

**SB696\_FAV\_EconAction.pdf**

Uploaded by: Jennifer Bevan-Dangel

Position: FAV



**SB696: Financial Institutions - Complaint Database and Analysis - Required**

**Position: Favorable**

February 26, 2026

The Honorable Pam Beidle, Chair  
Senate Finance Committee  
3 East, Miller Senate Office Building  
Annapolis, Maryland 21401  
cc: Members, Senate Finance

Chair Beidle and Members of the Committee,

Economic Action Maryland Fund urges a favorable report on SB696, which would require the Office of Financial Regulation to establish a complaint database for complaints against financial institutions.

Complaint databases are a critical tool for consumers. They provide an opportunity for people to research an institution before partnering with them. A public database deters bad actors and allows individuals who are harmed to seek redress. If there are multiple complaints of a similar nature across institutions, they can also serve as an indicator that tighter regulatory guidance may be needed on that issue.

With the recent federal assault on the Consumer Financial Protection Bureau, there are no longer sufficient staff there to respond to complaints or to log those complaints in a timely manner. This means that consumers have lost this critical tool at the national level, and creating a state level tool is desperately needed.

Given the scope of industries that the Office of Financial Regulation oversees, we encourage the committee to consider broadening the scope of the bill to include other entities such as payday lenders, the secondary mortgage market, consumer loan providers, and others.

For these reasons, we urge a favorable report on SB696.

Sincerely,  
Jennifer Bevan-Dangel, Deputy Director

*Economic Action (formerly the Maryland Consumer Rights Coalition) champions economic rights and housing justice through advocacy, research, consumer education, and direct service. Our 12,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.*

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Marceline White · [Marceline@EconAction.org](mailto:Marceline@EconAction.org) | Jennifer Bevan-Dangel · [Jennifer@EconAction.org](mailto:Jennifer@EconAction.org)

## **2.24 - SB 696 - Financial Institutions - Complaint**

Uploaded by: Robin McKinney

Position: FAV



**SB 696 - Financial Institutions - Complaint Database and Analysis - Required**  
**Senate Finance Committee**  
**February 26, 2026**  
**SUPPORT**

Chair Beidle, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 696. This legislation strengthens consumer protection, promotes financial transparency, and supports economic stability, especially for low- and moderate-income Marylanders who are often the most vulnerable to unfair financial practices.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

SB 696 requires the Office of Financial Regulation to establish and maintain a public, searchable complaint database for unfair, abusive, or deceptive trade practices by financial institutions, along with quarterly trend analyses. This is a critical step toward transparency and accountability for Maryland consumers. To be most effective, this database should be fully funded and resourced to ensure timely updates, meaningful analysis, and strong public accessibility. In addition, the database should capture all consumer complaints against financial institutions. It should include complaints outside of those categorized as Unfair, Deceptive, or Abusive Acts or Practices (UDAAP), so that regulators and the public can see the full scope of issues affecting Marylanders.

For families living paycheck to paycheck, a hidden fee, deceptive loan term, or abusive debt collection practice can trigger financial hardships like missed rent, damaged credit, loss of transportation, or even eviction. Many of our clients do not have financial cushions to absorb predatory practices.

This bill is particularly important in light of ongoing attacks at the federal level against the Consumer Financial Protection Bureau (CFPB). The CFPB was created after regulators failed to respond swiftly and appropriately to widespread consumer protection failures that led to the devastating 2008 financial crisis. That crisis cost millions of Americans their jobs, homes, and life savings. The CFPB was designed to ensure that such systemic failures would not happen again.

By establishing a public complaint database:

- Consumers will have access to real-time information about problematic products and companies.
- Patterns of abuse can be identified earlier, allowing regulators to intervene before harm becomes widespread.

*Creating Assets, Savings and Hope*



- Financial institutions will face greater accountability, encouraging fair competition and responsible practices.
- Policymakers will have better data to inform future consumer protection legislation.

Economic mobility depends on access to safe and transparent financial products like bank accounts without hidden fees, loans without deceptive terms, and credit systems that operate fairly. When families can trust the financial system, they are better positioned to build credit, save for emergencies, purchase homes, and invest in their futures.

SB 696 reinforces Maryland's commitment to financial fairness at a time when federal protections face uncertainty. It sends a clear message that consumer protection, financial transparency, and economic security remain priorities in our state.

***For these reasons, we encourage a favorable report on SB 696.***

*Creating Assets, Savings and Hope*

**SB696 OFR Letter of Support with Amendment.pdf**

Uploaded by: Amy Hennen

Position: FWA

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.**

**SB0696 - MBA - FWA - GR26.pdf**

Uploaded by: Evan Richards

Position: FWA



**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.*

**2026 - FWA - SB 696 – Financial Institutions – Com**

Uploaded by: Rory Murray

Position: FWA



February 26, 2026

Hon. Pamela Beidle  
Chair, Senate Finance Committee

**RE:** SB 696 – Financial Institutions – Complaint Database and Analysis – Required  
**Position:** ***Favorable with Amendments***

Chairs Beidle, Vice-Chair Hayes and Committee Members:

The MD|DC Credit Union Association is a trade association representing over 65 credit unions in Maryland, along with their more than 2.3 million members. Maryland credit unions are not-for-profit, member-owned financial cooperatives that serve communities across the State.

As drafted, SB 696 directs the Office to post consumer complaints in narrative form, searchable and downloadable, with personally identifiable information redacted. While we agree that consumers benefit from accessible information about complaint trends, we are concerned that publishing unverified or incomplete narratives could unintentionally turn the database into a “review site” rather than a regulatory tool. A single allegation by a disgruntled individual, even if later found to be unfounded, could cause significant reputational harm to a supervised institution and confuse consumers who may not understand the difference between an allegation and a substantiated violation.

To preserve the bill’s transparency goals while ensuring fairness and accuracy, we respectfully request amendments to:

1. Clarify that only complaints that meet the Office’s criteria as actionable, i.e., within jurisdiction, adequately documented, and accepted for review or investigation, are included in the publicly posted database. This ensures that obviously frivolous, clearly mistaken, or non-jurisdictional complaints are not given the full weight of public posting.
2. Require that the database reflect the status and disposition of each complaint, including whether the complaint was: pending review or investigation; resolved with relief or corrective action; or resolved with no violation found, or otherwise determined to be unfounded or unsupported. In particular, it is important that if a complaint is determined by the Office to be unfounded, unsupported by evidence, outside of the Office’s jurisdiction, or not indicative of a violation, that finding be clearly and prominently reflected in the database entry for that complaint.
3. Specify that the cost of developing, operating, and maintaining the complaint database and related reporting is not funded through additional fees or assessments on regulated



financial institutions. Given the importance of maintaining the Office's independence and avoiding any perception that regulated entities are being required to underwrite a public-facing platform that may contain unverified or ultimately unfounded allegations, we believe the General Fund or another neutral source of State funding is the more appropriate mechanism to support this initiative.

We believe these amendments would improve SB 696 by ensuring that the new complaint database functions as a reliable, regulator-curated source of information for consumers, rather than a general comment or review forum. This balance will advance transparency, provide meaningful data for the Office's quarterly analysis of trends and resolutions, and protect consumers and institutions alike from the unintended consequences of misleading or incomplete information.

With these changes, we would be pleased to support SB 696 and the Office of Financial Regulation's efforts to provide clearer information about complaint trends and outcomes in Maryland's financial services marketplace. Thank you for your consideration and for your ongoing work to protect Maryland consumers.

Respectfully submitted,

Sincerely,

A handwritten signature in blue ink, appearing to read "John Bratsakis", with a long horizontal flourish extending to the right.

John Bratsakis  
President/CEO  
MD|DC Credit Union Association