

**HB1634/233198/1**

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 1634

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “prohibiting” in line 3 down through “borrower;” in line 16; in line 21, after “Act” insert “or State financial laws”; in the same line, strike “consumer reporting agencies,” and substitute “collection agencies, mortgage lenders,”; in line 22, after “mortgage” insert “loan”; in the same line, after “cashers,” insert “money transmitters,”; in the same line, after “services;” insert “prohibiting a certain collector from engaging in certain unlicensed debt collection activity and certain conduct under certain circumstances;”; and strike beginning with “requiring” in line 22 down through “consumer;” in line 27.

On pages 2 and 3, strike beginning with “providing” in line 3 on page 2 down through “regulations;” in line 13 on page 3.

On page 2, in line 1, after “actions” insert “or proceedings under certain circumstances”.

On page 3, strike beginning with “cryptocurrencies” in line 16 down through “technologies” in line 17 and substitute “certain issues”; after line 24, insert:

“BY repealing and reenacting, with amendments,

Article – Business Regulation

Section 7–101(i) and 7–205(b)

Annotated Code of Maryland

(2015 Replacement Volume and 2017 Supplement)”;

(Over)

**HB1634/233198/1 Economic Matters Committee**  
**Amendments to HB 1634**  
**Page 2 of 8**

in line 27, strike “12–101, 12–111, 12–112, 12–114, 12–303, 12–311(c), 12–314, 12–601(k),”; strike beginning with “14–202,” in line 28 down through “14–1218(a)” in line 29 and substitute “and 14–202”; and in line 34, strike “12–114.1; and”.

On pages 3 and 4, strike in their entirety the lines beginning with line 38 on page 3 through line 9 on page 4, inclusive.

On page 4, in line 12, strike “2–105.1(b), 11–303, 11–601(q),” and substitute “2–115(b), 2–116(b), 11–517(c).”; in the same line, after “12–126,” insert “12–426(e)(2).”; in line 17, after “Section” insert “11–504.”; in the same line, after “12–105(a),” insert “12–405(a).”; and strike in their entirety lines 20 through 25, inclusive.

**AMENDMENT NO. 2**

On pages 6 through 13, strike in their entirety the lines beginning with line 16 on page 6 through line 29 on page 13, inclusive.

On page 19, in line 22, strike “**PROHIBITED UNDER**” and substitute “**THAT VIOLATES**”.

On pages 19 through 27, strike in their entirety the lines beginning with line 24 on page 19 through line 29 on page 27, inclusive.

On pages 34 through 50, strike in their entirety the lines beginning with line 27 on page 34 through line 9 on page 50.

On page 50, in lines 10, 20, 26, and 31, strike “3.”, “4.”, “5.”, and “6.”, respectively, and substitute “2.”, “3.”, “4.”, and “5.”, respectively.

On page 51, in line 5, strike “7.” and substitute “6.”.

**AMENDMENT NO. 3**

On page 6, after line 14, insert:

“Article - Business Regulation

7-101.

(i) “Licensed collection agency” means a person who is [licensed by the Board to do business as a collection agency] REQUIRED TO BE LICENSED UNDER THIS SUBTITLE, REGARDLESS OF WHETHER THE PERSON IS ACTUALLY LICENSED.

7-205.

(b) If a violator fails to comply with a lawful order issued by the Board, the Board may impose a penalty [of up to \$500] NOT EXCEEDING \$10,000 for each violation cited in the order, not to exceed [\$5,000] \$25,000, from which the violator failed to cease and desist or for which the violator failed to take affirmative action to correct, as ordered by the Board.”.

On page 32, before line 17, insert:

“2-115.

(b) When the Commissioner determines after notice and a hearing, unless the right to notice and a hearing is waived, that a person has engaged in an act or practice constituting a violation of a law, regulation, rule or order over which the Commissioner has jurisdiction, the Commissioner may in the Commissioner’s discretion and in addition to taking any other action authorized by law:

- (1) Issue a final cease and desist order against the person;
- (2) Suspend or revoke the license of the person;

(Over)

**HB1634/233198/1 Economic Matters Committee**  
**Amendments to HB 1634**  
**Page 4 of 8**

(3) Issue a penalty order against the person imposing a civil penalty [up to the maximum amount of \$1,000] **NOT EXCEEDING:**

(I) **\$10,000** for a first violation; and

(II) [a maximum amount of \$5,000] **\$25,000** for each subsequent violation; or

(4) Take any combination of the actions specified in this subsection.

2-116.

(b) When it appears to the Commissioner that a person has engaged in an act or practice constituting a violation of a law, regulation, rule, or order over which the Commissioner has jurisdiction, the Commissioner may bring an action in the circuit court of the county in which the person resides or transacts business to obtain one or more of the following remedies:

(1) A temporary restraining order;

(2) A temporary or permanent injunction;

(3) A civil penalty [up to a maximum amount of \$1,000] **NOT EXCEEDING:**

(I) **\$10,000** for a first violation; and

(II) [a maximum amount of \$5,000] **\$25,000** for each subsequent violation;

(4) A declaratory judgment;

**HB1634/233198/1 Economic Matters Committee**  
**Amendments to HB 1634**  
**Page 5 of 8**

- (5) An order preventing access to the violator's assets;
- (6) Rescission;
- (7) Restitution; and
- (8) Any other relief as the court deems just.

11-504.

A person may not act as a mortgage lender unless the person is:

- (1) A licensee; or
- (2) A person exempted from licensing under this subtitle.

11-517.

(c) (1) The Commissioner may enforce the provisions of this subtitle, regulations adopted under § 11-503 of this subtitle, and the applicable provisions of Title 12 of the Commercial Law Article by:

- (i) Issuing an order:
  - 1. To cease and desist from the violation and any further similar violations; and
  - 2. Requiring the violator to take affirmative action to correct the violation including the restitution of money or property to any person aggrieved by the violation; and

(Over)

**HB1634/233198/1 Economic Matters Committee**  
**Amendments to HB 1634**  
**Page 6 of 8**

(ii) Imposing a civil penalty not exceeding ~~[\$5,000]~~ **\$10,000** for each violation.

(2) If a violator fails to comply with an order issued under paragraph (1)(i) of this subsection, the Commissioner may impose a civil penalty not exceeding ~~[\$5,000]~~ **\$25,000** for each violation from which the violator failed to cease and desist or for which the violator failed to take affirmative action to correct.”.

On page 33, after line 23, insert:

“~~12-405.~~

(a) A person may not engage in the business of money transmission if that person, or the person with whom that person engages in the business of money transmission, is located in the State unless that person:

(1) Is licensed by the Commissioner;

(2) Is an authorized delegate of a licensee under whose name the business of money transmission occurs; or

(3) Is a person exempted from licensing under this subtitle.

12-426.

(e) (2) If a violator fails to comply with an order issued under paragraph (1) of this subsection, the Commissioner may impose a civil penalty ~~[of up to \$1,000]~~ **NOT EXCEEDING:**

(I) **\$10,000** for the first violation; and

**HB1634/233198/1 Economic Matters Committee**  
**Amendments to HB 1634**  
**Page 7 of 8**

(II) [\$5,000] \$25,000 for each subsequent violation from which the violator failed to cease and desist or for which the violator failed to take affirmative action.”.

AMENDMENT NO. 4

On page 28, in line 14, strike “**THE**” and substitute “**WHENEVER THE OFFICE AND THE COMMISSIONER CONSIDER IT APPROPRIATE, THE**”; in line 16, after “**ACTIONS**” insert “**OR OTHER APPROPRIATE PROCEEDINGS**”; and in line 19, strike “**\$800,000**” and substitute “**\$300,000**”.

On page 29, in line 6, strike “**\$400,000**” and substitute “**\$300,000**”.

AMENDMENT NO. 5

On pages 29 and 30, strike in their entirety the lines beginning with line 15 on page 29 through line 25 on page 30, inclusive.

On pages 30 and 31, strike in their entirety the lines beginning with line 27 on page 30 through line 30 on page 31, inclusive.

On page 32, strike in their entirety lines 1 through 16, inclusive.

On page 50, in line 23, after “study” insert “:

(i)”;

in the same line, strike the second “and” and substitute:

“(ii) the Consumer Financial Protection Bureau arbitration rule and the Model State Consumer and Employee Justice Enforcement Act, including reviewing similar laws adopted in other states; and

(Over)

**HB1634/233198/1 Economic Matters Committee**  
**Amendments to HB 1634**  
**Page 8 of 8**

(iii) the possible exemption of retailers of manufactured homes from the definition of “mortgage originator” in federal law;

(2) monitor the U.S. Securities and Exchange Commission’s actions in addressing conflicts of interest of broker-dealers’ offering of investment advice by aligning the standard of care for broker-dealers with that of the fiduciary duty of investment advisors; and”;

in line 24, strike “(2)” and substitute “(3)”; in the same line, strike “for State actions to regulate cryptocurrencies”; in line 25, after “and” insert “, in accordance with § 2-1246 of the State Government Article,”; and in the same line, after “Assembly” insert “regarding:

(i) State action to regulate cryptocurrencies;

(ii) changes to State law to provide the protection intended by the Model State Consumer and Employee Justice Enforcement Act;

(iii) changes to State law to provide the protection intended by the fiduciary duty standards of care; and

(iv) clarification of State law to ensure that Maryland buyers of manufactured homes are protected in their homebuying transaction”.