

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 152 (Delegate Stewart)
Economic Matters

Consumer Protection - Electronic Funds Transfers - Regulations (Elder Fraud Prevention Act of 2026)

This bill establishes that wire transfers involving electronic funds transfers (EFTs) made ancillary to bank-to-bank transfers via a wire service are subject to the provisions of the federal Electronic Funds Transfer Act (EFTA) of 1978. The bill applies to all financial institutions operating in the State, but if it is found to be inapplicable to federally chartered financial institutions or financial institutions operating in the State that are chartered outside of the State, it abrogates and ceases to carry any force.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: None.

Analysis

Current Law:

Electronic Funds Transfer Act, Generally

EFTA is intended to protect individual consumers engaging in EFT and remittance transfers. Key provisions of EFTA include limiting consumer liability for unauthorized EFTs, as specified (§ 1693g), mandating error resolution procedures for certain financial

institutions (§ 1693f), and establishing civil and criminal liability for financial institutions under certain circumstances (§ 1693m).

Electronic Funds Transfer Act, Definition of “Electronic Transfer”

Section 1693a of EFTA defines “electronic fund transfer” as any transfer of funds, other than specified commercial paper, which is initiated through specified electronic means “so as to order, instruct, or authorize a financial institution to debit or credit an account.” The term includes, among other things, point-of-service transfers, automated teller machine transactions, direct deposits or withdrawals of funds, and transfers initiated by telephone.

Regulation of Financial Services, Generally

The financial services industry in Maryland is regulated by the Office of Financial Regulation (OFR) within the Maryland Department of Labor and the Office of the Attorney General’s Securities Division. Under the direction and authority of the Commissioner of Financial Regulation, OFR regulates State-chartered and State-licensed financial institutions operating in Maryland. These include depository institutions such as Maryland-chartered banks, trust companies, bank holding companies, and credit unions, as well as nondepository entities such as money transmitters, check cashers, consumer lenders, sales finance companies, installment lenders, mortgage lenders, mortgage loan originators, credit services businesses, debt management services providers, debt settlement services providers, consumer reporting agencies, and collection agencies.

State Regulation of Funds Transferred

Title 4A of the Maryland Uniform Commercial Code governs funds transfers. Generally, Title 4A does not apply to a funds transfer any part of which is governed by EFTA. In the event of an inconsistency between an applicable provision of Title 4A and an applicable provision of EFTA, the provision of EFTA governs.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 332 and SB 659 of 2025.

Designated Cross File: None.

Information Source(s): Maryland Department of Labor; Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

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