



SB 582 – Consumer Protection - Unsolicited Loans

Committee: Senate Finance Committee

Date: February 19, 2026

Position: Favorable with Amendments

The Maryland Bankers Association (MBA) **SUPPORTS SB 582 WITH AMENDMENTS**. This legislation prohibits creditors from mailing live checks or other negotiable instruments unless an individual has applied for or requested an extension of credit. While MBA appreciates the intent of the bill, we are concerned that it may inadvertently restrict the distribution of convenience checks. MBA respectfully requests an amendment to expressly exempt convenience checks from the bill’s provisions.

Convenience checks are issued by a credit card issuer that allow a borrower with an existing credit card account to borrow against the applicable credit card line using a check. They look like regular checks, but they function as a type of cash advance. Convenience checks can be used for all sorts of payments, but because they function as a cash advance, they can be subject to higher interest rates and cash-advance fees.

The Truth in Lending Act (TILA), implemented through Regulation Z, requires specific disclosures when credit is offered. Under [12 CFR 1026.6](#), issuers must provide clear and conspicuous disclosures at account opening, including the applicable annual percentage rate (APR), any promotional use-by dates, associated fees, and information related to interest accrual. Additional disclosures concerning APR and associated fees are required if a new access feature (like a convenience check) is issued more than 30 days after account opening, or if they are issued within the first 30 days after account opening but carry different terms from the initial account opening terms.

Because convenience checks are extended only to customers who already maintain an existing line of credit with the issuing institution—and because they are governed by robust federal disclosure requirements—MBA believes SB 582 should be amended to clarify that the bill’s restrictions do not apply to convenience checks. Accordingly, MBA urges the issuance of a **FAVORABLE** report **WITH AMENDMENTS** on SB 582.

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.