

# **DepartmentofLabor\_FAV\_SB15**

Uploaded by: Robinson, Tiffany

Position: FAV

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## 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**

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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.**

# **Maryland Consumer Rights Coalition\_unf\_SB15**

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Position: UNF



Maryland Consumer Rights Coalition

**Testimony to the Senate Finance Committee**  
**SB 15 : Financial Institutions - Commissioner of Financial Regulation - Banking Institution Powers**  
**Position: Unfavorable**

January 22, 2020

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

Honorable Chair Kelley and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in opposition of bill SB 15.

MCRC launched Reinvest Baltimore, a coalition of neighborhood-based organizations, community development groups, housing organizations, and economic and racial justice nonprofits, that work together to advocate for reinvestment capital in Baltimore City. Through this organizing effort, MCRC has connected with dozens of individuals and organizations across the city that are concerned with the lack of investment in their communities. Research has identified a concerning lack of investment in low-and moderate-income (LMI) communities across the state of Maryland.

Financial institutions' reinvestment in LMI communities are regulated by the Community Reinvestment Act (CRA), a law designed to combat redlining by requiring banks to affirmatively and continually meet community needs for credit and banking services in LMI communities.<sup>1</sup> However, the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) have issued a notice of proposed rulemaking that would considerably weaken regulations implementing CRA. With this national level weakening of CRA, financial institutions face fewer regulations governing their investment in LMI communities.

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<sup>1</sup><https://nrcr.org/initial-nrcr-analysis-of-the-fdic-and-occ-notice-of-proposed-rulemaking-concerning-the-community-reinvestment-act/>



Maryland Consumer Rights Coalition

In a climate with fewer bank regulations, MCRC is concerned with the weakening of administrative oversight over the activities, services, and other practices of banking institutions. We oppose SB 15 and urge an unfavorable report.

Best,

Marceline White  
Executive Director