

March 20, 2024

**The Honorable Pamela Beidle
Chair of the Senate Finance Committee
Maryland Senate
3 East, Miller Senate Office Building
Annapolis, Maryland 21401**

Re: Opposition Testimony to House Bill 250

Dear Chair Beidle, Vice Chair Klausmeier, and Distinguished Members of the Committee,

On behalf of the Electronic Transactions Association (“ETA”), the leading trade association for the payments industry, we appreciate the opportunity to provide this written testimony in opposition to House Bill 250.

ETA supports legislative efforts that encourage and promote new and leading-edge collaboration models. Such models strengthen the ability for banks and financial institutions to provide innovative financial services to consumers at scale by fostering innovation, encouraging healthy competition, ensuring affordability, and maintaining overall stability. Third party service providers offer streamlined payments systems, improvements to user interfaces, and assistance with customer acquisition. Additionally, banks and third parties collaborate on best practices in fraud detection and prevention. Passing legislation to examine businesses working across these areas could disrupt the payments industry’s ongoing efforts to provide opportunities for all consumers and small businesses to access and benefit from inclusive financial products and services.

ETA supports an inclusive financial system that provides high quality, secure, and affordable financial services for the broadest possible set of consumers and small businesses, which result from partnerships between banks and third-party service providers. Technological advances in financial services have lowered costs and increased benefits for many Marylanders. Unfortunately, this bill would create many uncertainties among highly regulated financial institutions and new entrants into the financial services market. Moreover, this bill would create legal uncertainties and weaken responsible partnerships between technology-driven platforms and banks. If enacted, HB 250 would negatively impact Marylanders’ access to credit and disincentivize improvements to existing operational functions of financial services entities.

ETA encourages policymakers to support innovation and the use of advanced technology in financial products and services by avoiding duplicative examination requirements. We appreciate you taking the time to consider these important issues. If you would like to discuss any aspect of our comments, please contact me or ETA Executive Vice President Scott Talbott at Stalbott@electran.org.

Respectfully Submitted,



1300 Connecticut Avenue
Suite 475
Washington, DC 20036

202.828.2635
800.695.5509
electran.org

Brian Yates
Senior Director, State Government Affairs
Electronic Transactions Association
202.677.7714 | byates@electran.org