



## Senate Bill 160 – Financial Institutions – Security Questions and Measures

### Senate Finance Committee

February 4, 2020

#### *Favorable with Amendments*

The Maryland Bankers Association (MBA) supports Senate Bill 160 – Financial Institutions – Security Questions and Measures with amendments. This legislation requires a financial institution to allow a customer to choose from at least two options for each security question if the customer is required to provide an answer to a security question in connection with the provision of an account. The bill also prohibits a financial institution from using a customer’s mother’s maiden name as a means of safeguarding access to the account.

MBA members expend significant measures to safeguard their customers’ accounts from unauthorized access. Use of a security question is frequently one of the protocols used to verify that the person inquiring about the account is actually the person who owns the account. We appreciate the intent of the legislation and support the requirement in the bill that if a financial institution requires a customer to provide an answer to a security question, the customer shall be given the option to choose from at least two options.

MBA respectfully requests the following amendments:

**Strike 1-212 (B) beginning on page 1 line 22 through line 24**– MBA requests that the bill be amended to remove the prohibition on the use of a mother’s maiden name as an answer to one of the security questions. Removing the ability to use a mother’s maiden name eliminates a popular option that is widely offered today. Maryland would be the only state with this prohibition. With a requirement that at least two security question options be provided, the customer can choose not to use the mother’s maiden name as the answer to their security question.

The banking industry strongly supports security measures to safeguard customers’ access to their bank accounts. It is important that measures used are easily remembered and do not cause undue frustration for bank customers when inquiring about their accounts.

**Extend the effective date to January 1, 2021** – Banks will need to reconfigure their systems to comply with the requirement to provide at least two security question options. Extending the effective date will enable this to occur.

With these amendments, MBA supports Senate Bill 160.