

February 26, 2026

Re: Letter of Support with Amendment

Dear Chair, Vice-Chair, and Members of the Committee,

The Office of Financial Regulation (OFR) is Maryland's consumer financial protection agency. OFR provides this testimony in support with amendment of Senate Bill 696, Financial Institutions - Complaint Database and Analysis - Required.

Bill Summary

This legislation mandates that the Office of Financial Regulation (OFR) create a dedicated, consumer-facing online interface for complaints filed by state residents against financial institutions for unfair, abusive, or deceptive trade practices. The purpose of this interface is to provide the public with direct access to aggregated and anonymized data from a limited subset of the consumer complaints OFR processes annually.

OFR's Role and Operational Impact

OFR, through its consumer protection work, currently collects and processes complaints from Maryland consumers regarding financial services and it publishes that data annually through its Annual Report. OFR possesses the capability to, and does for management purposes, aggregate this data. However, the requirement to develop and implement a new, dedicated consumer-facing interface constitutes a significant new undertaking for the Office.

The development, maintenance, and technical work for this new interface would be performed by the Department of Labor's Office of Information Technology (OIT). As OFR operates on a fee-for-service model, OFR is responsible for compensating OIT for all resources and hours dedicated to this IT project.

Consumer Privacy and Increased Workload

A critical and labor-intensive component of this mandate is the rigorous protection of consumer privacy. To meet the proposed requirement, OFR staff would be required to meticulously review every complaint narrative to ensure all Personally Identifiable Information (PII) is completely removed before the data is made publicly accessible. Given the sensitive nature of the information, this PII scrubbing process may be highly demanding.

OFR received 1,142 consumer complaints in Fiscal Year 2025 and regularly receives in excess of 1,000 complaints per fiscal year. Information on these and prior years' complaints is already publicly available in OFR's annual reports, which are submitted to the Legislature and posted on OFR's website. The estimated effort for mandatory PII scrubbing for this volume of complaints is substantial, projecting an additional burden of 150 to 200 staff hours per year. To implement these vital privacy requirements without reducing existing consumer protection functions, OFR would need to add an additional staff member.

Few, if any, of the complaints received by OFR specifically allege unfair, abusive, or deceptive trade practices. Typical complaints are fact based narratives that rarely use legal characterizations such as unfair, abusive or deceptive trade practices. To meet the requirements of the bill as proposed, OFR would also need to allocate resources to reviewing and identifying which complaints fall within the definition of unfair, abusive or deceptive trade practices versus those that simply allege errors or other issues.

Suggested Amendments

OFR has proposed amendments to the Sponsor that would:

- Ensure the publication of **all** complaints, rather than only those which can be characterized as dealing with an Unfair, Deceptive, or Abusive Acts or Practices (UDAAP) finding thereby reducing the administrative burden posed by the bill.
- Simplify the PII protection process.
- Establish a realistic implementation date.

Additionally, OFR has suggested protections to ensure equal access to credit in Maryland, in light of the weakening of the federal Equal Credit Opportunity Act.

Conclusion

Due to the fact that Senate Bill 696 will enhance consumer access to anonymized complaint data and such a goal can be accomplished by modifying if slightly including by changing the data collection approach, the Office of Financial Regulation respectfully requests a **favorable Committee Report on the bill with OFR's proposed Amendments.**