

V O L V O

TO: The Honorable Pamela Beidle, Chair
Members, Senate Finance Committee
Senator Benjamin F. Kramer

FROM: Richard A. Tabuteau

DATE: February 27, 2026

RE: **FAVORABLE WITH AMENDMENTS:** Senate Bill 881 – *Commercial Financing - Small Business Truth in Lending Act*

Volvo Financial Services, a division of VFS US LLC (“Volvo Financial Services”) respectfully requests that Senate Bill 881 be amended to exclude transactions originated by captive finance companies and transactions constituting purchase money financing under Article 9 of the Uniform Commercial Code.

Volvo Financial Services is the captive finance provider for the Volvo Group, one of the world’s leading manufacturers of heavy trucks, buses, construction equipment and marine engines and powertrain systems. In Maryland, more than 1,700 Volvo Group employees work at the Hagerstown powertrain facility, developing and manufacturing heavy-duty diesel engines, transmissions and axles for Mack Trucks, Volvo Trucks, Prevost coaches and Volvo Buses.

As a captive finance company, Volvo Financial Services provides financing and leasing solutions to customers and dealers of the Volvo Group. Captive finance companies exist to support sales of parent/sister company products and specialize in offering loans, leases or other forms of financing directly related to such products, thereby facilitating sales, and enhancing customer loyalty through financial services.

Almost all states that have enacted commercial financing disclosure laws have recognized the unique position of captive finance companies and have exempted them from these laws. 13 of the 15 states that have introduced or enacted a commercial financing disclosure law have included exemptions, including without limitation Connecticut, Florida, Georgia, Kansas, Missouri, Utah and Texas. Enacting the disclosure law without exempting captives would add regulatory burden and cost and would follow a minority position.

Additionally, many of the states that have enacted commercial financing disclosure laws have exempted purchase-money financing given that such transactions are typically tied to a specific good (truck, bus, excavator, etc.) with a known price. These states have focused on other types of financing (such as sales-based financing), recognizing that additional regulation of equipment financing transactions would increase costs without providing any additional protections.

In conclusion, we appreciate the goals of the Maryland legislation but would request that it be amended to exempt captive finance companies and purchase-money transactions.

Thank you for the opportunity to provide our comments. If you have questions or need additional information, please contact Scott Adams at scott.adams@volvo.com or (336) 291-5560.