



**SB 696 – Financial Institutions - Complaint Database and Analysis - Required**

**Committee:** Senate Finance Committee

**Date:** February 26, 2026

**Position:** Favorable with Amendments

The Maryland Bankers Association (MBA) **SUPPORTS SB 696 WITH AMENDMENTS**. This legislation requires the Office of Financial Regulation (OFR) to host a publicly available, searchable, and downloadable database for complaints filed against financial institutions for allegedly unfair, abusive, or deceptive trade practices. MBA appreciates the sponsor’s intent to enhance transparency; however, we believe the bill, as currently drafted, contains several significant gaps warranting further consideration.

Applicability – SB 696 as drafted applies only to financial institutions. However, OFR has regulatory authority over a far broader range of entities, including check cashers, collection agencies, consumer lenders, credit reporting agencies, credit services businesses, debt management and settlement providers, installment loan lenders, money transmitters, mortgage brokers, mortgage lenders, mortgage loan originators, mortgage servicers, and sales finance companies. MBA recommends expanded applicability to encompass all entities regulated by OFR, which ensures comprehensive transparency across Maryland’s financial services marketplace.

Duplicative Complaints – The Consumer Financial Protection Bureau (CFPB) maintains a Consumer Complaint Database, which publishes complaints only after they have been sent to the relevant company for a response and the company has either responded or 15 days have passed—provided a commercial relationship is confirmed. Establishing a parallel state-level database could create inconsistent reporting standards, conflicting data sets, and consumer confusion regarding which agency—federal or state—is responsible for oversight or resolution. To avoid duplicative systems and potential public misinterpretation, MBA recommends making the implementation of a state database contingent upon the discontinuation of the CFPB’s existing database. Should the federal database cease to exist, a state-level system should mirror the CFPB model by ensuring that affected institutions have an opportunity to respond before any complaints are published.

Maryland’s banking industry remains firmly committed to transparency and strong consumer protections. However, as currently drafted, SB 696 presents reputational, operational, and consumer-level risks that outweigh its intended benefits. Addressing the concerns outlined above—along with incorporating targeted clarifying amendments—would better protect Maryland consumers while avoiding unintended harm to public confidence in financial institutions across the state. Accordingly, MBA urges the issuance of a **FAVORABLE** report **WITH AMENDMENTS** on SB 696.

*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.*