
By: Chairman, Finance Committee (Departmental - Labor, Licensing and Regulation)

Introduced and read first time: January 27, 1997

Rule 32(e) suspended

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Commissioner of Financial Regulation - Licensing**

3 FOR the purpose of revising the payment schedule of certain fees; increasing the term of
4 certain licenses; and generally relating to licenses issued by the Commissioner of
5 Financial Regulation.

6 BY repealing and reenacting, with amendments,

7 Article - Financial Institutions

8 Section 11-206, 11-209, 11-404, 11-409, 11-507, and 11-511

9 Annotated Code of Maryland

10 (1992 Replacement Volume and 1996 Supplement)

11 BY repealing and reenacting, with amendments,

12 Article - Business Regulation

13 Section 7-302 and 7-306

14 Annotated Code of Maryland

15 (1992 Volume and 1996 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Financial Institutions**

19 11-206.

20 (a) (1) To apply for a license, an applicant shall sign and submit to the
21 Commissioner a verified application on the form that the Commissioner requires.

22 (2) The application shall include:

23 (i) The applicant's name and address and, if the applicant is not an
24 individual, the names and addresses of each of its principal owners and each of its
25 officers, directors, or members;

26 (ii) The address at which the business is to be conducted; and

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1 (iii) Any other pertinent information that the Commissioner requires
2 for an investigation and findings under § 11-207 of this subtitle.

3 (b) With the application, the applicant shall pay to the Commissioner:

4 (1) An investigation fee of \$100; and

5 (2) A license fee of [either]:

6 (i) [\$850] \$1,700 if the applicant applies for a license to be issued on
7 or after [July] JANUARY 1 and on or before December 31 OF AN EVEN-NUMBERED
8 YEAR; [or]

9 (ii) EFFECTIVE JANUARY 1, 1999, [\$425] \$850 if the applicant applies
10 for a license to be issued on or after January 1 and on or before [June 30] DECEMBER
11 31 OF AN ODD-NUMBERED YEAR; OR

12 (III) \$1,700 IF THE APPLICANT APPLIES FOR A LICENSE TO BE ISSUED
13 ON OR AFTER OCTOBER 1, 1997 AND ON OR BEFORE DECEMBER 31, 1997.

14 (c) (1) With the application, the applicant shall file with the Commissioner a
15 surety bond.

16 (2) The surety bond filed under this subsection shall run to this State for the
17 benefit of this State and of any person who has a cause of action against the applicant
18 under the Maryland Consumer Loan Law.

19 (3) The surety bond shall be:

20 (i) In an amount equal to twice the amount of the largest loan that
21 may be made under the Maryland Consumer Loan Law;

22 (ii) With sureties that the Commissioner approves; and

23 (iii) Conditioned that the applicant will comply with the Maryland
24 Consumer Loan Law and will pay to this State or to any person any money that the
25 applicant may owe to this State or to that person under the Maryland Consumer Loan
26 Law.

27 (d) For each license for which an applicant applies, the applicant shall:

28 (1) Submit a separate application;

29 (2) Pay a separate investigation fee and license fee; and

30 (3) File a separate bond.

31 11-209.

32 (a) A license ISSUED BEFORE SEPTEMBER 30, 1997 expires on the June 30 after
33 its effective date, unless it is renewed for a [1-year] 2-YEAR term as provided in this
34 section.

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1 (b) A LICENSE ISSUED ON OR AFTER OCTOBER 1, 1997 EXPIRES ON DECEMBER
2 31 IN EACH ODD-NUMBERED YEAR AFTER DECEMBER 31, 1997, UNLESS IT IS
3 RENEWED FOR A 2-YEAR TERM AS PROVIDED IN THIS SECTION.

4 (C) On or before [June] DECEMBER 1 OF THE YEAR OF EXPIRATION, a
5 [licensee may renew the license] LICENSE MAY BE RENEWED for an additional
6 [1-year] 2-YEAR term, if the licensee:

- 7 (1) Otherwise is entitled to be licensed;
- 8 (2) Pays to the Commissioner a renewal fee of [\$850] \$1,700; and
- 9 (3) Submits to the Commissioner a renewal application on the form that the
10 Commissioner requires.

11 [(c)] (D) The Commissioner may waive the requirements of § 11-205(1) and (2)
12 of this subtitle for the renewal of a license.

13 11-404.

14 (a) (1) To apply for a license, an applicant shall sign and submit to the
15 Commissioner a verified application on the form that the Commissioner requires.

16 (2) The application shall include:

- 17 (i) The name of the applicant;
- 18 (ii) The address at which the business is to be conducted, including, if
19 applicable, the office building and room number;
- 20 (iii) The address of each branch, subsidiary, or affiliate that the
21 applicant operates in this State;
- 22 (iv) If the applicant is a corporation, the date of its incorporation;
- 23 (v) The name and residence address of each owner of or partner in the
24 applicant or, if the applicant is a corporation or association, the name and residence
25 address of each of its directors or trustees, its principal officers, and each person who
26 owns an interest of 20 percent or more in the applicant; and
- 27 (vi) Any other pertinent information that the Commissioner requires.

28 (b) With the application, the applicant shall pay to the Commissioner:

- 29 (1) An investigation fee of \$100; and
- 30 (2) A license fee of [\$125] \$250.

31 (c) (1) For each license for which an applicant applies, the applicant shall
32 submit:

- 33 (i) A separate application; and
- 34 (ii) Pay a separate investigation fee and license fee.

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1 (2) If an applicant applies for three or more licenses at the same time, the
2 total investigation fee is \$300.

3 11-409.

4 (a) A license expires on December 31 [of the year in which it was issued] IN
5 EACH ODD-NUMBERED YEAR AFTER DECEMBER 31, 1997.

6 (b) Before a license expires, the licensee may apply for a new license.

7 11-507.

8 (a) (1) To apply for a license, an applicant shall complete, sign, and submit to
9 the Commissioner an application made under oath on the form that the Commissioner
10 requires.

11 (2) The applicant shall comply with all conditions and provisions of the
12 application for licensure.

13 (3) The application shall include:

14 (i) If the applicant is an individual, the applicant's name, business
15 address and telephone number, and residence address and telephone number;

16 (ii) If the applicant is a partnership or other noncorporate business
17 association, the business name, business address and telephone number, and the
18 residence address and telephone number of each:

19 1. General partner, if the applicant is a limited partnership;

20 2. General partner who holds an interest in the partnership of
21 more than 10 percent, if the applicant is a general partnership; or

22 3. Member, if the applicant is another noncorporate business
23 association;

24 (iii) If the applicant is a corporation:

25 1. The name, address, and telephone number of the corporate
26 entity; and

27 2. The name, the business telephone number, and the residence
28 address and telephone number of the president, senior vice presidents, secretary, and
29 treasurer, each director, and each stockholder owning or controlling 10 percent or more
30 of any class of stock in the corporation;

31 (iv) The name under which the mortgage lender business is to be
32 conducted;

33 (v) The name and address of the applicant's resident agent, if any; and

34 (vi) Any other information that the Commissioner reasonably requires.

35 (b) With each application, the applicant shall pay to the Commissioner:

36 (1) A nonrefundable investigation fee of \$100; and

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1 (2) A license fee of [either]:

2 (i) [\$500] \$1,000 if the applicant applies for a license to be issued on
3 or after January 1 and on or before [June 30] DECEMBER 31 OF AN EVEN-NUMBERED
4 YEAR; [or]

5 (ii) EFFECTIVE JANUARY 1, 1999, [\$250] \$500 if the applicant applies
6 for a license to be issued on or after [July] JANUARY 1 and on or before December 31
7 OF AN ODD-NUMBERED YEAR; OR

8 (III) \$1,000 IF THE APPLICANT APPLIES FOR A LICENSE TO BE ISSUED
9 ON OR AFTER OCTOBER 1, 1997 AND ON OR BEFORE DECEMBER 31, 1997.

10 (c) For each license for which an applicant applies, the applicant shall:

11 (1) Submit a separate application;

12 (2) Pay a separate license fee; and

13 (3) File a separate surety bond or other financial guaranty under § 11-508 of
14 this subtitle.

15 11-511.

16 (a) A license expires on [the] December 31 IN EACH ODD-NUMBERED YEAR
17 after [its effective date] DECEMBER 31, 1997 unless the license is renewed for a [1-year]
18 2-YEAR term as provided in this section.

19 (b) [Before a license expires] ON OR BEFORE DECEMBER 1 OF THE YEAR OF
20 EXPIRATION, [the licensee periodically may renew the license] A LICENSE MAY BE
21 RENEWED for additional [1-year] 2-YEAR terms, if the licensee:

22 (1) Otherwise is entitled to be licensed;

23 (2) Pays to the Commissioner a renewal fee of [\$500] \$1,000;

24 (3) Submits to the Commissioner a renewal application on the form that the
25 Commissioner requires; and

26 (4) Files a bond or bond continuation certificate for the amount required
27 under § 11-508 of this subtitle.

28 (c) If a license is issued for less than [a] 2 full [year,] YEARS AND is
29 surrendered voluntarily, or is suspended or revoked, the Commissioner may not refund
30 any part of the license fee regardless of the time remaining in the license [year] TERM.

31 **Article - Business Regulation**

32 7-302.

33 (a) An applicant for a license shall:

34 (1) submit to the Board an application on the form that the Board provides;
35 and

36 (2) pay to the Board an application fee of [\$200] \$400.

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1 (b) An application shall be made under oath.

2 (c) If an applicant wishes to do business as a collection agency at more than 1
3 place, the applicant shall submit a separate application and pay a separate application fee
4 for each place.

5 (d) An application fee is nonrefundable.

6 (e) Before a license expires, the licensee periodically may renew the license for
7 additional [1-year] 2-YEAR terms, if the licensee:

8 (1) otherwise is entitled to be licensed;

9 (2) pays to the Board a renewal fee of [\$200] \$400;

10 (3) submits to the Board a renewal application on a form required by the
11 Board; and

12 (4) files with the Board a bond or bond continuation certificate as required
13 under § 7-304 of this subtitle.

14 7-306.

15 A license expires on [the first] December 31 IN EACH ODD-NUMBERED YEAR
16 after [its effective date] DECEMBER 31, 1997.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 1997.