

New England Financial Services Association
New York Consumer Finance Association
New Jersey Financial Services Association

October 6, 2009

Honorable Lawrence Bliss
Senate Chair, Joint Standing Committee
on Judiciary
State House
Augusta, ME 04333

Honorable Charles R. Priest
House Chair, Joint Standing Committee
on Judiciary
State House
Augusta, ME 04333

Re: Committee Review of P.L.2009, c. 230

Dear Senator Bliss and Representative Priest:

Please accept this letter on behalf on behalf of the New England Financial Services Association ("NEFSA"). NEFSA's members are financial institutions who engage in full service consumer and banking activities in the State of Maine and throughout the country. Members include J.P. Morgan Chase, Bank of America, Wells Fargo, HSBC, AIG and First Data Corporation.

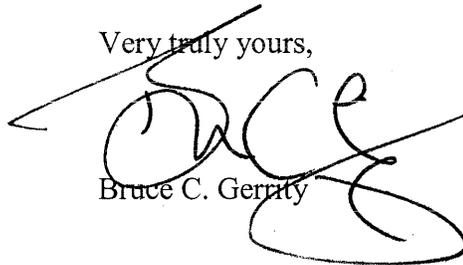
NEFSA explicitly adopts the position which has been submitted on behalf of a number of organizations and interests in relation to the constitutionality of P.L. c. 230. In short, it is clear that this law is unconstitutional as well as overbroad. NEFSA members provide a broad array of financial services which benefit minors. All of these activities will effectively be precluded as a result of this statute. For example, NEFSA members provide financial assistance and school loans to Maine's minors who are attending college. This source of funds, which allow Maine's youth to access a collegiate education, will be removed. NEFSA members provide other credit programs to Maine's youth, all of which will be suspended. Financial assistance for other products, including automobiles, for example, will be precluded. This legislation also would preclude a bank or other financial institution from even sending the information regarding a minor to an affiliate for purposes of servicing an account. It would preclude services as basic as ordering, for a minor, checks for a checking account which might come from a third party vendor.

These concerns and limitations are neither farfetched nor the product of overreaction. The scope of the statute is extraordinary, and when the legislation couples both a private right of action and exposure to a per se unfair trade practice charge, financial institutions simply cannot continue to provide these services.

NEFSA respectfully requests that the appropriate course at this time is for the Committee to prepare legislation to repeal P.L. c. 230. This repeal should take effect immediately so that financial services are not disrupted for any longer a period than necessary. In addition, NEFSA urges the Committee to recommend that new legislation be presented for the Second Session of the 124th Legislature which will allow all interest groups an opportunity to work collectively to correct the statute without eviscerating those financial services that are essential to allowing minors access to everything from checking accounts to college loans.

NEFSA appreciates this opportunity to submit comments in relation to the Committee's review of P.L. c. 230.

Very truly yours,

A handwritten signature in black ink, appearing to read 'BCG', with a long horizontal line extending to the left and a large loop at the end.

Bruce C. Gerrity

BCG/ryp