
Senate Bill 15

Date: January 22, 2020
Committee: Senate Finance
Bill Title: Financial Institutions – Commissioner of Financial Regulation – Banking Institution Powers
Re: **Letter of Support**

Senate Bill 15 alters the process for a Maryland bank to seek approval to conduct business under Maryland's bank parity law.

To better compete with national banks, Maryland banks may currently seek approval from the Commissioner of Financial Regulation (Commissioner) to engage in activities in which, under federal law, national banks may engage. Examples of these activities include operating on Sunday, providing debt cancellation products, and operating a courier service.

Maryland banks are currently required to prepare an application, submit it to the Commissioner for review, and await a response prior to engaging in the requested activity. Current Maryland law does **not** establish a timeline for Commission approval of a request and complicates the application process for Maryland banks.

Senate Bill 15 streamlines the application process for Commissioner approval to promote the competitive potential of Maryland banks. To conduct federally permissible activities under the new application process, banks must file a notice of intent to act with the Commissioner at least 45 days prior to engaging in the requested activity. **The Commissioner, after reviewing the notice of intention, will retain the authority to deny any requested activity deemed necessary to protect Maryland's welfare or economy.** Please note that the Commissioner may also extend the review timeline and/or request additional information from applicants.

Senate Bill 15 promotes the competitiveness of Maryland banks by streamlining the application process, requiring any denial from the Commissioner to take place within 45 days, aligning Maryland's law with those of other states. **For these reasons, the Department respectfully requests a favorable report from the Committee on Senate Bill 15.**