



March 9, 2022

Chairwoman Delores G. Kelley
Miller Senate Office Building, 3 East Wing
11 Bladen St., Annapolis, MD 21401
Annapolis, MD 21401

SB 0825 – Oppose

Dear Chairwoman Kelley and Members of the Finance Committee:

Chairwoman Kelley and Members of this committee, my name is Patrick Siegfried and I am here today on behalf of Rapid Financial Services, LLC (“Rapid”). Founded in 2006, Rapid is headquartered in Montgomery County, Maryland.

Rapid is a proud supporter and finance provider to small businesses nationwide. Rapid believes legislation impacting commercial finance should be tailored to the needs and use cases of the small business customers that utilize these products.

Multiple states, including Maryland, are discussing legislation that would require disclosures for certain commercial finance transactions. California was one of the first states to pass such commercial finance laws in 2018. Over the past 4 years, California's regulator has conducted multiple rounds of notice and comment periods for its draft regulations. We expect California to finalize these regulations later this year. Similarly, New York passed commercial finance disclosure legislation in 2021. While New York recently proposed its own draft regulations, it is currently planning a more in depth comment and review period and has paused the implementation of the New York law. And just two days ago, Virginia's legislature passed a comprehensive commercial finance disclosure law.

While Rapid is supportive of effective disclosure legislation, we urge this committee to work towards passing a bill that will not conflict with the efforts of these other states. Enacting differing disclosure requirements will lead to confusion among small business customers. Rapid strongly believes that the review of new commercial finance disclosure regulation in Maryland should be considered once the legal requirements in California, New York and Virginia are known so that Maryland's laws may more closely mirror and complement the laws of these other states.

While we oppose SB 0825, we are committed to working with this committee, and the sponsor, to create thoughtful and comprehensive legislation to regulate commercial financing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick Siegfried', written over a light blue horizontal line.

Patrick Siegfried
Deputy General Counsel
Rapid Financial Services, LLC