities, in addition to businesses.
- (d) Clarification of MCIV Fund Investment Vehicles:** Adds language to clarify that the MCIV Fund can be used as a grant program for deploying funds.
- (e) Maryland Opportunity Accounts:** Creates an additional assessment fee credit for Maryland state-chartered banks and credit unions that offer accounts that are designed to promote fair and equal access to financial services for Marylanders.

The proposed changes to the 2023 Access to Banking Act are a thoughtful and practical response to operational challenges identified during the Act's implementation. They ensure that Maryland state-chartered banks and credit unions can more easily participate in the annual offset credit program, while also safeguarding the stability and effectiveness of the Maryland Community Investment Venture Fund. These changes will help Maryland continue to promote financial inclusion and improve access to banking services for low- to moderate-income communities across the state.

The necessary funds have already been allocated from OFR's special fund, and the legislation does not require any increase or adjustment to existing funding. It does not generate new revenue or divert existing revenue sources.

The Department respectfully requests a favorable report on Senate Bill 43.

For questions, please contact Andrew Fulginiti at Andrew.Fulginiti@maryland.gov