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By: **Senators Astle and DeGrange**  
Introduced and read first time: February 4, 2000  
Assigned to: Finance

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Deferred Presentment Services - Licensure of Businesses Engaged in the**  
3                                   **Practice of**

4 FOR the purpose of requiring persons who provide deferred presentment services in  
5 the State to be licensed by the Commissioner of Financial Regulation; specifying  
6 certain requirements an applicant must meet to qualify for a license; specifying  
7 the form and content of an application for a license; requiring each application  
8 for a license to be accompanied by certain fees and documents; establishing  
9 procedures for granting or denying a license; providing that a license issued  
10 under this Act is not transferable or assignable; providing for the renewal of a  
11 license; requiring a licensee to notify the Commissioner of the occurrence of  
12 certain events; authorizing the Commissioner to adopt certain regulations;  
13 requiring a licensee to maintain certain records and to permit the examination  
14 of the records under certain circumstances; requiring and authorizing the  
15 Commissioner to conduct certain examinations and investigations; specifying  
16 certain limitations on the fees that may be charged for deferred presentment  
17 services; requiring a licensee to provide a drawer of a check a certain notice at a  
18 certain time; requiring a licensee to document a deferred presentment service  
19 with a certain written agreement; imposing certain limits on the manner in  
20 which deferred presentment services may be provided; authorizing the drawer of  
21 a check to rescind a deferred presentment service and to redeem a check from a  
22 licensee under certain circumstances; permitting a renewal of a deferred  
23 presentment service written agreement under certain circumstances; limiting  
24 the penalties to which a drawer of a check may be subject under certain  
25 circumstances; exempting deferred presentment services from certain consumer  
26 loan laws; authorizing the Commissioner to impose certain remedies under  
27 certain circumstances; authorizing the Commissioner to suspend or revoke a  
28 licensee's license under certain circumstances; establishing certain criminal  
29 penalties for a violation of this Act; requiring the Commissioner to report an  
30 alleged criminal violation of this Act to certain individuals; defining certain  
31 terms; and generally relating to the regulation of deferred presentment services  
32 in the State.

33 BY repealing and reenacting, without amendments,  
34 Article - Commercial Law

1 Section 12-101(a) and 12-301(a)  
2 Annotated Code of Maryland  
3 (1990 Replacement Volume and 1999 Supplement)

4 BY adding to  
5 Article - Commercial Law  
6 Section 12-101(f-1)  
7 Annotated Code of Maryland  
8 (1990 Replacement Volume and 1999 Supplement)

9 BY repealing and reenacting, with amendments,  
10 Article - Commercial Law  
11 Section 12-301(e)  
12 Annotated Code of Maryland  
13 (1990 Replacement Volume and 1999 Supplement)

14 BY repealing and reenacting, without amendments,  
15 Article - Financial Institutions  
16 Section 1-101(a)  
17 Annotated Code of Maryland  
18 (1998 Replacement Volume and 1999 Supplement)

19 BY adding to  
20 Article - Financial Institutions  
21 Section 1-101(t); and 11-601 through 11-627, inclusive, to be under the new  
22 subtitle "Subtitle 6. Deferred Presentment Services"  
23 Annotated Code of Maryland  
24 (1998 Replacement Volume and 1999 Supplement)

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

27 **Article - Commercial Law**

28 12-101.

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

30 (F-1) (1) "LOAN" MEANS A LOAN OR ADVANCE OF MONEY OR CREDIT MADE  
31 UNDER THIS SUBTITLE.

32 (2) "LOAN" DOES NOT INCLUDE A DEFERRED PRESENTMENT SERVICE  
33 PROVIDED UNDER TITLE 11, SUBTITLE 6 OF THE FINANCIAL INSTITUTIONS ARTICLE.

1 12-301.

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

3 (e) (1) "Loan" means any loan or advance of money or credit made under  
4 this subtitle.

5 (2) "LOAN" DOES NOT INCLUDE A DEFERRED PRESENTMENT SERVICE  
6 PROVIDED UNDER TITLE 11, SUBTITLE 6 OF THE FINANCIAL INSTITUTIONS ARTICLE.

7 **Article - Financial Institutions**

8 1-101.

9 (a) In this article, unless the context clearly requires otherwise, the following  
10 words have the meanings indicated.

11 (T) "SECRETARY" MEANS THE SECRETARY OF LABOR, LICENSING, AND  
12 REGULATION.

13 SUBTITLE 6. DEFERRED PRESENTMENT SERVICES.

14 11-601.

15 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
16 INDICATED.

17 (B) "CHECK" MEANS A PERSONAL CHECK SIGNED BY THE DRAWER AND MADE  
18 PAYABLE TO A LICENSEE.

19 (C) "DEFERRED PRESENTMENT SERVICE" MEANS A TRANSACTION MADE IN  
20 ACCORDANCE WITH A WRITTEN AGREEMENT BETWEEN A LICENSEE AND THE  
21 DRAWER OF A CHECK THAT PROVIDES THAT THE LICENSEE:

22 (1) ACCEPTS A CHECK FROM THE DRAWER REGARDLESS OF THE DATE  
23 OF THE CHECK;

24 (2) AGREES TO HOLD THE CHECK FOR A SPECIFIC PERIOD OF TIME  
25 PRIOR TO NEGOTIATION OR PRESENTMENT; AND

26 (3) PAYS TO THE DRAWER OF THE CHECK THE AMOUNT OF THE CHECK,  
27 LESS THE FEE AUTHORIZED UNDER § 11-615 OF THIS SUBTITLE.

28 (D) "LICENSEE" MEANS A PERSON LICENSED TO PROVIDE DEFERRED  
29 PRESENTMENT SERVICES UNDER THIS SUBTITLE.

30 (E) "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, ASSOCIATION,  
31 CORPORATION, OR ANY OTHER BUSINESS UNIT OR LEGAL ENTITY.

1 11-602.

2 (A) A PERSON SHALL OBTAIN A LICENSE UNDER THIS SUBTITLE BEFORE THE  
3 PERSON MAY PROVIDE DEFERRED PRESENTMENT SERVICES IN THE STATE.

4 (B) A SEPARATE LICENSE SHALL BE REQUIRED FOR EACH LOCATION AT  
5 WHICH A PERSON PROVIDES DEFERRED PRESENTMENT SERVICES.

6 11-603.

7 (A) TO QUALIFY FOR A LICENSE UNDER THIS SUBTITLE, AN APPLICANT SHALL  
8 SATISFY THE FOLLOWING REQUIREMENTS:

9 (1) THE APPLICANT SHALL HAVE AND MAINTAIN LIQUID ASSETS OF AT  
10 LEAST \$25,000 PER LICENSED LOCATION, DETERMINED IN ACCORDANCE WITH  
11 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, UP TO A MAXIMUM OF \$250,000;  
12 AND

13 (2) THE FINANCIAL RESPONSIBILITY, FINANCIAL CONDITION, BUSINESS  
14 EXPERIENCE, CHARACTER, AND GENERAL FITNESS OF THE APPLICANT SHALL  
15 REASONABLY WARRANT THE BELIEF THAT THE APPLICANT'S BUSINESS WILL BE  
16 CONDUCTED LAWFULLY AND FAIRLY.

17 (B) IN DETERMINING WHETHER THE REQUIREMENTS OF SUBSECTION (A) OF  
18 THIS SECTION HAVE BEEN MET, AND FOR THE PURPOSE OF INVESTIGATING  
19 COMPLIANCE WITH THIS SUBTITLE, THE COMMISSIONER MAY REVIEW:

20 (1) THE RELEVANT BUSINESS RECORDS AND THE CAPITAL ADEQUACY  
21 OF THE APPLICANT;

22 (2) THE COMPETENCE, EXPERIENCE, INTEGRITY, AND FINANCIAL  
23 ABILITY OF A PERSON WHO IS A MEMBER, PARTNER, DIRECTOR, OFFICER, OR 25% OR  
24 MORE SHAREHOLDER OF THE APPLICANT; AND

25 (3) (I) ANY RECORD OF CONVICTION, OF THE APPLICANT OR A  
26 PERSON DESCRIBED IN ITEM (2) OF THIS SUBSECTION, OF ANY CRIMINAL ACTIVITY,  
27 FRAUD, OR OTHER ACT OF PERSONAL DISHONESTY;

28 (II) ANY ACT, OMISSION, OR PRACTICE WHICH CONSTITUTES A  
29 BREACH OF A FIDUCIARY DUTY; OR

30 (III) ANY SUSPENSION, REMOVAL, OR ADMINISTRATIVE ACTION BY  
31 AN AGENCY OR DEPARTMENT OF THE UNITED STATES OR A STATE, FROM  
32 PARTICIPATION IN THE CONDUCT OF ANY BUSINESS.

33 (C) THE REQUIREMENTS SET FORTH IN SUBSECTION (A) OF THIS SECTION  
34 ARE CONTINUING IN NATURE.

35 11-604.

36 (A) EACH APPLICATION FOR A LICENSE UNDER THIS SUBTITLE:

1 (1) SHALL BE IN WRITING AND UNDER OATH TO THE COMMISSIONER;

2 (2) SHALL BE IN A FORM PRESCRIBED BY THE COMMISSIONER; AND

3 (3) SHALL INCLUDE THE FOLLOWING:

4 (I) THE LEGAL NAME, RESIDENCE, AND BUSINESS ADDRESS OF  
5 THE APPLICANT AND, IF THE APPLICANT IS A PARTNERSHIP, ASSOCIATION, OR  
6 CORPORATION, OF EACH MEMBER, OFFICER, AND DIRECTOR OF THE APPLICANT;

7 (II) THE ADDRESS OF THE PRINCIPAL PLACE OF BUSINESS OF THE  
8 APPLICANT IN THE STATE;

9 (III) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A  
10 BALANCE SHEET AND INCOME STATEMENT OF THE APPLICANT FOR THE PRECEDING  
11 FISCAL YEAR END, PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED  
12 ACCOUNTING PRINCIPLES; AND

13 (IV) ANY OTHER DATA AND INFORMATION THE COMMISSIONER  
14 MAY REQUIRE WITH RESPECT TO THE APPLICANT, ITS DIRECTORS, OFFICERS,  
15 MEMBERS, SHAREHOLDERS, MANAGING EMPLOYEES, OR AGENTS.

16 (B) FOR A NEWLY CREATED ENTITY, THE COMMISSIONER MAY ACCEPT A  
17 BALANCE SHEET ONLY, ACCOMPANIED BY A PROJECTED INCOME STATEMENT  
18 DEMONSTRATING THAT THE APPLICANT WILL HAVE ADEQUATE CAPITAL AFTER  
19 PAYMENT OF START-UP COSTS.

20 11-605.

21 (A) EACH APPLICATION FOR A LICENSE UNDER THIS SUBTITLE SHALL BE  
22 ACCOMPANIED BY:

23 (1) A NONREFUNDABLE INVESTIGATION FEE OF \$100; AND

24 (2) A LICENSE FEE OF:

25 (I) \$1,000 IF THE APPLICANT APPLIES FOR A LICENSE TO BE  
26 ISSUED ON OR AFTER JANUARY 1 AND ON OR BEFORE DECEMBER 31 OF AN  
27 EVEN-NUMBERED YEAR; OR

28 (II) \$500 IF THE APPLICANT APPLIES FOR A LICENSE TO BE ISSUED  
29 ON OR AFTER JANUARY 1 AND ON OR BEFORE DECEMBER 31 OF AN ODD-NUMBERED  
30 YEAR.

31 (B) FOR EACH LICENSE FOR WHICH AN APPLICANT APPLIES, THE APPLICANT  
32 SHALL:

33 (1) SUBMIT A SEPARATE APPLICATION; AND

34 (2) PAY A SEPARATE INVESTIGATION FEE AND LICENSE FEE.

1 (C) (1) WITH THE APPLICATION, THE APPLICANT SHALL FILE WITH THE  
2 COMMISSIONER A SURETY BOND OR ENDORSEMENT.

3 (2) THE SURETY BOND FILED UNDER THIS SUBSECTION SHALL RUN TO  
4 THE STATE FOR THE BENEFIT OF ANY INDIVIDUAL WHO HAS BEEN DAMAGED BY A  
5 VIOLATION BY THE LICENSEE OF ANY LAW GOVERNING DEFERRED PRESENTMENT  
6 SERVICES.

7 (3) THE SURETY BOND SHALL BE:

8 (I) IN THE AMOUNT OF \$10,000 PER LOCATION OR A \$50,000  
9 BLANKET BOND COVERING MULTIPLE LOCATIONS;

10 (II) ISSUED BY A SURETY COMPANY AUTHORIZED TO DO BUSINESS  
11 IN THE STATE;

12 (III) CONDITIONED ON THE APPLICANT'S COMPLIANCE WITH ALL  
13 LAWS REGULATING DEFERRED PRESENTMENT SERVICES; AND

14 (IV) APPROVED BY THE COMMISSIONER.

15 11-606.

16 (A) IN CONNECTION WITH AN INITIAL APPLICATION AND AT ANY OTHER TIME  
17 THE COMMISSIONER REQUESTS, EACH APPLICANT OR LICENSEE SHALL PROVIDE  
18 FINGERPRINTS FOR USE BY THE FEDERAL BUREAU OF INVESTIGATION AND THE  
19 CRIMINAL JUSTICE INFORMATION SYSTEM CENTRAL REPOSITORY OF THE  
20 DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES TO CONDUCT  
21 CRIMINAL HISTORY RECORDS CHECKS.

22 (B) ANY APPLICANT OR LICENSEE REQUIRED UNDER THIS SECTION TO  
23 PROVIDE FINGERPRINTS SHALL PAY ANY PROCESSING OR OTHER FEE REQUIRED BY  
24 THE FEDERAL BUREAU OF INVESTIGATION OR THE CRIMINAL JUSTICE  
25 INFORMATION SYSTEM CENTRAL REPOSITORY OF THE DEPARTMENT OF PUBLIC  
26 SAFETY AND CORRECTIONAL SERVICES.

27 (C) IF THE APPLICANT OR LICENSEE IS A CORPORATION, THE  
28 FINGERPRINTING AND CRIMINAL HISTORY RECORDS CHECK REQUIREMENTS SHALL  
29 APPLY TO THE PRESIDENT AND TO ANY OTHER OFFICER, DIRECTOR, OR PRINCIPAL  
30 OF THE CORPORATION AS REQUESTED BY THE COMMISSIONER.

31 11-607.

32 (A) (1) AFTER THE FILING OF AN APPLICATION IN A FORM PRESCRIBED BY  
33 THE COMMISSIONER, ACCOMPANIED BY THE FEES AND DOCUMENTS REQUIRED  
34 UNDER §§ 11-605 AND 11-606 OF THIS SUBTITLE, THE COMMISSIONER SHALL  
35 INVESTIGATE WHETHER THE QUALIFICATIONS PRESCRIBED BY § 11-603 OF THIS  
36 SUBTITLE HAVE BEEN SATISFIED.

1 (2) IF THE COMMISSIONER FINDS THAT THE QUALIFICATIONS HAVE  
2 BEEN SATISFIED, AND APPROVES THE DOCUMENTS, THE COMMISSIONER SHALL  
3 ISSUE TO THE APPLICANT A LICENSE TO PROVIDE DEFERRED PRESENTMENT  
4 SERVICES.

5 (B) THE LICENSE SHALL BE CONSPICUOUSLY POSTED IN VIEW TO THE  
6 PUBLIC AT THE LICENSED LOCATION AT WHICH THE DEFERRED PRESENTMENT  
7 SERVICES ARE PROVIDED.

8 11-608.

9 (A) IF THE COMMISSIONER DETERMINES THAT AN APPLICANT IS NOT  
10 QUALIFIED TO RECEIVE A LICENSE, THE COMMISSIONER SHALL NOTIFY THE  
11 APPLICANT IN WRITING THAT THE APPLICATION HAS BEEN DENIED, STATING THE  
12 BASIS FOR DENIAL.

13 (B) (1) IF THE COMMISSIONER DENIES AN APPLICATION, OR IF THE  
14 COMMISSIONER FAILS TO ACT ON AN APPLICATION WITHIN 60 DAYS AFTER THE  
15 FILING OF A PROPERLY COMPLETED APPLICATION, THE APPLICANT MAY MAKE  
16 WRITTEN DEMAND TO THE COMMISSIONER FOR A HEARING BEFORE THE  
17 COMMISSIONER ON THE QUESTION OF WHETHER THE LICENSE SHOULD BE  
18 GRANTED.

19 (2) IN THE EVENT OF A HEARING, THE COMMISSIONER SHALL  
20 RECONSIDER THE APPLICATION AND, AFTER THE HEARING, ISSUE A WRITTEN  
21 ORDER GRANTING OR DENYING THE LICENSE.

22 (C) IF AN APPLICATION IS DENIED UNDER SUBSECTION (A) OF THIS SECTION,  
23 OR AFTER A HEARING UNDER SUBSECTION (B) OF THIS SECTION, THE  
24 COMMISSIONER SHALL:

- 25 (1) RETURN THE SURETY BOND;
- 26 (2) REFUND THE LICENSE FEE; AND
- 27 (3) KEEP THE INVESTIGATION FEE.

28 11-609.

29 (A) A LICENSE ISSUED UNDER THIS SUBTITLE IS NOT TRANSFERABLE OR  
30 ASSIGNABLE.

31 (B) (1) THE PRIOR WRITTEN APPROVAL OF THE COMMISSIONER IS  
32 REQUIRED FOR THE CONTINUED OPERATION OF A DEFERRED PRESENTMENT  
33 SERVICES BUSINESS WHENEVER A CHANGE IN CONTROL OF A LICENSEE IS  
34 PROPOSED.

35 (2) (I) IF THE LICENSEE IS A CORPORATION, "CONTROL" MEANS  
36 DIRECT OR INDIRECT OWNERSHIP OF, OR THE RIGHT TO CONTROL, 25% OR MORE OF

1 THE VOTING SHARES OF THE LICENSEE, OR THE ABILITY TO ELECT A MAJORITY OF  
2 THE DIRECTORS OR OTHERWISE EFFECT A CHANGE IN POLICY.

3 (II) IF THE LICENSEE IS AN ENTITY OTHER THAN A CORPORATION,  
4 "CONTROL" MEANS THE POSSESSION, DIRECTLY OR INDIRECTLY, OF THE POWER TO  
5 DIRECT OR CAUSE THE DIRECTION OF THE MANAGEMENT AND POLICIES OF THE  
6 LICENSEE, WHETHER THROUGH THE OWNERSHIP OF VOTING SECURITIES, BY  
7 CONTRACT, OR OTHERWISE.

8 (3) THE COMMISSIONER MAY REQUIRE INFORMATION DEEMED  
9 NECESSARY TO DETERMINE WHETHER A NEW APPLICATION IS REQUIRED BECAUSE  
10 OF A CHANGE IN CONTROL.

11 (4) COSTS INCURRED BY THE COMMISSIONER TO INVESTIGATE A  
12 CHANGE IN CONTROL REQUEST SHALL BE PAID BY THE PERSON REQUESTING  
13 APPROVAL OF THE CHANGE.

14 (C) A LICENSEE SHALL NOTIFY THE COMMISSIONER AT LEAST 30 DAYS  
15 BEFORE ANY PROPOSED CHANGE IN THE LICENSEE'S BUSINESS LOCATION OR NAME  
16 IS MADE.

17 11-610.

18 (A) A LICENSE ISSUED UNDER THIS SUBTITLE EXPIRES ON DECEMBER 31 IN  
19 EACH ODD-NUMBERED YEAR UNLESS IT IS RENEWED FOR A 2-YEAR TERM AS  
20 PROVIDED IN THIS SECTION.

21 (B) ON OR BEFORE DECEMBER 1 OF THE YEAR OF EXPIRATION, A LICENSE  
22 MAY BE RENEWED FOR AN ADDITIONAL 2-YEAR TERM, IF THE LICENSEE:

23 (1) OTHERWISE IS ENTITLED TO BE LICENSED;

24 (2) PAYS TO THE COMMISSIONER A RENEWAL FEE OF \$1,000;

25 (3) SUBMITS TO THE COMMISSIONER A RENEWAL APPLICATION ON THE  
26 FORM THAT THE COMMISSIONER REQUIRES; AND

27 (4) FILES A SURETY BOND OR ENDORSEMENT FOR THE AMOUNT  
28 REQUIRED UNDER § 11-605(C) OF THIS SUBTITLE.

29 (C) IN ADDITION TO THE LICENSE RENEWAL FEE REQUIRED UNDER  
30 SUBSECTION (B)(2) OF THIS SECTION, A LICENSEE MUST REGISTER AND PAY AN  
31 ADDITIONAL LICENSING FEE FOR EACH LOCATION AT WHICH THE LICENSEE  
32 PROVIDES DEFERRED PRESENTMENT SERVICES.

33 (D) THE SECRETARY MAY DETERMINE THAT LICENSES ISSUED UNDER THIS  
34 SUBTITLE SHALL EXPIRE ON A STAGGERED BASIS.

1 11-611.

2        WITHIN 15 DAYS AFTER THE OCCURRENCE OF ANY OF THE EVENTS LISTED  
3 BELOW, A LICENSEE SHALL FILE A WRITTEN REPORT WITH THE COMMISSIONER  
4 DESCRIBING THE EVENT AND ITS EXPECTED IMPACT ON THE ACTIVITIES OF THE  
5 LICENSEE IN THE STATE:

6           (1)       THE FILING FOR BANKRUPTCY OR REORGANIZATION BY THE  
7 LICENSEE;

8           (2)       THE INSTITUTION OF REVOCATION OR SUSPENSION PROCEEDINGS  
9 AGAINST THE LICENSEE BY A FEDERAL, STATE, OR LOCAL GOVERNMENTAL  
10 AUTHORITY;

11          (3)       A FELONY INDICTMENT OF THE LICENSEE OR ANY OF ITS MEMBERS,  
12 DIRECTORS, OFFICERS, OR SHAREHOLDERS;

13          (4)       A FELONY CONVICTION OF THE LICENSEE OR ANY OF ITS MEMBERS,  
14 DIRECTORS, OFFICERS, OR SHAREHOLDERS; OR

15          (5)       ANY OTHER EVENT THAT THE COMMISSIONER MAY DETERMINE AND  
16 IDENTIFY BY REGULATION.

17 11-612.

18        (A)       A LICENSEE SHALL KEEP AND USE IN ITS BUSINESS ANY BOOKS,  
19 ACCOUNTS, AND RECORDS THE COMMISSIONER MAY REQUIRE TO CARRY INTO  
20 EFFECT THE PROVISIONS OF THIS SUBTITLE.

21        (B)       A LICENSEE SHALL PRESERVE THE BOOKS, ACCOUNTS, AND RECORDS FOR  
22 AT LEAST 3 YEARS.

23        (C)       A LICENSEE MAY KEEP THE BOOKS, ACCOUNTS, AND RECORDS REQUIRED  
24 UNDER THIS SECTION AT ANY LICENSED LOCATION, PROVIDED THAT THE LICENSEE  
25 NOTIFIES THE COMMISSIONER IN WRITING OF THE LOCATION OF THE BOOKS,  
26 ACCOUNTS, AND RECORDS, AND MAKES THE BOOKS, ACCOUNTS, AND RECORDS  
27 AVAILABLE AT THAT LOCATION WITHIN 7 DAYS AFTER A WRITTEN REQUEST FOR  
28 EXAMINATION BY THE COMMISSIONER.

29 11-613.

30        (A)       TO ASSURE COMPLIANCE WITH THE PROVISIONS OF THIS SUBTITLE, AND  
31 TO DISCOVER ANY VIOLATIONS OF THIS SUBTITLE OR OTHER LAWS APPLICABLE TO  
32 THE LICENSEE, THE COMMISSIONER SHALL ANNUALLY, AND AT ANY TIME THE  
33 COMMISSIONER CONSIDERS APPROPRIATE, EXAMINE THE BOOKS, ACCOUNTS, AND  
34 RECORDS OF A LICENSEE OR A PERSON WHO ACTS ON BEHALF OF A LICENSEE.

35        (B)       A LICENSEE SHALL PAY TO THE COMMISSIONER A FEE NOT EXCEEDING  
36 \$100 PER DAY FOR EACH OF THE COMMISSIONER'S EMPLOYEES ENGAGED IN AN  
37 EXAMINATION CONDUCTED UNDER SUBSECTION (A) OF THIS SECTION.

1 (C) FOR PURPOSES OF THIS SECTION, THE COMMISSIONER:

2 (1) SHALL BE GIVEN ACCESS TO ANY BOOKS, PAPERS, RECORDS, SAFES,  
3 OR VAULTS OF THE PERSON UNDER INVESTIGATION; AND

4 (2) MAY EXAMINE UNDER OATH ANY PERSON WHOSE TESTIMONY THE  
5 COMMISSIONER REQUIRES.

6 11-614.

7 (A) A LICENSEE SHALL COMPLY WITH:

8 (1) ALL FEDERAL AND STATE LAWS GOVERNING CURRENCY  
9 TRANSACTIONS; AND

10 (2) FEDERAL TRUTH-IN-LENDING LAWS AND REGULATIONS.

11 (B) A LICENSEE MAY NOT ENGAGE IN UNFAIR OR DECEPTIVE ACTS,  
12 PRACTICES, OR ADVERTISING IN RELATION TO PROVIDING DEFERRED  
13 PRESENTMENT SERVICES.

14 11-615.

15 (A) (1) A LICENSEE MAY CHARGE A FEE FOR A DEFERRED PRESENTMENT  
16 SERVICE NOT TO EXCEED 18% OF THE AMOUNT PAID TO THE DRAWER OF THE CHECK  
17 BY THE LICENSEE.

18 (2) THE FEE CHARGED UNDER PARAGRAPH (1) OF THIS SUBSECTION  
19 SHALL NOT BE DEEMED INTEREST FOR ANY PURPOSE OF LAW.

20 (3) NO OTHER FEE OR CHARGE MAY BE IMPOSED OR COLLECTED FOR  
21 THE DEFERRED PRESENTMENT SERVICE, INCLUDING A FEE OR CHARGE FOR EARLY  
22 PAYMENT OF A DEFERRED PRESENTMENT SERVICE.

23 (B) A LICENSEE SHALL CONSPICUOUSLY POST IN VIEW TO THE PUBLIC AT ITS  
24 LICENSED LOCATION A NOTICE OF THE FEES IMPOSED FOR DEFERRED  
25 PRESENTMENT SERVICES.

26 11-616.

27 BEFORE EXECUTING A DEFERRED PRESENTMENT SERVICE WRITTEN  
28 AGREEMENT UNDER § 11-617 OF THIS SUBTITLE AND PAYING FUNDS UNDER THE  
29 AGREEMENT, A LICENSEE SHALL PROVIDE TO THE DRAWER OF THE CHECK A CLEAR  
30 AND CONSPICUOUS PRINTED NOTICE, SEPARATE FROM ANY OTHER DOCUMENT,  
31 THAT MAKES THE FOLLOWING STATEMENTS:

32 (1) A DEFERRED PRESENTMENT SERVICE IS NOT INTENDED TO MEET  
33 YOUR LONG-TERM FINANCIAL NEEDS;

34 (2) YOU SHOULD USE A DEFERRED PRESENTMENT SERVICE ONLY TO  
35 MEET YOUR SHORT-TERM CASH NEEDS;

1 (3) RENEWING A DEFERRED PRESENTMENT SERVICE IS NOT ADVISABLE  
2 AND MAY CAUSE YOU SIGNIFICANT FINANCIAL HARDSHIP;

3 (4) IF YOUR DEFERRED PRESENTMENT SERVICE TRANSACTION IS  
4 RENEWED RATHER THAN PAID IN FULL WHEN DUE, YOU WILL BE REQUIRED TO PAY  
5 AN ADDITIONAL FEE;

6 (5) ENTERING INTO MORE THAN ONE DEFERRED PRESENTMENT  
7 SERVICE AT A TIME IS NOT ADVISABLE AND MAY CAUSE YOU SIGNIFICANT  
8 FINANCIAL HARDSHIP; AND

9 (6) YOU HAVE THE RIGHT TO RESCIND THE DEFERRED PRESENTMENT  
10 SERVICE AT NO COST TO YOU AT ANY TIME PRIOR TO THE CLOSE OF BUSINESS ON  
11 THE BUSINESS DAY IMMEDIATELY FOLLOWING THE DATE OF THE WRITTEN  
12 AGREEMENT BY PAYING TO THE LICENSEE, IN THE FORM OF CASH OR OTHER  
13 IMMEDIATELY AVAILABLE FUNDS, THE AMOUNT OF MONEY ADVANCED TO YOU.

14 11-617.

15 (A) (1) A LICENSEE SHALL DOCUMENT A DEFERRED PRESENTMENT  
16 SERVICE WITH A WRITTEN AGREEMENT SIGNED AND DATED BY BOTH THE DRAWER  
17 OF THE CHECK AND THE LICENSEE.

18 (2) THE LICENSEE SHALL GIVE A COPY OF THE SIGNED AND DATED  
19 WRITTEN AGREEMENT TO THE DRAWER AND RETAIN A COPY IN THE LICENSEE'S  
20 RECORDS.

21 (B) THE WRITTEN AGREEMENT SHALL INCLUDE:

22 (1) THE NAME AND ADDRESS OF THE LICENSEE;

23 (2) THE DATE OF THE DEFERRED PRESENTMENT SERVICE;

24 (3) THE AMOUNT OF THE CHECK;

25 (4) A STATEMENT THAT THE LICENSEE IS OBLIGATED TO DEFER  
26 NEGOTIATION OR PRESENTMENT OF THE CHECK UNTIL A SPECIFIED DATE, WHICH  
27 MAY NOT BE LATER THAN 31 DAYS AFTER THE DATE OF THE DEFERRED  
28 PRESENTMENT SERVICE WRITTEN AGREEMENT;

29 (5) IN CONSPICUOUS TYPE, A STATEMENT OF THE TOTAL AMOUNT OF  
30 FEES CHARGED, EXPRESSED BOTH AS A DOLLAR AMOUNT AND AS AN ANNUAL  
31 PERCENTAGE RATE;

32 (6) A STATEMENT OF THE RIGHT OF THE DRAWER TO REDEEM THE  
33 CHECK AT ANY TIME PRIOR TO THE NEGOTIATION OR PRESENTMENT OF THE CHECK  
34 BY MAKING PAYMENT TO THE LICENSEE OF THE FULL AMOUNT OF THE CHECK;

35 (7) A STATEMENT THAT THE DRAWER OF A CHECK MAY RESCIND THE  
36 DEFERRED PRESENTMENT SERVICE AT NO COST TO THE DRAWER AT ANY TIME

1 PRIOR TO THE CLOSE OF BUSINESS ON THE BUSINESS DAY IMMEDIATELY  
2 FOLLOWING THE DATE OF THE WRITTEN AGREEMENT BY PAYING TO THE LICENSEE,  
3 IN THE FORM OF CASH OR OTHER IMMEDIATELY AVAILABLE FUNDS, THE AMOUNT  
4 OF MONEY ADVANCED TO THE DRAWER;

5 (8) A STATEMENT THAT A DRAWER OF A CHECK WHO ENTERS INTO A  
6 DEFERRED PRESENTMENT SERVICE AND OFFERS THE DRAWER'S OWN PERSONAL  
7 CHECK, BEARING A GENUINE SIGNATURE AND DRAWN ON AN EXISTING CHECKING  
8 ACCOUNT, IS NOT SUBJECT TO ANY CRIMINAL PENALTY FOR FAILING TO COMPLY  
9 WITH THE TERMS OF THE DEFERRED PRESENTMENT SERVICE WRITTEN  
10 AGREEMENT;

11 (9) A STATEMENT THAT IF A CHECK IS RETURNED TO THE LICENSEE  
12 FROM A PAYOR FINANCIAL INSTITUTION DUE TO INSUFFICIENT FUNDS, CLOSED  
13 ACCOUNT, OR A STOP PAYMENT ORDER, THE LICENSEE SHALL HAVE THE RIGHT TO  
14 ALL CIVIL REMEDIES ALLOWED BY LAW TO COLLECT THE CHECK, AND THAT NO  
15 OTHER FEES OR CHARGES MAY BE COLLECTED AS A RESULT OF A RETURNED CHECK  
16 OR A DEFAULT UNDER A DEFERRED PRESENTMENT SERVICES WRITTEN  
17 AGREEMENT;

18 (10) A STATEMENT OF THE RIGHT OF THE DRAWER TO RENEW THE  
19 ORIGINAL DEFERRED PRESENTMENT SERVICE ONLY ONCE, FOR THE SAME NUMBER  
20 OF DAYS AS FOR THE ORIGINAL SERVICE, AND SUBJECT TO A FEE REDUCED IN  
21 PROPORTION TO THE AMOUNT OF PARTIAL PAYMENTS MADE ON THE ORIGINAL  
22 SERVICE, IF ANY; AND

23 (11) ANY OTHER INFORMATION OR STATEMENT THAT THE  
24 COMMISSIONER MAY REQUIRE.

25 11-618.

26 (A) THE MAXIMUM AMOUNT A LICENSEE MAY PAY TO THE DRAWER OF A  
27 CHECK IN A DEFERRED PRESENTMENT SERVICE IS \$500.

28 (B) (1) A LICENSEE MAY NOT HOLD MORE THAN TWO CHECKS FOR  
29 DEFERRED PRESENTMENT FROM A DRAWER AT ANY ONE TIME.

30 (2) THE AGGREGATE FACE VALUE OF THE CHECKS FROM A DRAWER  
31 HELD AT ANY ONE TIME MAY NOT EXCEED \$500.

32 (C) THE AMOUNT PAID TO THE DRAWER OF A CHECK BY THE LICENSEE IN A  
33 DEFERRED PRESENTMENT SERVICE MAY BE PAID IN THE FORM OF THE LICENSEE'S  
34 BUSINESS CHECK, MONEY ORDER, OR CASH.

35 (D) BEFORE A LICENSEE MAY NEGOTIATE OR PRESENT A CHECK FOR  
36 PAYMENT, THE CHECK MUST BE ENDORSED WITH THE ACTUAL NAME UNDER WHICH  
37 THE LICENSEE IS LICENSED UNDER THIS SUBTITLE.

1 (E) A LICENSEE MAY NOT DEFER PRESENTMENT OR NEGOTIATION OF ANY  
2 CHECK FOR MORE THAN 31 CALENDAR DAYS AFTER THE DATE OF THE DEFERRED  
3 PRESENTMENT SERVICE WRITTEN AGREEMENT.

4 11-619.

5 (A) THE DRAWER OF A CHECK MAY RESCIND THE DEFERRED PRESENTMENT  
6 SERVICE AT NO COST TO THE DRAWER AT ANY TIME PRIOR TO THE CLOSE OF  
7 BUSINESS ON THE BUSINESS DAY IMMEDIATELY FOLLOWING THE DATE OF THE  
8 DEFERRED PRESENTMENT SERVICE WRITTEN AGREEMENT BY PAYING TO THE  
9 LICENSEE, IN THE FORM OF CASH OR OTHER IMMEDIATELY AVAILABLE FUNDS, THE  
10 AMOUNT OF MONEY ADVANCED TO THE DRAWER.

11 (B) THE DRAWER OF A CHECK SHALL HAVE THE RIGHT TO REDEEM THE  
12 CHECK FROM THE LICENSEE AT ANY TIME PRIOR TO THE NEGOTIATION OR  
13 PRESENTMENT OF THE CHECK BY MAKING PAYMENT TO THE LICENSEE OF THE  
14 FULL AMOUNT OF THE CHECK.

15 (C) A DEFERRED PRESENTMENT SERVICE IS COMPLETED WHEN A CHECK IS:

16 (1) NEGOTIATED OR PRESENTED FOR PAYMENT BY THE LICENSEE; OR

17 (2) REDEEMED BY THE DRAWER BY PAYMENT IN FULL IN CASH TO THE  
18 LICENSEE.

19 (D) WHEN A DEFERRED PRESENTMENT SERVICE IS COMPLETED, THE  
20 DRAWER AND LICENSEE MAY EXECUTE A NEW WRITTEN AGREEMENT FOR  
21 DEFERRED PRESENTMENT SERVICES.

22 11-620.

23 (A) A LICENSEE MAY RENEW A DEFERRED PRESENTMENT SERVICE WRITTEN  
24 AGREEMENT NO MORE THAN ONCE, AFTER WHICH THE DEFERRED PRESENTMENT  
25 SERVICE MUST BE COMPLETED AS PROVIDED IN § 11-619(C) OF THIS SUBTITLE.

26 (B) THE DURATION OF A RENEWAL SHALL BE FOR THE SAME NUMBER OF  
27 DAYS AS THE ORIGINAL DEFERRED PRESENTMENT SERVICE.

28 (C) IF THE DRAWER MAKES A PARTIAL PAYMENT ON THE ORIGINAL  
29 DEFERRED PRESENTMENT SERVICE AT THE TIME OF RENEWAL OF THE WRITTEN  
30 AGREEMENT, THE FEE FOR THE RENEWAL SHALL BE PRORATED AS TO THE  
31 REMAINING AMOUNT DUE.

32 (D) (1) THE LICENSEE SHALL PROVIDE THE DRAWER WITH A COPY OF THE  
33 RENEWAL, SIGNED AND DATED BY BOTH THE LICENSEE AND THE DRAWER.

34 (2) THE LICENSEE SHALL KEEP A COPY OF THE RENEWAL IN ITS  
35 RECORDS.

1 11-621.

2 (A) A DRAWER OF A CHECK WHO ENTERS INTO A DEFERRED PRESENTMENT  
3 SERVICE AND OFFERS THE DRAWER'S OWN PERSONAL CHECK, BEARING A GENUINE  
4 SIGNATURE AND DRAWN ON AN EXISTING CHECKING ACCOUNT, IS NOT SUBJECT TO  
5 ANY CRIMINAL PENALTY FOR FAILING TO COMPLY WITH THE TERMS OF THE  
6 DEFERRED PRESENTMENT SERVICE WRITTEN AGREEMENT.

7 (B) (1) IF A CHECK IS RETURNED TO THE LICENSEE FROM A PAYOR  
8 FINANCIAL INSTITUTION DUE TO INSUFFICIENT FUNDS, CLOSED ACCOUNT, OR A  
9 STOP PAYMENT ORDER, THE LICENSEE SHALL HAVE THE RIGHT TO ALL CIVIL  
10 REMEDIES ALLOWED BY LAW TO COLLECT THE CHECK, INCLUDING UNDER THE  
11 PROVISIONS OF TITLE 15, SUBTITLE 8 OF THE COMMERCIAL LAW ARTICLE.

12 (2) NO OTHER FEES OR CHARGES MAY BE COLLECTED AS A RESULT OF A  
13 RETURNED CHECK OR A DEFAULT UNDER A DEFERRED PRESENTMENT SERVICE  
14 WRITTEN AGREEMENT.

15 11-622.

16 A DEFERRED PRESENTMENT SERVICE PROVIDED IN ACCORDANCE WITH THIS  
17 SUBTITLE IS NOT SUBJECT TO THE PROVISIONS OF TITLE 12, SUBTITLE 1 OR  
18 SUBTITLE 3 OF THE COMMERCIAL LAW ARTICLE.

19 11-623.

20 IF, AFTER A HEARING, THE COMMISSIONER FINDS THAT A PERSON HAS  
21 VIOLATED THIS SUBTITLE OR A REGULATION ADOPTED UNDER THIS SUBTITLE, THE  
22 COMMISSIONER MAY:

23 (1) ORDER THE PERSON TO CEASE AND DESIST FROM VIOLATING THIS  
24 SUBTITLE OR A REGULATION ADOPTED UNDER THIS SUBTITLE;

25 (2) REQUIRE THE REFUND OF ANY FEE COLLECTED BY THE PERSON IN  
26 VIOLATION OF THIS SUBTITLE OR A REGULATION ADOPTED UNDER THIS SUBTITLE;  
27 AND

28 (3) ORDER THE PERSON TO PAY TO THE COMMISSIONER A CIVIL  
29 PENALTY NOT EXCEEDING \$1,000 FOR EACH DEFERRED PRESENTMENT SERVICE IN  
30 VIOLATION OF THIS SUBTITLE OR A REGULATION ADOPTED UNDER THIS SUBTITLE,  
31 OR EACH DAY THAT A VIOLATION HAS OCCURRED AND CONTINUES.

32 11-624.

33 (A) THE COMMISSIONER, AFTER NOTICE AND HEARING, MAY SUSPEND OR  
34 REVOKE ANY LICENSE ISSUED UNDER THIS SUBTITLE IF THE COMMISSIONER FINDS  
35 THAT THE LICENSEE, EITHER KNOWINGLY OR THROUGH LACK OF DUE CARE:

1 (1) HAS FAILED TO PAY ANY LICENSE FEE IMPOSED BY THIS SUBTITLE,  
2 OR ANY EXAMINATION FEE IMPOSED BY THE COMMISSIONER UNDER THE  
3 AUTHORITY OF THIS SUBTITLE;

4 (2) HAS COMMITTED ANY FRAUD, ENGAGED IN ANY DISHONEST  
5 ACTIVITIES, OR MADE ANY MISREPRESENTATIONS;

6 (3) HAS VIOLATED A PROVISION OF THIS SUBTITLE OR OTHER LAW IN  
7 THE COURSE OF PROVIDING DEFERRED PRESENTMENT SERVICES;

8 (4) HAS MADE A FALSE STATEMENT IN THE APPLICATION FOR THE  
9 LICENSE OR FAILED TO GIVE A TRUE REPLY TO A QUESTION IN THE APPLICATION; OR

10 (5) HAS DEMONSTRATED INCOMPETENCY OR UNTRUSTWORTHINESS TO  
11 ACT AS A LICENSEE.

12 (B) IF THE REASON FOR REVOCATION OR SUSPENSION OF A LICENSEE'S  
13 LICENSE AT ONE LOCATION IS OF GENERAL APPLICATION TO ALL LOCATIONS  
14 OPERATED BY A LICENSEE, THE COMMISSIONER MAY REVOKE OR SUSPEND ALL  
15 LICENSES ISSUED TO A LICENSEE.

16 (C) (1) A HEARING SHALL BE HELD ON WRITTEN NOTICE GIVEN AT LEAST 20  
17 DAYS PRIOR TO THE DATE OF THE HEARING.

18 (2) THE HEARING SHALL BE HELD IN ACCORDANCE WITH THE  
19 ADMINISTRATIVE PROCEDURE ACT.

20 11-625.

21 THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THE  
22 PROVISIONS OF THIS SUBTITLE.

23 11-626.

24 (A) A PERSON WHO KNOWINGLY VIOLATES A PROVISION OF THIS SUBTITLE IS  
25 GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT  
26 EXCEEDING \$15,000 OR IMPRISONMENT NOT EXCEEDING 3 YEARS OR BOTH.

27 (B) THE COMMISSIONER SHALL REPORT TO THE APPROPRIATE STATE'S  
28 ATTORNEY OR TO THE ATTORNEY GENERAL AN ALLEGED CRIMINAL VIOLATION OF  
29 THIS SUBTITLE.

30 11-627.

31 THIS SUBTITLE MAY BE CITED AS THE "DEFERRED PRESENTMENT SERVICES  
32 ACT".

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 July 1, 2000.