

MAINE COMMITTEE ON JUDICIARY

MEMORANDUM IN OPPOSITION TO LD 1822 (HP 1220)

May 5, 2025

RMAI is a trade association of over 600 members composed of banks, non-bank lenders, debt buyers, and the companies that support them. These are primarily financial institutions under the Gramm-Leach-Bliley Act (“GLBA”).

Respectfully, RMAI opposes LD 1822.

LD 1822 WILL CONFUSE BUSINESSES AND CONSUMERS

LD 1822 creates a situation where financial institutions’ data subject to the Gramm-Leach-Bliley Act (“GLBA”) would be exempt, but the financial institutions themselves would not be exempt. This is problematic.

First, if financial institutions would be subject to the act but their data would not, it raises practical and unaddressed questions for businesses and consumers:

- Would a financial institution technically be exempt from the act if it only collects and processes GLBA-exempt data?
- If not, with which provisions must it comply?
- Must it develop costly compliance procedures to receive and respond to consumer requests?
- If so, will consumers be confused when their requests are denied because all the data is GLBA-exempt?

Second, sixteen states that have adopted comprehensive consumer data privacy acts exclude both financial institutions *and* data that are subject to the GLBA. Providing an exemption only for GLBA data therefore creates an unnecessary compliance anomaly with additional burdens, as well as enforcement risk associated with the unaddressed questions discussed above.

Third, financial institutions subject to the GLBA should be exempt because they are already highly regulated at the federal level:

- The GLBA Privacy Rule¹ addresses consumers’ privacy rights. The Privacy Rule:
 - Requires a financial institution to provide notice to customers about its privacy policies and practices;
 - Describes when a financial institution may disclose nonpublic personal information about consumers to nonaffiliated third parties; and
 - Provides a method for consumers to opt out of such sharing.²

¹ 16 C.F.R. § 313.1, *et seq.*

² 16 C.F.R. § 313.1(a).



- The GLBA Safeguards Rule,³ as the name implies, requires financial institutions to implement safeguards sufficient to protect consumers' nonpublic personal information.
- Section 1033 of the Dodd-Frank Act⁴ requires that financial institutions provide consumers with access to their information relating to financial products or services that have been provided.

For these reasons, RMAI respectfully recommends the following amendment following subparagraph H of subsection 1 of section 9604:

I. A financial institution or an affiliate of a financial institution as defined by and that is subject to the federal "Gramm-Leach-Bliley Act", 15 U.S.C. sec. 6801 et seq., as amended, and implementing regulations, including Regulation P, 12 CFR 1016.⁵

Thank you for your time and consideration, and please let us know if we can be of assistance or answer any questions.

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³ 16 C.F.R. § 314.1, *et seq.*

⁴ 12 U.S.C. § 5533.

⁵ See, for example, Colo. Rev. Stat. § 6-1-1304(2)(q).