
By: **Senators Hogan, Astle, Bromwell, DeGrange, Della, Dorman, Exum,
Hafer, Hooper, Kelley, Roesser, and Teitelbaum**

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CHAPTER _____

1 AN ACT concerning

2 **Maryland Debt Management Services Registration Act**

3 FOR the purpose of prohibiting certain nonprofit organizations from providing debt
4 management services in the State unless they are registered with the
5 Commissioner of Financial Regulation; altering the penalty for violations of a
6 certain prohibition against engaging in the business of debt management
7 services; prohibiting a certain organization from imposing certain charges or
8 fees on, or requesting or accepting certain voluntary contributions from, certain
9 persons; authorizing the Commissioner to take certain actions to carry out this
10 Act; requiring the Commissioner to establish certain fees by regulation;
11 establishing a certain Debt Management Services Fund; establishing certain
12 qualifications for an applicant for registration; requiring an applicant for
13 registration to submit a certain application, pay certain fees, and file a certain
14 surety bond; requiring an applicant or registrant to provide fingerprints under
15 certain circumstances; requiring the Commissioner to investigate an applicant
16 and issue a registration or deny an application for registration within a certain
17 period of time; requiring the Commissioner to include certain information on
18 each registration; providing that a valid registration authorizes the registrant to
19 provide debt management services to certain persons; prohibiting a registration
20 from being transferred, assigned, or pledged; requiring the registrant to display
21 or maintain the registration in a certain location under certain circumstances;
22 requiring a registrant that provides debt management services through the
23 Internet to include a certain notice on its website; providing for renewal of a
24 registration; requiring a surety bond to satisfy certain requirements;
25 authorizing the Commissioner to waive the surety bond requirement under
26 certain circumstances; authorizing the Commissioner to adopt certain

1 regulations; authorizing the Commissioner to require the maintenance of
 2 certain insurance; requiring a registrant to provide certain information and
 3 make certain reports to the Commissioner; establishing a certain penalty for
 4 failure to make a certain report; authorizing the Commissioner to investigate
 5 certain persons for certain purposes and to conduct certain on-site
 6 examinations of registrants; requiring a registrant to keep certain books,
 7 accounts, and records for a certain period of time and in a certain location and
 8 form; prohibiting a registrant from advertising that the registrant is registered
 9 under this Act under certain circumstances; providing that contracts for the
 10 performance of any act for which registration is required under this Act are not
 11 enforceable under certain circumstances; authorizing the Commissioner to deny
 12 registration to an applicant, reprimand a registrant, or suspend or revoke the
 13 registration of a registrant under certain circumstances; requiring the
 14 Commissioner to give an applicant or registrant notice and an opportunity for a
 15 hearing under certain circumstances; authorizing the Commissioner to take
 16 certain cease and desist and other affirmative actions; specifying that the
 17 Commissioner shall consider certain factors in determining the amount of a
 18 certain penalty; providing certain criminal penalties for certain violations of this
 19 Act; establishing a certain short title; altering a certain definition; defining
 20 certain terms; requiring the Commissioner to identify, document, and study
 21 certain laws and report certain findings and recommendations to certain
 22 committees of the General Assembly on or before a certain date; allowing certain
 23 nonprofit organizations providing debt management services in the State on the
 24 effective date of this Act to continue to provide debt management services
 25 without being registered until a certain time under certain circumstances; and
 26 generally relating to the Maryland Debt Management Services Registration Act.

27 BY repealing and reenacting, with amendments,
 28 Article - Commercial Law
 29 Section 14-1316
 30 Annotated Code of Maryland
 31 (2000 Replacement Volume and 2001 Supplement)
 32 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of
 33 2002)

34 BY adding to
 35 Article - Financial Institutions
 36 Section 12-901 through ~~12-923~~ 12-927, inclusive, to be under the new subtitle
 37 "Subtitle 9. Debt Management Services"
 38 Annotated Code of Maryland
 39 (1998 Replacement Volume and 2001 Supplement)

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

1

Article - Commercial Law

2 14-1316.

3 (a) In this section, ["debt adjusting"] "DEBT MANAGEMENT SERVICES" means
 4 the making of a contract, expressed or implied, with a debtor and another person
 5 engaged in the debt [adjusting] MANAGEMENT SERVICES business by which the
 6 debtor agrees to pay a certain amount of money periodically to the other, who for
 7 consideration distributes the money among specified creditors in accordance with an
 8 agreed plan.

9 (b) A person may not engage in the business of [debt adjusting] PROVIDING
 10 DEBT MANAGEMENT SERVICES.

11 (c) A person who violates this section is guilty of a ~~misdemeanor~~ FELONY and
 12 on conviction is subject to imprisonment not exceeding ~~6 months~~ 5 YEARS or a fine not
 13 exceeding ~~\$500~~ \$1,000 FOR THE FIRST VIOLATION AND NOT EXCEEDING \$5,000 FOR
 14 EACH SUBSEQUENT VIOLATION or both.

15 (d) This section does not apply to the following when engaged in the regular
 16 course of their respective businesses and professions:

17 (1) A lawyer;

18 (2) A bank, CREDIT UNION, or fiduciary, authorized to transact business
 19 in this State and perform credit and financial adjusting service in the regular course
 20 of its principal business;

21 (3) A title insurer or abstract company, while doing an escrow business;

22 (4) A judicial officer or a person acting under a court order;

23 (5) A nonprofit[, religious, fraternal, or cooperative] organization that;
 24 [offers debt management service exclusively for members, if a charge is not made and
 25 a fee is not imposed]

26 (I) IS EXEMPT FROM TAXATION UNDER § 501(C) OF THE INTERNAL
 27 REVENUE CODE;

28 (II) DISTRIBUTES ALL MONEY RECEIVED FROM MEMBERS AND
 29 CUSTOMERS AMONG SPECIFIED CREDITORS IN ACCORDANCE WITH AN AGREED
 30 PLAN THAT DOES NOT:

31 1. IMPOSE A CHARGE OR FEE ON THE MEMBERS OR
 32 CUSTOMERS FOR INITIAL ENROLLMENT OR MAINTENANCE OR ADMINISTRATION OF
 33 THE PLAN; OR

34 2. REQUEST OR ACCEPT A VOLUNTARY CONTRIBUTION
 35 FROM THE MEMBERS OR CUSTOMERS FOR INITIAL ENROLLMENT OR MAINTENANCE
 36 OR ADMINISTRATION OF THE PLAN; AND

1 (III) IS REGISTERED IN ACCORDANCE WITH TITLE 12, SUBTITLE 9 OF
2 THE FINANCIAL INSTITUTIONS ARTICLE;

3 (6) A certified public accountant; and

4 (7) A trade or mercantile association in the course of arranging the
5 adjustment of debts with a business establishment.

6 **Article - Financial Institutions**

7 **SUBTITLE 9. DEBT MANAGEMENT SERVICES.**

8 12-901.

9 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
10 INDICATED.

11 (B) "DEBT MANAGEMENT SERVICES" HAS THE MEANING STATED IN § 14-1316
12 OF THE COMMERCIAL LAW ARTICLE.

13 (C) "FUND" MEANS THE DEBT MANAGEMENT SERVICES FUND ESTABLISHED
14 UNDER § 12-904 OF THIS SUBTITLE.

15 (D) "ORGANIZATION" MEANS A NONPROFIT ORGANIZATION THAT IS EXEMPT
16 FROM TAXATION UNDER § 501(C) OF THE INTERNAL REVENUE CODE.

17 (E) "REGISTRANT" MEANS AN ORGANIZATION REGISTERED UNDER THIS
18 SUBTITLE TO PROVIDE DEBT MANAGEMENT SERVICES.

19 12-902.

20 TO CARRY OUT THE PROVISIONS OF THIS SUBTITLE, THE COMMISSIONER MAY:

21 (1) ADOPT RULES AND REGULATIONS;

22 (2) ENTER INTO COOPERATIVE AND INFORMATION SHARING
23 AGREEMENTS WITH ANY OTHER FEDERAL OR STATE AGENCY HAVING SUPERVISORY
24 RESPONSIBILITY OVER DEBT MANAGEMENT SERVICES; AND

25 (3) PROVIDE ANY FEDERAL OR STATE AGENCY HAVING SUPERVISORY
26 RESPONSIBILITY OVER DEBT MANAGEMENT SERVICES WITH ANY DOCUMENTS OR
27 OTHER INFORMATION.

28 12-903.

29 (A) THE COMMISSIONER BY REGULATION SHALL ESTABLISH:

30 (1) A FEE SCHEDULE, NOT EXCEEDING \$4,000, FOR THE ISSUANCE OF
31 REGISTRATIONS AND RENEWAL OF REGISTRATIONS UNDER THIS SUBTITLE; ~~AND~~

1 (2) A FEE, NOT EXCEEDING \$4,000, FOR RENEWAL OF REGISTRATIONS
2 UNDER THIS SUBTITLE; AND

3 ~~(2)~~ (3) A FEE, NOT EXCEEDING \$1,000, FOR AN INVESTIGATION
4 CONDUCTED UNDER § 12-909 OF THIS SUBTITLE.

5 (B) ANY FEES CHARGED UNDER THIS SUBTITLE SHALL APPROXIMATE THE
6 DIRECT AND INDIRECT COSTS OF ADMINISTERING AND ENFORCING THIS SUBTITLE.

7 12-904.

8 (A) THERE IS A DEBT MANAGEMENT SERVICES FUND THAT CONSISTS OF:

9 (1) ALL REVENUE RECEIVED FOR THE REGISTERING OF
10 ORGANIZATIONS THAT PROVIDE DEBT MANAGEMENT SERVICES UNDER THIS
11 SUBTITLE;

12 (2) INCOME FROM INVESTMENTS THAT THE TREASURER MAKES FOR
13 THE FUND; AND

14 (3) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ANY
15 OTHER FEE OR REVENUE RECEIVED BY THE COMMISSIONER UNDER THIS SUBTITLE.

16 (B) THE COMMISSIONER SHALL PAY ALL FINES AND PENALTIES COLLECTED
17 BY THE COMMISSIONER UNDER THIS SUBTITLE INTO THE GENERAL FUND OF THE
18 STATE.

19 (C) THE PURPOSE OF THE FUND IS TO PAY ALL THE COSTS AND EXPENSES
20 INCURRED BY THE COMMISSIONER THAT ARE RELATED TO THE REGULATION OF THE
21 DEBT MANAGEMENT SERVICES BUSINESS UNDER THIS SUBTITLE, INCLUDING:

22 (1) EXPENDITURES AUTHORIZED UNDER THIS SUBTITLE; AND

23 (2) ANY OTHER EXPENSE AUTHORIZED IN THE STATE BUDGET.

24 (D) (1) THE TREASURER IS THE CUSTODIAN OF THE FUND.

25 (2) THE TREASURER SHALL DEPOSIT PAYMENTS RECEIVED FROM THE
26 COMMISSIONER INTO THE FUND.

27 (E) (1) THE FUND IS A CONTINUING, NONLAPSING FUND THAT IS NOT
28 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, AND MAY
29 NOT BE DEEMED A PART OF THE GENERAL FUND OF THE STATE.

30 (2) UNLESS OTHERWISE PROVIDED BY LAW, NO PART OF THE FUND MAY
31 REVERT OR BE CREDITED TO:

32 (I) THE GENERAL FUND OF THE STATE; OR

33 (II) A SPECIAL FUND OF THE STATE.

1 (F) (1) ALL THE COSTS AND EXPENSES OF THE COMMISSIONER RELATING
2 TO THE REGULATION OF THE DEBT MANAGEMENT SERVICES BUSINESS UNDER THIS
3 SUBTITLE SHALL BE INCLUDED IN THE STATE BUDGET.

4 (2) ANY EXPENDITURES FROM THE FUND TO COVER COSTS AND
5 EXPENSES OF THE COMMISSIONER MAY BE MADE ONLY:

6 (I) BY AN APPROPRIATION FROM THE FUND APPROVED BY THE
7 GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET; OR

8 (II) BY THE BUDGET AMENDMENT PROCEDURE PROVIDED FOR IN §
9 7-209 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

10 (3) IF, IN ANY FISCAL YEAR, THE AMOUNT OF THE REVENUE COLLECTED
11 BY THE COMMISSIONER AND DEPOSITED INTO THE FUND EXCEEDS THE ACTUAL
12 APPROPRIATION FOR THE COMMISSIONER TO REGULATE THE DEBT MANAGEMENT
13 SERVICES BUSINESS UNDER THIS SUBTITLE, THE EXCESS AMOUNT SHALL BE
14 CARRIED FORWARD WITHIN THE FUND.

15 (G) THE OFFICE OF LEGISLATIVE AUDITS SHALL AUDIT THE ACCOUNTS AND
16 TRANSACTIONS OF THE FUND UNDER § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

17 12-905.

18 AN ORGANIZATION MAY NOT PROVIDE DEBT MANAGEMENT SERVICES IN THE
19 STATE UNLESS THE ORGANIZATION:

20 (1) DISTRIBUTES ALL MONEY RECEIVED FROM MEMBERS AND
21 CUSTOMERS AMONG SPECIFIED CREDITORS IN ACCORDANCE WITH AN AGREED
22 PLAN THAT DOES NOT:

23 (I) IMPOSE A CHARGE OR FEE ON THE MEMBERS OR CUSTOMERS
24 FOR INITIAL ENROLLMENT OR MAINTENANCE OR ADMINISTRATION OF THE PLAN; OR

25 (II) REQUEST OR ACCEPT A VOLUNTARY CONTRIBUTION FROM THE
26 MEMBERS OR CUSTOMERS FOR INITIAL ENROLLMENT OR MAINTENANCE OR
27 ADMINISTRATION OF THE PLAN; AND

28 (2) IS REGISTERED UNDER THIS SUBTITLE.

29 12-906.

30 TO QUALIFY FOR REGISTRATION, AN APPLICANT SHALL SATISFY THE
31 COMMISSIONER THAT:

32 (1) THE APPLICANT PROVIDES DEBT MANAGEMENT SERVICES
33 EXCLUSIVELY FOR THE APPLICANT'S MEMBERS OR CUSTOMERS WITHOUT IMPOSING
34 A CHARGE OR FEE ON THE MEMBERS OR CUSTOMERS OR REQUESTING OR
35 ACCEPTING A VOLUNTARY CONTRIBUTION FROM THE MEMBERS OR CUSTOMERS;
36 AND

1 (2) THE APPLICANT OR, IF THE APPLICANT IS NOT AN INDIVIDUAL, EACH
2 OF THE OWNERS, OFFICERS, ~~DIRECTORS~~, AND PRINCIPALS OF THE APPLICANT, HAS
3 SUFFICIENT EXPERIENCE, CHARACTER, FINANCIAL RESPONSIBILITY, AND GENERAL
4 FITNESS TO:

5 (I) ENGAGE IN THE BUSINESS OF PROVIDING DEBT MANAGEMENT
6 SERVICES;

7 (II) WARRANT THE BELIEF THAT THE DEBT MANAGEMENT
8 SERVICES BUSINESS WILL BE CONDUCTED LAWFULLY, HONESTLY, FAIRLY, AND
9 EFFICIENTLY; AND

10 (III) COMMAND THE CONFIDENCE OF THE PUBLIC.

11 12-907.

12 (A) (1) TO APPLY FOR REGISTRATION, AN APPLICANT SHALL SUBMIT TO THE
13 COMMISSIONER AN APPLICATION ON THE FORM THAT THE COMMISSIONER
14 PROVIDES.

15 (2) THE APPLICATION SHALL INCLUDE:

16 (I) THE APPLICANT'S NAME, BUSINESS ADDRESS, TELEPHONE
17 NUMBER, AND ELECTRONIC MAIL ADDRESS, IF ANY;

18 (II) IF THE APPLICANT HAS MORE THAN ONE LOCATION OR
19 BRANCH, THE BUSINESS ADDRESS AND TELEPHONE NUMBER FOR EACH LOCATION
20 OR BRANCH;

21 ~~(H)~~ (III) IF THE APPLICANT IS NOT AN INDIVIDUAL, THE NAME
22 AND ADDRESS OF EACH OWNER, OFFICER, DIRECTOR, AND PRINCIPAL OF THE
23 APPLICANT;

24 ~~(H)~~ (IV) THE APPLICANT'S FEDERAL EMPLOYER IDENTIFICATION
25 NUMBER;

26 (V) THE MOST RECENT, UNCONSOLIDATED FINANCIAL
27 STATEMENT OF THE APPLICANT THAT:

28 1. IS PREPARED IN ACCORDANCE WITH GENERALLY
29 ACCEPTED ACCOUNTING PRINCIPLES APPLIED ON A CONSISTENT BASIS;

30 2. INCLUDES A CERTIFIED OPINION AUDIT PREPARED BY AN
31 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT; AND

32 3. WAS PREPARED NO MORE THAN 12 MONTHS BEFORE THE
33 DATE OF APPLICATION;

34 ~~(V)~~ (VI) A LIST OF ANY STATE IN WHICH:

1 1. THE APPLICANT ENGAGES IN THE BUSINESS OF
2 PROVIDING DEBT MANAGEMENT SERVICES;

3 2. THE APPLICANT IS REGISTERED OR LICENSED TO
4 PROVIDE DEBT MANAGEMENT SERVICES; AND

5 3. THE APPLICANT'S REGISTRATION OR LICENSE HAS BEEN
6 SUSPENDED OR REVOKED;

7 ~~(V)~~ (VII) A STATEMENT OF WHETHER ANY PENDING JUDGMENT,
8 TAX LIEN, MATERIAL LITIGATION, OR ADMINISTRATIVE ACTION BY ANY
9 GOVERNMENT AGENCY EXISTS AGAINST THE APPLICANT; AND

10 ~~(VI)~~ (VIII) ANY OTHER INFORMATION THAT THE COMMISSIONER
11 REASONABLY REQUIRES.

12 (B) WITH THE APPLICATION, THE APPLICANT SHALL PAY TO THE
13 COMMISSIONER:

14 (1) AN APPLICATION FEE IN THE AMOUNT ESTABLISHED UNDER § 12-903
15 OF THIS SUBTITLE; AND

16 (2) A NONREFUNDABLE INVESTIGATION FEE IN THE AMOUNT
17 ESTABLISHED UNDER § 12-903 OF THIS SUBTITLE.

18 (C) WITH THE APPLICATION, THE APPLICANT SHALL FILE A SURETY BOND
19 WITH THE COMMISSIONER AS PROVIDED IN § 12-912 OF THIS SUBTITLE.

20 12-908.

21 (A) WITH AN INITIAL APPLICATION, A RENEWAL APPLICATION, AND AT ANY
22 OTHER TIME THE COMMISSIONER REQUIRES, AN APPLICANT OR REGISTRANT SHALL
23 PROVIDE FINGERPRINTS FOR USE BY THE FEDERAL BUREAU OF INVESTIGATION
24 AND THE MARYLAND CRIMINAL JUSTICE INFORMATION SYSTEM CENTRAL
25 REPOSITORY OF THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL
26 SERVICES TO CONDUCT CRIMINAL HISTORY RECORDS CHECKS.

27 (B) AN APPLICANT OR REGISTRANT REQUIRED TO PROVIDE FINGERPRINTS
28 UNDER THIS SECTION SHALL PAY ANY PROCESSING OR OTHER REQUIRED FEE.

29 (C) IF THE APPLICANT OR REGISTRANT IS A CORPORATION, THE
30 FINGERPRINTING AND CRIMINAL HISTORY RECORDS CHECK REQUIREMENTS SHALL
31 APPLY TO THE PRESIDENT AND ANY OTHER OFFICER, DIRECTOR, PRINCIPAL, OR
32 OWNER OF THE CORPORATION AS REQUIRED BY THE COMMISSIONER.

33 12-909.

34 (A) WHEN AN APPLICANT FOR REGISTRATION FILES THE APPLICATION, FILES
35 THE SURETY BOND, AND PAYS THE FEES REQUIRED BY § ~~12-907~~ 12-903 OF THIS
36 SUBTITLE, THE COMMISSIONER SHALL INVESTIGATE THE FACTS RELEVANT TO THE

1 APPLICATION TO DETERMINE IF THE APPLICANT MEETS THE REQUIREMENTS OF
2 THIS SUBTITLE.

3 (B) UNLESS THE COMMISSIONER NOTIFIES AN APPLICANT THAT A
4 DIFFERENT TIME PERIOD IS NECESSARY, THE COMMISSIONER SHALL APPROVE OR
5 DENY EACH APPLICATION FOR REGISTRATION WITHIN 60 DAYS AFTER THE DATE
6 WHEN THE COMPLETE APPLICATION IS FILED, THE SURETY BOND IS FILED, AND THE
7 FEES ARE PAID.

8 (C) THE COMMISSIONER SHALL ISSUE A REGISTRATION TO ANY APPLICANT
9 WHO MEETS THE REQUIREMENTS OF THIS SUBTITLE.

10 (D) (1) IF AN APPLICANT DOES NOT MEET THE REQUIREMENTS OF THIS
11 SUBTITLE, THE COMMISSIONER:

12 (I) SUBJECT TO THE HEARING PROVISIONS OF § ~~12-924~~ 12-923 OF
13 THIS SUBTITLE, SHALL DENY THE APPLICATION;

14 (II) SHALL NOTIFY THE APPLICANT IMMEDIATELY OF THE DENIAL;

15 (III) SHALL REFUND THE REGISTRATION FEE; AND

16 (IV) SHALL RETAIN THE INVESTIGATION FEE.

17 (2) WITHIN 30 DAYS AFTER THE COMMISSIONER DENIES AN
18 APPLICATION, THE COMMISSIONER SHALL STATE THE REASONS FOR THE DENIAL IN
19 WRITING AND MAIL THEM TO THE APPLICANT AT THE ADDRESS LISTED IN THE
20 APPLICATION.

21 12-910.

22 (A) THE COMMISSIONER SHALL INCLUDE ON EACH REGISTRATION:

23 (1) THE NAME OF THE REGISTRANT; AND

24 (2) THE DEBT MANAGEMENT SERVICES REGISTRATION NUMBER OF THE
25 REGISTRANT.

26 (B) A VALID REGISTRATION AUTHORIZES THE REGISTRANT TO PROVIDE DEBT
27 MANAGEMENT SERVICES EXCLUSIVELY FOR THE REGISTRANT'S MEMBERS WITHOUT
28 IMPOSING A CHARGE OR FEE ON THE MEMBERS.

29 (C) A REGISTRATION MAY NOT BE TRANSFERRED, ASSIGNED, OR PLEDGED.

30 (D) (1) IF THE REGISTRANT MAINTAINS AN OFFICE IN THE STATE, THE
31 REGISTRANT SHALL CONSPICUOUSLY DISPLAY THE REGISTRATION IN THE
32 LOCATION THAT IS OPEN TO THE PUBLIC AND AT WHICH THE REGISTRANT ENGAGES
33 IN THE BUSINESS OF PROVIDING DEBT MANAGEMENT SERVICES.

1 (2) IF THE REGISTRANT DOES NOT MAINTAIN AN OFFICE IN THE STATE,
2 THE REGISTRANT SHALL MAINTAIN THE REGISTRATION IN THE REGISTRANT'S
3 HEADQUARTERS.

4 (E) A REGISTRANT THAT PROVIDES DEBT MANAGEMENT SERVICES THROUGH
5 THE INTERNET SHALL INCLUDE THE FOLLOWING NOTICE ON ITS WEBSITE:

6 "THE COMMISSIONER OF FINANCIAL REGULATION FOR THE STATE OF
7 MARYLAND WILL ACCEPT ALL QUESTIONS OR COMPLAINTS FROM MARYLAND
8 RESIDENTS REGARDING (NAME AND REGISTRATION NUMBER OF REGISTRANT) AT
9 (ADDRESS OF COMMISSIONER), PHONE (TOLL FREE TELEPHONE NUMBER OF THE
10 COMMISSIONER)".

11 12-911.

12 (A) A REGISTRATION EXPIRES ON DECEMBER 31 IN EACH ODD-NUMBERED
13 YEAR UNLESS IT IS RENEWED FOR A 2-YEAR TERM AS PROVIDED IN THIS SECTION.

14 (B) ON OR BEFORE DECEMBER 1 OF THE YEAR OF EXPIRATION, A
15 REGISTRATION MAY BE RENEWED FOR AN ADDITIONAL 2-YEAR TERM IF THE
16 REGISTRANT:

17 (1) OTHERWISE IS ENTITLED TO BE REGISTERED;

18 (2) PAYS TO THE COMMISSIONER A RENEWAL FEE IN THE AMOUNT
19 ESTABLISHED UNDER § 12-903 OF THIS SUBTITLE;

20 (3) FILES ANY BOND RENEWAL CERTIFICATE OR NEW SURETY BOND
21 REQUIRED BY § 12-912 OF THIS SUBTITLE; AND

22 (4) SUBMITS TO THE COMMISSIONER A RENEWAL APPLICATION ON THE
23 FORM THAT THE COMMISSIONER PROVIDES.

24 (C) THE COMMISSIONER MAY DETERMINE THAT REGISTRATIONS ISSUED
25 UNDER THIS SUBTITLE SHALL EXPIRE ON A STAGGERED BASIS.

26 12-912.

27 (A) WITH THE APPLICATION FOR A NEW OR RENEWAL REGISTRATION, THE
28 APPLICANT SHALL FILE A SURETY BOND OR BOND RENEWAL CERTIFICATE WITH
29 THE COMMISSIONER AS PROVIDED IN THIS SECTION.

30 (B) (1) A SURETY BOND FILED UNDER THIS SECTION SHALL RUN TO THE
31 STATE FOR THE BENEFIT OF ANY INDIVIDUAL WHO RESIDES IN THE STATE AND WHO
32 HAS BEEN DAMAGED BY A VIOLATION OF THIS SUBTITLE OR A REGULATION
33 ADOPTED UNDER THIS SUBTITLE COMMITTED BY A REGISTRANT.

34 (2) THE SURETY BOND SHALL BE:

35 (I) IN AN AMOUNT OF NOT LESS THAN ~~\$10,000~~ \$5,000 AND NOT
36 MORE THAN \$1,000,000, AS SET BY THE COMMISSIONER;

1 (II) ISSUED BY A BONDING, SURETY, OR INSURANCE COMPANY
2 THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE; AND

3 (III) CONDITIONED SO THAT THE REGISTRANT SHALL COMPLY WITH
4 ALL STATE AND FEDERAL LAWS AND REGULATIONS GOVERNING THE BUSINESS OF
5 PROVIDING DEBT MANAGEMENT SERVICES.

6 (3) IN SETTING THE AMOUNT OF THE BOND, THE COMMISSIONER:

7 (I) SHALL CONSIDER:

8 1. THE FINANCIAL CONDITION OF THE APPLICANT OR
9 REGISTRANT;

10 2. FOR AN APPLICANT, THE PROJECTED MONTHLY VOLUME
11 OF DEBT MANAGEMENT SERVICES TO BE PROVIDED IN THE STATE AND THE
12 APPLICANT'S BUSINESS EXPERIENCE; AND

13 3. FOR A REGISTRANT, THE AVERAGE MONTHLY
14 OUTSTANDING LIABILITY RELATING TO DEBT MANAGEMENT SERVICES PROVIDED
15 DURING THE PREVIOUS 12 MONTHS; AND

16 (II) MAY CONSIDER ANY OTHER FACTOR DEEMED APPROPRIATE.

17 (4) THE LIABILITY OF A SURETY:

18 (I) IS NOT AFFECTED BY THE INSOLVENCY OR BANKRUPTCY OF
19 THE REGISTRANT OR BY ANY MISREPRESENTATION, BREACH OF WARRANTY,
20 FAILURE TO PAY A PREMIUM, OR OTHER ACT OR OMISSION OF THE REGISTRANT; AND

21 (II) CONTINUES AS TO ALL TRANSACTIONS OF THE REGISTRANT
22 FOR NO LONGER THAN 2 YEARS AFTER THE REGISTRANT CEASES, FOR ANY REASON,
23 TO BE REGISTERED.

24 (5) THE COMMISSIONER MAY PERMIT THE SURETY BOND TO BE
25 REDUCED OR ELIMINATED BEFORE THE 2-YEAR PERIOD REQUIRED UNDER
26 PARAGRAPH (4)(II) OF THIS SUBSECTION IF THE AMOUNT OF THE REGISTRANT'S
27 MEMBER OR CUSTOMER PAYMENT LIABILITY IN THIS STATE IS REDUCED.

28 (6) (I) A REGISTRANT OR SURETY MAY CANCEL A BOND BY GIVING
29 THE COMMISSIONER NOTICE OF THE CANCELLATION BY CERTIFIED MAIL, RETURN
30 RECEIPT REQUESTED, BEARING A POSTMARK FROM THE UNITED STATES POSTAL
31 SERVICE.

32 (II) THE CANCELLATION IS NOT EFFECTIVE UNTIL 90 DAYS AFTER
33 THE COMMISSIONER RECEIVES THE NOTICE.

34 (7) A PENALTY IMPOSED UNDER § 12-924 OF THIS SUBTITLE MAY BE
35 REPAID AND COLLECTED FROM THE PROCEEDS OF A SURETY BOND OR CASH IN LIEU
36 OF A BOND REQUIRED UNDER THIS SECTION.

1 (C) IF THE PRINCIPAL AMOUNT OF A BOND IS REDUCED BY PAYMENT OF A
2 CLAIM OR JUDGMENT, THE REGISTRANT SHALL FILE WITH THE COMMISSIONER ANY
3 NEW OR ADDITIONAL BOND IN THE AMOUNT THAT THE COMMISSIONER SETS.

4 (D) THE COMMISSIONER MAY WAIVE THE SURETY BOND REQUIREMENT
5 UNDER THIS SECTION IF THE COMMISSIONER DETERMINES THAT THE VOLUME OF
6 DEBT MANAGEMENT SERVICES PROVIDED BY THE APPLICANT OR REGISTRANT DOES
7 NOT WARRANT THE NEED FOR A SURETY BOND.

8 (E) THE COMMISSIONER MAY ADOPT REGULATIONS THAT ALLOW AN
9 APPLICANT OR REGISTRANT TO FILE EVIDENCE OF A DEPOSIT OF CASH OR OTHER
10 PERMISSIBLE INVESTMENT IN LIEU OF A SURETY BOND.

11 12-913.

12 THE COMMISSIONER MAY REQUIRE AN APPLICANT OR REGISTRANT TO
13 MAINTAIN GENERAL LIABILITY OR FIDELITY INSURANCE TO BE USED FOR THE
14 BENEFIT OF ANY PERSON INJURED BY THE APPLICANT OR REGISTRANT BECAUSE OF
15 A FRAUDULENT OR DISHONEST ACT OF THE APPLICANT OR REGISTRANT, OR OF AN
16 EMPLOYEE OF THE APPLICANT OR REGISTRANT.

17 12-914.

18 THE COMMISSIONER MAY ADOPT REGULATIONS THAT ESTABLISH A CODE OF
19 CONDUCT FOR REGISTRANTS PROVIDING DEBT MANAGEMENT SERVICES.

20 ~~12-913.~~ 12-915.

21 (A) A REGISTRANT SHALL PROVIDE THE COMMISSIONER WRITTEN NOTICE OF
22 ANY CHANGE IN THE INFORMATION SUBMITTED TO THE COMMISSIONER UNDER §
23 12-907(A) OF THIS SUBTITLE WITHIN 10 BUSINESS DAYS AFTER THE CHANGE IS
24 EFFECTIVE.

25 (B) A REGISTRANT SHALL COMPLY WITH SUBSECTION (A) OF THIS SECTION
26 FOR 1 YEAR AFTER THE REGISTRANT CEASES TO BE REGISTERED.

27 ~~12-914.~~ 12-916.

28 (A) (1) ON OR BEFORE APRIL 30 OF EACH YEAR, A REGISTRANT SHALL
29 REPORT TO THE COMMISSIONER ON THE DEBT MANAGEMENT SERVICES BUSINESS
30 OF THE REGISTRANT DURING THE PRECEDING CALENDAR YEAR.

31 (2) THE ANNUAL REPORT SHALL BE ON THE FORM THAT THE
32 COMMISSIONER REQUIRES.

33 (3) THE COMMISSIONER MAY REQUIRE THAT AN INDEPENDENT
34 CERTIFIED PUBLIC ACCOUNTANT OPINION AUDIT AND THE INTERNAL REVENUE
35 SERVICE 990 FORM BE INCLUDED AS PART OF, OR IN LIEU OF, THE ANNUAL REPORT.

1 (B) THE COMMISSIONER MAY REQUIRE ANY OTHER REPORTS FROM A
2 REGISTRANT THAT THE COMMISSIONER CONSIDERS REASONABLY NECESSARY.

3 (C) IF THE REGISTRANT FAILS TO MAKE ANY REPORT REQUIRED BY THIS
4 SUBTITLE, THE REGISTRANT SHALL PAY TO THE COMMISSIONER \$25 FOR EACH DAY
5 THAT THE REPORT IS OVERDUE.

6 ~~12-915.~~ 12-917.

7 (A) TO DISCOVER ANY VIOLATIONS OF THIS SUBTITLE OR TO OBTAIN ANY
8 INFORMATION REQUIRED BY THIS SUBTITLE, THE COMMISSIONER AT ANY TIME MAY
9 INVESTIGATE THE BUSINESS OF:

10 (1) A REGISTRANT;

11 (2) A PERSON WHO IS ENGAGED OR PARTICIPATING IN THE BUSINESS OF
12 PROVIDING DEBT MANAGEMENT SERVICES; AND

13 (3) ANY OTHER PERSON WHO THE COMMISSIONER HAS CAUSE TO
14 BELIEVE IS VIOLATING THIS SUBTITLE OR ANY REGULATION ADOPTED UNDER THIS
15 SUBTITLE, WHETHER THAT PERSON CLAIMS TO BE WITHIN OR BEYOND THE SCOPE
16 OF THIS SUBTITLE.

17 (B) FOR THE PURPOSES OF THIS SECTION, THE COMMISSIONER:

18 (1) SHALL BE GIVEN ACCESS TO THE PLACE OF BUSINESS, BOOKS,
19 PAPERS, RECORDS, SAFES, AND VAULTS OF THE PERSON UNDER INVESTIGATION;
20 AND

21 (2) MAY SUMMON AND EXAMINE UNDER OATH ANY PERSON WHOSE
22 TESTIMONY THE COMMISSIONER REQUIRES.

23 (C) THE PERSON BEING INVESTIGATED SHALL PAY ALL REASONABLY
24 INCURRED COSTS OF AN INVESTIGATION CONDUCTED UNDER THIS SECTION.

25 (D) (1) IF A PERSON FAILS TO COMPLY WITH A SUBPOENA OR SUMMONS OF
26 THE COMMISSIONER UNDER THIS SUBTITLE OR TO TESTIFY CONCERNING ANY
27 MATTER ABOUT WHICH THE PERSON MAY BE INTERROGATED UNDER THIS
28 SUBTITLE, THE COMMISSIONER MAY FILE A PETITION FOR ENFORCEMENT WITH THE
29 CIRCUIT COURT FOR ANY COUNTY.

30 (2) ON PETITION BY THE COMMISSIONER, THE COURT MAY ORDER THE
31 PERSON TO ATTEND AND TESTIFY OR PRODUCE EVIDENCE.

32 ~~12-916.~~ 12-918.

33 (A) THE COMMISSIONER MAY CONDUCT AN ON-SITE EXAMINATION OF A
34 REGISTRANT WITH OR WITHOUT PRIOR NOTICE.

35 (B) THE REGISTRANT SHALL PAY ALL REASONABLY INCURRED COSTS OF AN
36 EXAMINATION CONDUCTED UNDER THIS SECTION.

1 (C) THE ON-SITE EXAMINATION MAY BE CONDUCTED IN CONJUNCTION WITH
2 AN EXAMINATION PERFORMED BY A REPRESENTATIVE OF A RESPONSIBLE
3 SUPERVISORY AGENCY OF ANOTHER STATE.

4 (D) (1) THE COMMISSIONER, IN LIEU OF AN ON-SITE EXAMINATION, MAY
5 ACCEPT THE EXAMINATION REPORT OF A RESPONSIBLE SUPERVISORY AGENCY OF
6 ANOTHER STATE.

7 (2) A REPORT ACCEPTED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS
8 CONSIDERED FOR ALL PURPOSES AS AN OFFICIAL REPORT OF THE COMMISSIONER.

9 (E) THE COMMISSIONER MAY:

10 (1) EXAMINE ALL BOOKS, ACCOUNTS, AND RECORDS THE
11 COMMISSIONER DETERMINES ARE NECESSARY TO CONDUCT A COMPLETE
12 EXAMINATION; AND

13 (2) EXAMINE UNDER OATH ANY OWNER, OFFICER, DIRECTOR,
14 PRINCIPAL, AND EMPLOYEE OF THE REGISTRANT.

15 ~~12-917.~~ 12-919.

16 (A) A REGISTRANT SHALL KEEP THE BOOKS, ACCOUNTS, AND RECORDS THAT
17 THE COMMISSIONER REQUIRES TO DETERMINE COMPLIANCE WITH THIS SUBTITLE.

18 (B) UNLESS A LONGER PERIOD IS EXPRESSLY REQUIRED BY STATE OR
19 FEDERAL LAW, A REGISTRANT SHALL RETAIN THE BOOKS, ACCOUNTS, AND RECORDS
20 REQUIRED UNDER THIS SECTION FOR A PERIOD OF AT LEAST 3 YEARS.

21 (C) A REGISTRANT MAY RETAIN THE BOOKS, ACCOUNTS, AND RECORDS
22 REQUIRED UNDER THIS SECTION AT ANY LOCATION, PROVIDED THAT THE
23 REGISTRANT:

24 (1) NOTIFIES THE COMMISSIONER IN WRITING OF THE LOCATION OF
25 THE BOOKS, ACCOUNTS, AND RECORDS; AND

26 (2) MAKES THE BOOKS, ACCOUNTS, AND RECORDS AVAILABLE AT A
27 LOCATION IN THE STATE, AS AGREED BY THE COMMISSIONER AND THE REGISTRANT,
28 WITHIN 7 DAYS AFTER A WRITTEN REQUEST FOR EXAMINATION BY THE
29 COMMISSIONER.

30 (D) A REGISTRANT SHALL RETAIN THE BOOKS, ACCOUNTS, AND RECORDS
31 REQUIRED UNDER THIS SECTION IN:

32 (1) ORIGINAL FORM; OR

33 (2) PHOTOGRAPHIC, ELECTRONIC, OR OTHER SIMILAR FORM APPROVED
34 BY THE COMMISSIONER.

1 ~~42-918. 12-920.~~

2 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A REGISTRANT SHALL
3 INCLUDE IN ITS ADVERTISEMENT A STATEMENT THAT THE REGISTRANT IS
4 REGISTERED.

5 (B) A REGISTRANT MAY NOT ADVERTISE THAT THE REGISTRANT IS
6 REGISTERED UNDER THIS SUBTITLE UNLESS THE ADVERTISEMENT STATES THE
7 DEBT MANAGEMENT SERVICES REGISTRATION NUMBER OF THE REGISTRANT IN ONE
8 OF THE FOLLOWING FORMS:

9 "MARYLAND DEBT MANAGEMENT SERVICES REGISTRATION NO. ____"; OR

10 "MDMSR NO. ____".

11 (C) IF A PERSON THAT PROVIDES DEBT MANAGEMENT SERVICES ON THE
12 INTERNET DOES NOT WISH TO BE REGISTERED IN MARYLAND, THE PERSON SHALL
13 DISCLOSE ON ITS WEBSITE THAT THE PERSON IS NOT REGISTERED IN MARYLAND
14 AND MAY NOT PROVIDE DEBT MANAGEMENT SERVICES TO MARYLAND RESIDENTS.

15 ~~42-919. 12-921.~~

16 A CONTRACT FOR THE PERFORMANCE OF ANY ACT FOR WHICH REGISTRATION
17 IS REQUIRED UNDER THIS SUBTITLE IS NOT ENFORCEABLE UNLESS THE
18 ORGANIZATION ENGAGING IN THE BUSINESS OF PROVIDING DEBT MANAGEMENT
19 SERVICES WAS REGISTERED AT THE TIME THE CONTRACT WAS EXECUTED.

20 ~~42-920. 12-922.~~

21 (A) SUBJECT TO THE HEARING PROVISIONS OF § ~~42-924 12-923~~ OF THIS
22 SUBTITLE, THE COMMISSIONER MAY DENY REGISTRATION TO AN APPLICANT,
23 REPRIMAND A REGISTRANT, OR SUSPEND OR REVOKE THE REGISTRATION OF A
24 REGISTRANT IF THE APPLICANT OR REGISTRANT OR AN OWNER, OFFICER, DIRECTOR,
25 OR PRINCIPAL OF THE APPLICANT OR REGISTRANT:

26 (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO
27 OBTAIN A REGISTRATION;

28 (2) FRAUDULENTLY OR DECEPTIVELY USES A REGISTRATION OR DEBT
29 MANAGEMENT SERVICES REGISTRATION NUMBER;

30 (3) PRESENTS OR ATTEMPTS TO PRESENT THE DEBT MANAGEMENT
31 SERVICES REGISTRATION NUMBER OF ANOTHER REGISTRANT AS THE APPLICANT'S
32 OR REGISTRANT'S DEBT MANAGEMENT SERVICES REGISTRATION NUMBER;

33 (4) VIOLATES ANY PROVISION OF THIS SUBTITLE OR ANY REGULATION
34 ADOPTED UNDER THIS SUBTITLE;

35 (5) IS CONVICTED UNDER THE LAWS OF THE UNITED STATES OR OF ANY
36 STATE OF:

1 (I) A FELONY; OR

2 (II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE FITNESS
3 AND QUALIFICATION ETHICAL CONDUCT OF THE APPLICANT OR REGISTRANT TO
4 PROVIDE DEBT MANAGEMENT SERVICES;

5 (6) IN CONNECTION WITH THE PROVISION OF DEBT MANAGEMENT
6 SERVICES:

7 (I) COMMITS A FRAUD;

8 (II) ENGAGES IN AN ILLEGAL OR DISHONEST ACTIVITY; OR

9 (III) MISREPRESENTS OR FAILS TO DISCLOSE A MATERIAL FACT TO
10 A PERSON ENTITLED TO THAT INFORMATION; OR

11 (7) OTHERWISE DEMONSTRATES UNWORTHINESS, BAD FAITH,
12 DISHONESTY, OR ANY OTHER QUALITY THAT INDICATES THAT THE BUSINESS OF THE
13 APPLICANT OR REGISTRANT HAS NOT BEEN OR WILL NOT BE CONDUCTED
14 HONESTLY, FAIRLY, AND EQUITABLY.

15 (B) IN DETERMINING WHETHER TO DENY REGISTRATION TO AN APPLICANT,
16 REPRIMAND A REGISTRANT, OR SUSPEND OR REVOKE THE REGISTRATION OF A
17 REGISTRANT FOR A REASON LISTED IN SUBSECTION (A)(5) OF THIS SECTION, THE
18 COMMISSIONER SHALL CONSIDER:

19 (1) THE NATURE OF THE CRIME;

20 (2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES AUTHORIZED
21 BY THE REGISTRATION;

22 (3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE CONVICTION
23 TO THE FITNESS AND QUALIFICATION OF THE APPLICANT OR REGISTRANT TO
24 PROVIDE DEBT MANAGEMENT SERVICES;

25 (4) THE LENGTH OF TIME SINCE THE CONVICTION; AND

26 (5) THE BEHAVIOR AND ACTIVITIES OF THE APPLICANT OR REGISTRANT
27 SINCE THE CONVICTION.

28 ~~12-921.~~ 12-923.

29 (A) BEFORE THE COMMISSIONER DENIES AN APPLICATION FOR
30 REGISTRATION UNDER § 12-909 OF THIS SUBTITLE OR TAKES ANY ACTION UNDER §
31 ~~12-920~~ 12-922 OF THIS SUBTITLE, THE COMMISSIONER SHALL GIVE THE APPLICANT
32 OR REGISTRANT AN OPPORTUNITY FOR A HEARING.

33 (B) NOTICE OF THE HEARING SHALL BE GIVEN AND THE HEARING SHALL BE
34 HELD IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT
35 ARTICLE.

1 12-924.

2 (A) (1) THE COMMISSIONER MAY ENFORCE THE PROVISIONS OF THIS
3 SUBTITLE BY ISSUING AN ORDER:

4 (I) TO CEASE AND DESIST FROM THE VIOLATION AND ANY
5 FURTHER SIMILAR VIOLATIONS; AND

6 (II) REQUIRING THE VIOLATOR TO TAKE AFFIRMATIVE ACTION TO
7 CORRECT THE VIOLATION, INCLUDING THE RESTITUTION OF MONEY OR PROPERTY
8 TO ANY PERSON AGGRIEVED BY THE VIOLATION.

9 (2) IF A VIOLATOR FAILS TO COMPLY WITH AN ORDER ISSUED UNDER
10 PARAGRAPH (1) OF THIS SUBSECTION, THE COMMISSIONER MAY IMPOSE A CIVIL
11 PENALTY OF UP TO \$1,000 FOR THE FIRST VIOLATION AND \$5,000 FOR EACH
12 SUBSEQUENT VIOLATION FROM WHICH THE VIOLATOR FAILED TO CEASE AND
13 DESIST OR FOR WHICH THE VIOLATOR FAILED TO TAKE AFFIRMATIVE ACTION.

14 (B) THE COMMISSIONER MAY FILE A PETITION IN THE CIRCUIT COURT FOR
15 ANY COUNTY SEEKING ENFORCEMENT OF AN ORDER ISSUED UNDER THIS SECTION.

16 (C) IN DETERMINING THE AMOUNT OF FINANCIAL PENALTY TO BE IMPOSED
17 UNDER SUBSECTION (A) OF THIS SECTION, THE COMMISSIONER SHALL CONSIDER
18 THE FOLLOWING:

19 (1) THE SERIOUSNESS OF THE VIOLATION;

20 (2) THE GOOD FAITH OF THE VIOLATOR;

21 (3) THE VIOLATOR'S HISTORY OF PREVIOUS VIOLATIONS;

22 (4) THE DELETERIOUS EFFECT OF THE VIOLATION ON THE PUBLIC;

23 (5) THE ASSETS OF THE VIOLATOR; AND

24 (6) ANY OTHER FACTORS RELEVANT TO THE DETERMINATION OF THE
25 FINANCIAL PENALTY.

26 12-925.

27 A PERSON THAT ENGAGES IN THE BUSINESS OF DEBT MANAGEMENT SERVICES
28 IS SUBJECT TO THE ENFORCEMENT PROVISIONS OF §§ 2-114 THROUGH 2-116 OF THIS
29 ARTICLE IF THE PERSON IS NOT REGISTERED UNDER THIS SUBTITLE.

30 ~~12-922.~~ 12-926.

31 A PERSON WHO KNOWINGLY AND WILLFULLY VIOLATES ANY PROVISION OF
32 THIS SUBTITLE IS GUILTY OF A FELONY AND ON CONVICTION IS SUBJECT TO A FINE
33 NOT EXCEEDING \$1,000 FOR THE FIRST VIOLATION AND NOT EXCEEDING \$5,000 FOR
34 EACH SUBSEQUENT VIOLATION OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR
35 BOTH.

1 ~~42-923.~~ 12-927.

2 THIS SUBTITLE MAY BE CITED AS THE MARYLAND DEBT MANAGEMENT
3 SERVICES REGISTRATION ACT.

4 SECTION 2. AND BE IT FURTHER ENACTED, That the Commissioner of
5 Financial Regulation shall identify, document, and study the laws regulating debt
6 management services in other states. On or before December 1, 2002, the
7 Commissioner shall report, in accordance with § 2-1246 of the State Government
8 Article, to the Senate Finance Committee and the House Commerce and Government
9 Matters Committee on the Commissioner's findings and recommendations for
10 changes to the Maryland Debt Management Services Registration Act, as enacted by
11 Section 1 of this Act.

12 SECTION 3. AND BE IT FURTHER ENACTED, That, in the absence of an
13 order by the Commissioner of Financial Regulation to the contrary, an organization
14 providing debt management services in the State on the effective date of this Act may
15 continue to provide debt management services in the State without being registered,
16 as required under Section 1 of this Act, until the Commissioner approves or
17 disapproves the organization's application for registration if:

18 (a) the organization applies for registration no later than 60 days after the
19 date the Commissioner makes available registration applications; and

20 (b) the organization complies with all other provisions of this Act.

21 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to Section 3 of
22 this Act, this Act shall take effect October 1, 2002.