

# HOUSE BILL 59

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By: **Chair, Economic Matters Committee (By Request – Departmental – Labor,  
Licensing and Regulation)**

Introduced and read first time: January 17, 2019

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 14, 2019

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Financial Institutions – Commissioner of Financial Regulation – Debt**  
3 **Settlement Services**

4 FOR the purpose of requiring registrants providing debt settlement services to obtain and  
5 maintain a valid unique identifier issued by the Nationwide Mortgage Licensing  
6 System and Registry (NMLS) and to transfer registration information to NMLS  
7 during a certain time period; requiring the Commissioner of Financial Regulation to  
8 establish a certain time period; requiring the Commissioner to notify certain  
9 registrants of the transfer period and provide certain registrants with certain  
10 instructions; requiring a certain applicant for the issuance of a registration or a  
11 renewal of a registration to apply for the registration through NMLS on or after a  
12 certain date or on or after the date that the Commissioner joins NMLS; decreasing  
13 certain fees to register as a debt settlement services provider; requiring a certain  
14 registrant to pay certain NMLS fees; altering the term of an initial registration and  
15 a renewal of a registration; repealing an outdated provision; defining a certain term;  
16 and generally relating to debt settlement services.

17 BY repealing and reenacting, without amendments,  
18 Article – Financial Institutions  
19 Section 12–1001(a)  
20 Annotated Code of Maryland  
21 (2011 Replacement Volume and 2018 Supplement)

22 BY adding to

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Article – Financial Institutions  
2 Section 12–1001(l)  
3 Annotated Code of Maryland  
4 (2011 Replacement Volume and 2018 Supplement)

5 BY repealing and reenacting, with amendments,  
6 Article – Financial Institutions  
7 Section 12–1004, 12–1006, and 12–1009  
8 Annotated Code of Maryland  
9 (2011 Replacement Volume and 2018 Supplement)

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
11 That the Laws of Maryland read as follows:

12 **Article – Financial Institutions**

13 12–1001.

14 (a) In this subtitle the following words have the meanings indicated.

15 **(L) “UNIQUE IDENTIFIER” MEANS A NUMBER OR ANOTHER IDENTIFIER**  
16 **ASSIGNED BY NMLS.**

17 12–1004.

18 **(A)** A person may not offer, provide, or attempt to provide debt settlement services  
19 unless the person:

20 (1) Is registered with the Commissioner under this subtitle; or

21 (2) Is exempt from registration under this subtitle.

22 **(B) DURING THE TIME PERIOD ESTABLISHED BY THE COMMISSIONER**  
23 **UNDER SUBSECTION (C) OF THIS SECTION, EACH REGISTRANT SHALL:**

24 **(1) OBTAIN AND MAINTAIN A VALID UNIQUE IDENTIFIER ISSUED BY**  
25 **NMLS WHEN AN ACCOUNT IS CREATED WITH NMLS; AND**

26 **(2) TRANSFER REGISTRATION INFORMATION TO NMLS.**

27 **(C) (1) THE COMMISSIONER SHALL ESTABLISH A TIME PERIOD THAT IS**  
28 **NOT LESS THAN 2 MONTHS WITHIN WHICH A REGISTRANT MUST TRANSFER**  
29 **REGISTRATION INFORMATION TO NMLS.**

30 **(2) THE TIME PERIOD THAT THE COMMISSIONER ESTABLISHES**  
31 **UNDER THIS SUBSECTION SHALL BEGIN ON OR AFTER JULY 1, 2019.**

1           **(3) AT LEAST 30 DAYS BEFORE THE TRANSFER PERIOD BEGINS, THE**  
2 **COMMISSIONER SHALL:**

3                   **(I) NOTIFY REGISTRANTS OF THE TRANSFER PERIOD; AND**

4                   **(II) PROVIDE INSTRUCTIONS FOR THE TRANSFER OF**  
5 **REGISTRATION INFORMATION TO NMLS.**

6           **(D) SUBJECT TO SUBSECTION (B) OF THIS SECTION, AN APPLICANT FOR THE**  
7 **ISSUANCE OF A REGISTRATION OR A RENEWAL OF A REGISTRATION SHALL APPLY**  
8 **FOR THE INITIAL REGISTRATION OR THE RENEWAL OF THE REGISTRATION**  
9 **THROUGH NMLS:**

10                   **(1) ON OR AFTER JULY 1, 2019; OR**

11                   **(2) IF THE COMMISSIONER HAS NOT JOINED NMLS WITH RESPECT**  
12 **TO PERSONS REQUIRED TO BE REGISTERED UNDER THIS SUBTITLE AS OF JULY 1,**  
13 **2019, ON OR AFTER THE DATE THAT THE COMMISSIONER JOINS, AS SPECIFIED BY**  
14 **THE COMMISSIONER BY PUBLIC NOTICE.**

15 12-1006.

16           **(A) A person registering as a debt settlement services provider with the**  
17 **Commissioner under this subtitle shall pay to the Commissioner a nonrefundable fee in the**  
18 **amount of:**

19                   **(1) [\$1,000] ~~\$500~~ \$400 for the issuance of a registration under this**  
20 **subtitle; and**

21                   **(2) [\$1,000] ~~\$500~~ \$400 for the renewal of a registration under this**  
22 **subtitle.**

23           **(B) IN ADDITION TO THE REGISTRATION FEE REQUIRED UNDER**  
24 **SUBSECTION (A) OF THIS SECTION, A REGISTRANT FOR THE ISSUANCE OF A**  
25 **REGISTRATION OR A RENEWAL OF A REGISTRATION SHALL PAY TO NMLS ANY FEES**  
26 **THAT NMLS IMPOSES IN CONNECTION WITH THE ISSUANCE OF THE REGISTRATION**  
27 **OR THE RENEWAL OF THE REGISTRATION.**

28 12-1009.

29           **(a) A registration issued under this subtitle expires on December 31 of each**  
30 **[odd-numbered] year [unless the registration is renewed for a 2-year term as provided in**  
31 **subsection (b) of this section].**

1 (b) On or [before December] **AFTER NOVEMBER** 1 of the year [of expiration, a]  
 2 **IN WHICH A REGISTRATION EXPIRES, THE** registration may be renewed for [a 2-year]  
 3 **AN ADDITIONAL 1-YEAR** term if the registrant:

4 (1) Otherwise is entitled to be registered;

5 (2) Pays to the Commissioner the renewal fee established under § 12-1006  
 6 of this subtitle; [and]

7 (3) Submits to the Commissioner a renewal application on the form that  
 8 the Commissioner requires; **AND**

9 (4) **PAYS TO NMLS ANY FEES THAT NMLS IMPOSES IN CONNECTION**  
 10 **WITH THE RENEWAL OF THE REGISTRATION.**

11 [(c) A registration or a renewal of a registration with an expiration date of  
 12 December 1, 2015, shall automatically extend and expire on June 1, 2016, without payment  
 13 of an additional fee or submission of an application.]

14 SECTION 2. **AND BE IT FURTHER ENACTED,** That this Act shall take effect  
 15 ~~October~~ July 1, 2019.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.