



March 18, 2025

**Testimony to the 132nd Maine Legislature
Committee on Health Coverage, Insurance, and Financial Services**

Good afternoon, Senator Bailey, Representative Gramlich, and honorable members of the Committee. My name is Josh Steirman and I am here on behalf of the Maine Bankers Association. We are the trade association representing 34 retail banks operating across the State of Maine, with over 9,000 employees in virtually every community state-wide. Last year our banks provided over \$2.5 billion in residential real estate loans, and over \$3.2 billion in small business loans. Banks are deeply embedded in their communities: last year, bankers volunteered over 145,000 hours, and donated over \$18 million to charitable causes. Maine bankers are your neighbors, working to provide a safe place for deposits, modern technology solutions, fraud protection, a home mortgage, or a small business loan.

Today we are testifying in opposition to L.D. 880, *An Act Regarding Nondiscrimination in Financial Services*.

This proposal would severely restrict any bank's ability to serve Maine people. The bill's restriction on "nonfinancial criteria" would limit the factors a lender can utilize in their decision-making process, removing tools that help first-time homebuyers, small businesses, and families across the state. Maine bankers are neighbors, embedded in their communities, who understand customers as more than a number. This depth of understanding, far beyond numbers, is what empowers bankers to meet the needs of customers and communities with an array of financial services. LD 880 would remove that flexibility and constrain bankers to rigid formulas. Bank customers deserve to be more than an algorithm.

Many sound and trustworthy customers simply do not look appealing on paper, but are in fact good customers, worthy of trust and a bank loan or other services. For example: a teenager trying to buy their first car who has no credit history, but works hard at several part time jobs. A young family buying their first home with limited assets, but a strong work ethic and history of paying bills on time. A new startup business with an untested concept, but a solid business plan that meets a need and is poised to grow. A bank should be permitted to take thoughtful risks to help trusted customers reach their potential.

Additionally, we are concerned that this bill's definition of "fair access" might require financial institutions to provide services to every customer in a certain geography. This could lead to dangerous concentrations and remove a bank's ability to manage that risk.

The bill creates additional regulations, monitoring, and oversight of financial services which are unnecessary, duplicative, and do not create benefit for customers. We fear that this additional regulatory overlay will result in new compliance red tape, and most importantly, less access to loans and deposits for Maine people. We thank the Committee for its consideration and are happy to answer any questions.

Respectfully Submitted,
Joshua Steirman
Director of Government Relations