



**Statement of the Massachusetts Bankers Association in Support of
H 954, An Act Protecting the Use of Bank Names, Trade Names and
Trademarks In Electronic Communications
Joint Committee on Financial Services
October 24, 2023**

On behalf of our more than 120 commercial, savings and cooperative banks and federal savings institution members with more than 72,000 employees located throughout the Commonwealth and New England, the Massachusetts Bankers Association (MBA) appreciates the opportunity to submit testimony in strong support of H 954, An Act Protecting the Use of Bank Names, Trade Names and Trademarks In Electronic Communications.

As you know, in 2014 this Committee advanced legislation which ultimately became Chapter 482 of the Acts of 2014, a comprehensive update and modernization of the Commonwealth's banking laws for the first time in 30 years. Since that time, MBA-supported legislation has been introduced that included provision suggested by MBA members or others that were identified too late in the legislative process to be included in the final modernization law including this bill, H 954, before you today.

By the way of background, in response to hundreds of cases of consumer complaints as well as objections by banks about solicitations purportedly involving or sent by their current financial institution, a law was passed to prevent such abuses – M.G.L. Chapter 167, section 37 – over 15 years ago. The law is triggered by written or oral advertisements or solicitations by any entity to a specifically identified consumer with related specific information that used the name, trade name or trademark of a financial institution without that institution's express written consent. And, at that time, the advertisements and solicitations were limited to "email, direct mail solicitation, or oral solicitation".

MBA believes that over fifteen years of advancements in technology since the passage of that law necessitate enhancements to its coverage. The language in H 954 does exactly that. The amendments offered substantially broaden the definition of advertisement and solicitation to include, among other things, text messages and any other forms of electronic communication. The definition of "electronic" is also broadened albeit taken directly from the General Law (MGL Chapter 110G section 2) governing electronic transactions. Finally, the list of entities subject to the prohibition is also expanded. All other provisions of the current law are retained.

Conclusion

MBA believes that the provisions included in H 955 will complement the existing unauthorized banking law (Chapter 167, section 37) and provide banks, credit unions and importantly consumers in Massachusetts with additional protections and, hopefully, less unwarranted solicitations. We respectfully ask that the Committee give this bill a favorable report.

Thank you again for considering our views on these important subjects.