



SB 695 – Consumer Protection - Driver's License and ID Card Swiping - Regulation

Committee: Senate Finance Committee

Date: March 12, 2026

Position: Favorable with Amendments

The Maryland Bankers Association (MBA) **SUPPORTS SB 695 WITH AMENDMENTS**. This legislation prohibits the swiping of a driver's license or ID card and prohibits the storing, selling, or sharing of personal information collected via a swipe under certain circumstances. While the MBA appreciates the exemptions placed into the bill for financial institutions, MBA believes a full exemption for financial institutions would provide clarity, consistency, and operational integrity in bank compliance.

Protecting customers' money is one of the most fundamental responsibilities of any bank. At its core, the financial system is built on trust—customers deposit their savings, paychecks, and investments with the expectation that their funds will be safe, accessible, and handled responsibly. When banks safeguard those funds effectively, they reinforce confidence not only in their institution but in the broader financial system that depends on stable deposits to function.

Banks rely on driver's licenses and identification cards every day to safeguard their customers. These tools are essential for preventing fraud, protecting sensitive financial information, and maintaining safe and compliant operations. SB 695 permits financial institutions to collect information for purposes such as processing deposits or loans, preventing fraud, and effecting, administering, or enforcing transactions. While these broad exemptions are valuable, compliance teams would still be required to verify that each instance of information collection fits within one of the specified categories. **Providing a complete carveout removes this regulatory ambiguity and reduces administrative burden, allowing banks to continue using identification tools efficiently and consistently to protect customers and their financial assets.**

Protecting customers' money isn't just a regulatory requirement—it's the foundation of the relationship between banks and the communities they serve. It enables trust, promotes stability, and ensures that customers can confidently rely on their financial institutions for security and support. A full exemption is essential for banks to efficiently verify customer identities and safeguard their funds without the uncertainty and operational risk created by piecemeal compliance requirements.

Accordingly, MBA urges the issuance of a **FAVORABLE** report **WITH AMENDMENTS** on SB 695.

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.