



September 7, 2009

Maine State Legislature
Joint Standing Committee on Judiciary
100 State House Station
Augusta, ME 04333-0100

Dear Senator Bliss and Representative Priest and Judiciary Committee Members:

This letter is being written on behalf of the 31 member banks of the Maine Association of Community Banks (MACB) in response to the notice of Public Comment issued by the Maine Legislature's Joint Standing Committee on Judiciary regarding P.L. 2009, c. 230. MACB would like to thank Senator Bliss, Representative Priest and the distinguished members of the Judiciary Committee for an opportunity to comment on this issue.

Enactment of P.L. 2009, c. 230 sent shockwaves through Maine's financial institutions. Our industry did not monitor LD 1183, An Act to Prevent Predatory Marketing Practices Against Minors Regarding Data Concerning Health Care Issues because the scope of the law was narrow and did not include any reference to "personal information". However, somewhere along the line the term "personal information" was incorporated into LD 1183 and enacted in P.L. 2009, c. 230 causing major unintended consequences for banks trying to service the financial needs of minors. Listed below are several examples of the unintended consequences for banks resulting from the passage of this new law.

1. A seventeen year old college freshman may not be able to open a checking/savings account with a bank and an existing minor customer would be prohibited from reordering checks or a debit card on their bank account because ordering account materials (e.g., ATM card and checks) may have to be done by a vendor outside of the bank. The new law prohibits someone from transferring identifiable information of a minor to another person. See §9522 (2) (B). The federal Gramm-Leach-Bliley Act (15 USC §6801) and Maine's Confidential Financial Records Act (9-B MRSA Chapter 16 §161) already establish regulatory guidelines and safety standards for banks using third party vendors to order account materials.

The Maine Association of Community Banks (www.mecb.com) represents 31 community banks that operate over 500 branch locations in Maine and whose more than 7,000 employees provide financial resources that improve the quality of life for Maine's citizens and businesses.

2. Banks have websites for the convenience of their current and prospective customers. Consumers enjoy using a bank's website to see product rates and to request more information. Website marketing may be eliminated because of the passage of P.L. 2009, c. 230. How can a bank know if there is a minor initiating a request for more information? There are multitudes of regulations (e.g., Regulation Z for lending and Regulation DD for savings) that already exist to deal with marketing financial product rates and services to customers.

MACB has read the testimony associated with LD 1183, and it is clear that the bill's sponsors and other supporters never advocated restricting minors from obtaining financial products. The insertion of "personal information" by the Business Research and Economic Development Committee into the enacted law has caused the "unintended consequences" for Maine banks.

The committee's request for comment relative to P.L. 2009, c. 230 asked each commenter to suggest solutions stating "the Maine Attorney General's acknowledgment of concerns over the substantial overbreadth of the statute and the implications it has on the exercise of First Amendment rights." MACB would support immediate repeal of P.L. 2009 c. 230 based on the Attorney General's concerns, and we pledge to work with all stakeholders to draft a bill that closely aligns with the original narrow intent of LD 1183. MACB can only support a solution that removes the term "personal information" from Maine Title 10 Chapter 1055.

Thank you for allowing us to comment on this very important issue on behalf of our members. Kathy Keneborus will be attending the October 15th hearing and is willing to address the committee, if the committee wishes to hear further comments from the banking community.

Please feel free to contact us directly if you have any additional questions.

Chris Pinkham
Maine Association of Community Banks
pinkhamc@mecb.com
(207) 791-8401

Kathy Keneborus
Maine Association of Community Banks
keneborusk@mecb.com
(207) 791-8406

The Maine Association of Community Banks (www.mecb.com) represents 31 community banks that operate over 500 branch locations in Maine and whose more than 7,000 employees provide financial resources that improve the quality of life for Maine's citizens and businesses.