
By: **Delegates Bobo and McIntosh**

Introduced and read first time: January 24, 2005

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Credit Regulation - Short-Term Small Consumer Loan Study Commission**

3 FOR the purpose of establishing a Short-Term Small Consumer Loan Study
4 Commission; providing for the membership and cochair of and staff for the
5 Study Commission; requiring the Study Commission to perform certain duties,
6 including reporting to the General Assembly on or before a certain date;
7 providing for the termination of this Act; and generally relating to the
8 Short-Term Small Consumer Loan Study Commission.

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
10 MARYLAND, That:

11 (a) There is a Short-Term Small Consumer Loan Study Commission.

12 (b) The Study Commission consists of the following 18 members:

13 (1) three members of the Senate of Maryland, appointed by the President
14 of the Senate;

15 (2) three members of the House of Delegates, appointed by the Speaker
16 of the House;

17 (3) the Commissioner of Financial Regulation;

18 (4) one representative from the Office of the Attorney General, appointed
19 jointly by the President and the Speaker from a list of nominees submitted by the
20 Attorney General;

21 (5) one representative of State chartered banks, appointed jointly by the
22 President and the Speaker from a list of nominees submitted by the Maryland
23 Bankers Association;

24 (6) one representative of State chartered credit unions, appointed jointly
25 by the President and the Speaker from a list of nominees submitted by the Maryland
26 Credit Union League;

1 (7) one representative of persons licensed under Title 11, Subtitle 2 of
2 the Financial Institutions Article (Maryland Consumer Loan Law - Licensing
3 Provisions) or Title 11, Subtitle 3 of the Financial Institutions Article (Installment
4 Loans - Licensing Provisions), appointed jointly by the President and the Speaker;

5 (8) two representatives of persons licensed under Title 12, Subtitle 1 of
6 the Financial Institutions Article (Check Cashing Services), appointed jointly by the
7 President and the Speaker;

8 (9) one representative of persons licensed as pawnbrokers under Title 12
9 of the Business Regulation Article (Secondhand Precious Metal Object Dealers and
10 Pawnbrokers), appointed jointly by the President and the Speaker;

11 (10) one representative of retail businesses, appointed jointly by the
12 President and the Speaker from a list of nominees submitted by the Maryland Retail
13 Merchants Association;

14 (11) one representative of nonprofit charitable foundations, appointed
15 jointly by the President and the Speaker; and

16 (12) two consumer members, appointed jointly by the President and the
17 Speaker.

18 (c) (1) The President of the Senate shall designate one of the members from
19 the Senate as cochair of the Study Commission.

20 (2) The Speaker of the House shall designate one of the members from
21 the House of Delegates as cochair of the Study Commission.

22 (d) The Department of Legislative Services shall provide staff for the Study
23 Commission.

24 (e) The Study Commission shall:

25 (1) determine the need for short-term, small consumer loans in the
26 State;

27 (2) identify reasons why traditional lenders may not be fully meeting the
28 need for short-term, small consumer loans in the State, particularly in low and
29 moderate income areas;

30 (3) evaluate alternatives to help meet the need for short-term, small
31 consumer loans in the State;

32 (4) evaluate the services provided by the check cashing industry to
33 consumers in the State and determine whether the public need for check cashing
34 services is being met by the industry;

1 (5) determine the impact of Title 12, Subtitle 1 of the Financial
2 Institutions Article (Check Cashing Services) on the check cashing industry and on
3 the delivery of check cashing services to consumers in the State; and

4 (6) report to the General Assembly, in accordance with § 2-1246 of the
5 State Government Article, on or before June 1, 2006 on recommendations, including
6 proposed legislation, if any, to help meet the need for short-term, small consumer
7 loans in the State and the needs of the check cashing industry, to improve delivery of
8 check cashing services to consumers in the State, and to address any other issues
9 identified by the Study Commission.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 June 1, 2005. It shall remain effective for a period of 1 year and 1 month and, at the
12 end of June 30, 2006, with no further action required by the General Assembly, this
13 Act shall be abrogated and of no further force and effect.