



March 25, 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 today in regards to three bills dealing with medical debt: L.D. 558, L.D. 902, and L.D. 1030. Our position on each bill is Neither For Nor Against, though we do have meaningful concerns about portions of the language as drafted.

Medical Debt Reporting – L.D. 558 and L.D. 1030 both propose that consumer reporting agencies be prohibited from reporting medical debt. We are concerned that neither proposal articulates a definition of what debts are considered to be medical debt. This ambiguity invites scrutiny of individual credit card purchases to determine whether a charge is medical in nature, as measured against an undefined standard. Other types of consumer debt are not sorted by credit reports in a manner which discriminates by purchase type. We fear that this type of granular analysis invites both an invasion of consumer privacy, and an arbitrary standard. Consumers deserve a clear standard and privacy; these bills question both.

Debt Cancellation – similarly, we are concerned that the debt cancellation proposal in L.D. 902 would invite inappropriate scrutiny of consumer debt balances. Additionally, we are concerned about the concept of any extra-judicial criteria being used to cancel legally incurred financial debts. Other than negotiation between two parties, or use of courts to include bankruptcy, we are wary of legislative efforts to alter legally binding contract between two parties. Creation of a legal class which is not required to pay debts is a concerning precedent.

We thank the Committee for its consideration and are happy to answer any questions.

Respectfully Submitted,
Joshua Steirman
Director of Government Relations