

ENROLLED BILL
-- Economic Matters/Finance --

Introduced by **Delegate D. Davis**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Financial Regulation - Debt Management Services**

3 FOR the purpose of ~~authorizing a person that is not a nonprofit organization to~~
4 ~~provide debt management services in the State;~~ clarifying that a person who
5 provides debt management services is subject to licensure whether or not the
6 person maintains an office in the State; requiring an applicant for licensure as a
7 debt management services provider to provide certain information to the
8 Commissioner of Financial Regulation and to satisfy the Commissioner as to
9 certain matters; prohibiting certain contracts or agreements between certain
10 persons, prohibiting certain advertising and related acts, and prohibiting
11 certain incentives relating to debt management services, subject to certain
12 penalties; altering certain licensing fees for debt management services
13 providers; altering the maximum amount of a certain surety bond filed by a debt
14 management services provider; defining a certain ~~term~~ terms; including a crime
15 under the Maryland Debt Management Services Act in certain definitions for
16 certain purposes; requiring the Commissioner and the Attorney General to
17 study and report to certain committees of the General Assembly on certain

1 matters; and generally relating to debt management services.

2 BY renumbering

3 Article - Courts and Judicial Proceedings
4 Section 7-409(a)(2)(ix) through (xix), respectively
5 to be Section 7-409(a)(2)(x) through (xx), respectively
6 Annotated Code of Maryland
7 (2002 Replacement Volume and 2004 Supplement)

8 BY repealing and reenacting, with amendments,

9 Article - Financial Institutions
10 Section 12-901, 12-904, ~~12-905(a)~~, 12-906, ~~12-907(a)~~, 12-908, 12-914, and
11 12-920
12 Annotated Code of Maryland
13 (2003 Replacement Volume and 2004 Supplement)

14 BY repealing and reenacting, without amendments,

15 Article - Financial Institutions
16 Section ~~12-905(a)~~, ~~12-907(a)~~, and 12-929
17 Annotated Code of Maryland
18 (2003 Replacement Volume and 2004 Supplement)

19 BY adding to

20 Article - Courts and Judicial Proceedings
21 Section 7-409(a)(2)(ix)
22 Annotated Code of Maryland
23 (2002 Replacement Volume and 2004 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article - Insurance
26 Section 2-401(c)(4)
27 Annotated Code of Maryland
28 (2003 Replacement Volume and 2004 Supplement)

29 BY repealing and reenacting, with amendments,

30 Article - Insurance
31 Section 27-801(c)(3)
32 Annotated Code of Maryland
33 (2002 Replacement Volume and 2004 Supplement)

34 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
35 MARYLAND, That Section(s) 7-409(a)(2)(ix) through (xix), respectively, of Article -
36 Courts and Judicial Proceedings of the Annotated Code of Maryland be renumbered to
37 be Section(s) 7-409(a)(2)(x) through (xx), respectively.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
2 read as follows:

3 **Article - Financial Institutions**

4 12-901.

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

6 (B) "ANNUAL GROSS REVENUE" MEANS INCOME OR REVENUE FROM ALL
7 SOURCES, BEFORE ANY EXPENSES OR TAXES, COMPUTED ACCORDING TO
8 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES FOR THE PRECEDING FISCAL
9 YEAR.

10 ~~(b)~~ (C) "Consultation fee" means a fee paid by a consumer to a debt
11 management services provider in connection with the processing of any application
12 that the consumer makes for debt management services.

13 ~~(c)~~ (D) "Consumer" means an individual who:

14 (1) Resides in the State; and

15 (2) Is seeking debt management services or has entered into a debt
16 management services agreement.

17 ~~(d)~~ (E) "Consumer education program" means a program or plan that seeks
18 to improve the financial literacy of consumers.

19 ~~(e)~~ (F) "Debt management counselor" means a permanent, temporary, or
20 contractual employee of a debt management services provider or its agent who
21 provides counseling to consumers on behalf of the debt management services provider.

22 ~~(f)~~ (G) "Debt management services" means receiving funds periodically from
23 a consumer under an agreement with the consumer for the purpose of distributing the
24 funds among the consumer's creditors in full or partial payment of the consumer's
25 debts.

26 ~~(g)~~ (H) "Debt management services agreement" means a written contract,
27 plan, or agreement between a debt management services provider and a consumer for
28 the performance of debt management services.

29 ~~(h)~~ (I) "Debt management services provider" means ~~an organization~~ A
30 PERSON AN ORGANIZATION that provides or offers to provide debt management
31 services to a consumer.

32 ~~(i)~~ (J) "Fund" means the Debt Management Services Fund established
33 under § 12-905 of this subtitle.

34 ~~(j)~~ (K) "Licensee" means ~~an organization~~ A PERSON AN ORGANIZATION
35 licensed under this subtitle to provide debt management services.

1 ~~(K)~~ (L) "Maintenance fee" means a fee paid by a consumer to a debt
 2 management services provider for the maintenance or servicing of the consumer's
 3 accounts with the consumer's creditors in accordance with a debt management
 4 services agreement.

5 ~~(H)~~ (M) "Organization" means a nonprofit organization that is exempt from
 6 taxation under § 501(c) of the Internal Revenue Code.

7 ~~(M)~~ (N) "RELATIVE" MEANS ANY OF THE FOLLOWING WHO ARE RELATED TO
 8 AN INDIVIDUAL BY BLOOD, MARRIAGE, OR ADOPTION:

9 (1) A SPOUSE;

10 (2) A CHILD;

11 (3) A SIBLING;

12 (4) A PARENT;

13 (5) A GRANDPARENT;

14 (6) A GRANDCHILD;

15 (7) A STEPPARENT;

16 (8) A STEPCHILD;

17 (9) A STEPSIBLING;

18 (10) AN AUNT; OR

19 (11) AN UNCLE.

20 [(m)] ~~(N)~~ (O) "Resident agent" means an individual residing in the State or a
 21 Maryland corporation whose name, address, and designation as a resident agent are
 22 filed or recorded with the State Department of Assessments and Taxation in
 23 accordance with the provisions of the Corporations and Associations Article.

24 [(n)] ~~(O)~~ (P) "Trust account" means an account that is:

25 (1) Established in a financial institution that is federally insured;

26 (2) Separate from the debt management services provider's operating
 27 account;

28 (3) Designated as a "trust account" or by another appropriate
 29 designation indicating that the funds in the account are not the funds of the licensee
 30 or its officers, employees, or agents;

31 (4) Unavailable to creditors of the debt management services provider;

32 and

1 (5) Used to hold funds paid by consumers to a debt management services
2 provider for disbursement to creditors of the consumers.

3 12-904.

4 (a) The Commissioner ~~by regulation~~ shall establish CHARGE:

5 (1) (i) A fee, ~~not exceeding [\$2,000]~~ \$4,000, for the issuance of a AN
6 INITIAL license under this subtitle in an even-numbered year AS FOLLOWS:

7 1. \$1,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS
8 NOT MORE THAN \$3,000,000;

9 2. \$2,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS
10 MORE THAN \$3,000,000 BUT NOT MORE THAN \$6,000,000;

11 3. \$4,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS
12 MORE THAN \$6,000,000 BUT NOT MORE THAN \$15,000,000;

13 4. \$6,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS
14 MORE THAN \$15,000,000 BUT NOT MORE THAN \$30,000,000; OR

15 5. \$8,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS
16 MORE THAN \$30,000,000; and

17 (ii) A fee, ~~not exceeding [\$1,000]~~ \$2,000, for the issuance of a AN
18 INITIAL license under this subtitle in an odd-numbered year AS FOLLOWS:

19 1. \$500, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS
20 NOT MORE THAN \$3,000,000;

21 2. \$1,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS
22 MORE THAN \$3,000,000 BUT NOT MORE THAN \$6,000,000;

23 3. \$2,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS
24 MORE THAN \$6,000,000 BUT NOT MORE THAN \$15,000,000;

25 4. \$3,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS
26 MORE THAN \$15,000,000 BUT NOT MORE THAN \$30,000,000; OR

27 5. \$4,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS
28 MORE THAN \$30,000,000;

29 (2) A fee, ~~not exceeding [\$2,000]~~ \$4,000, for renewal of a license issued
30 under this subtitle AS FOLLOWS:

31 (I) \$1,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS NOT
32 MORE THAN \$3,000,000;

33 (II) \$2,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS MORE
34 THAN \$3,000,000 BUT NOT MORE THAN \$6,000,000;

1 (III) \$4,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS MORE
 2 THAN \$6,000,000 BUT NOT MORE THAN \$15,000,000;

3 (IV) \$6,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS MORE
 4 THAN \$15,000,000 BUT NOT MORE THAN \$30,000,000; OR

5 (V) \$8,000, IF THE APPLICANT'S ANNUAL GROSS REVENUE IS MORE
 6 THAN \$30,000,000;

7 (3) A fee, ~~not exceeding~~ OF \$100, for each location in the State at which a
 8 licensee provides debt management services under this subtitle, payable at the time
 9 of ~~issuance of~~ APPLICATION FOR an initial license and at each renewal of a license;
 10 and

11 (4) A fee, ~~not exceeding~~ OF \$1,000, for an investigation of an applicant ~~or~~
 12 ~~licensee~~ under this subtitle, PAYABLE AT THE TIME OF APPLICATION FOR AN INITIAL
 13 LICENSE.

14 (b) ~~Any fees charged by the Commissioner under this subtitle shall~~
 15 ~~approximate the direct and indirect costs of administering and enforcing this subtitle.~~
 16 12-905.

17 (a) There is a Debt Management Services Fund that consists of:

18 (1) All revenue received for the licensing of ~~organizations that provide~~
 19 debt management services ~~PROVIDERS~~ under this subtitle;

20 (2) Income from investments that the Treasurer makes for the Fund;
 21 and

22 (3) Except as provided in subsection (b) of this section, any other fee or
 23 revenue received by the Commissioner under this subtitle.

24 12-906.

25 [A] WHETHER OR NOT THE PERSON MAINTAINS AN OFFICE IN THIS STATE, A
 26 person may not provide debt management services to consumers unless the person:

27 (1) Is licensed by the Commissioner under this subtitle; or

28 (2) Is exempt from licensing under this subtitle.

29 12-907.

30 (a) To qualify for a license, an applicant shall satisfy the Commissioner that:

31 (1) The applicant is an organization; ~~The applicant is an organization;~~

1 ~~(2)~~ (2) ~~{Each} THE APPLICANT AND EACH~~ of the owners, officers,
2 directors, and principals of the applicant has sufficient experience, character,
3 financial responsibility, and general fitness to:

4 (i) Engage in the business of providing debt management services;

5 (ii) Warrant the belief that the debt management services business
6 will be conducted lawfully, honestly, fairly, and efficiently; and

7 (iii) Command the confidence of the public;

8 ~~(3)~~ ~~(2)~~ (3) Each agent acting on behalf of the applicant to manage a
9 trust account required under § 12-917 of this subtitle has sufficient experience,
10 character, financial responsibility, and general fitness to:

11 (i) Engage in the business of managing a trust account;

12 (ii) Warrant the belief that the management of the trust account
13 will be conducted lawfully, honestly, fairly, and efficiently; and

14 (iii) Command the confidence of the public; and

15 ~~(4)~~ ~~(3)~~ (4) The applicant has a net worth computed according to
16 generally accepted accounting principles of at least \$50,000, plus an additional net
17 worth of \$10,000 for each location at which debt management services will be
18 provided to consumers, up to a maximum of \$500,000 as provided in subsection (b) of
19 this section.

20 12-908.

21 (a) To apply for a license, an applicant shall submit to the Commissioner an
22 application on the form that the Commissioner provides.

23 (b) The application shall include:

24 (1) The applicant's name, business address, telephone number, electronic
25 mail address, if any, and website address, if any;

26 (2) The address of each location in the State at which the applicant will
27 provide debt management services;

28 (3) The name and address of each owner, officer, director, and principal
29 of the applicant;

30 (4) The name, address, and telephone number of the applicant's resident
31 agent in the State;

32 (5) A description of the ownership interest of any officer, director, agent,
33 or employee of the applicant in any affiliate or subsidiary of the applicant or in any
34 other business entity that provides any service to the applicant or any consumer
35 relating to the applicant's debt management services business;

- 1 (6) The name and address of any agent acting on behalf of the applicant
2 to manage a trust account required under § 12-917 of this subtitle;
- 3 (7) The applicant's federal employer identification number;
- 4 (8) A list of any state in which:
- 5 (i) The applicant engages in the business of providing debt
6 management services;
- 7 (ii) The applicant is registered or licensed to provide debt
8 management services; and
- 9 (iii) The applicant's registration or license has been suspended or
10 revoked;
- 11 (9) A statement of whether any pending judgment, tax lien, material
12 litigation, or administrative action by any government agency exists against the
13 applicant;
- 14 (10) The most recent, unconsolidated financial statement of the applicant
15 that:
- 16 (i) Is prepared in accordance with generally accepted accounting
17 principles applied on a consistent basis;
- 18 (ii) Includes a certified opinion audit prepared by an independent
19 certified public accountant; and
- 20 (iii) Was prepared no more than 12 months before the date of
21 application;
- 22 (11) ~~Evidence~~ IF APPLICABLE, EVIDENCE of nonprofit status under §
23 501(c) of the Internal Revenue Code;
- 24 (12) If the applicant is a corporation, a detailed description of the
25 applicant's corporate structure, including parent companies, subsidiaries, and
26 affiliates;
- 27 (13) The applicant's business credit report;
- 28 (14) Evidence of general liability or fidelity insurance that insures against
29 dishonesty, fraud, theft, or other malfeasance on the part of an employee of the
30 applicant;
- 31 (15) A description of the applicant's consumer education program that is
32 provided to consumers;
- 33 (16) A description of the applicant's financial analysis and initial budget
34 plan, including any form or electronic model, that are used to evaluate the financial
35 condition of consumers;

1 (17) A copy of the debt management services agreement that the applicant
2 will use in its debt management services business;

3 (18) A copy of the applicant's plan to ensure that each debt management
4 counselor is certified by an independent organization within 6 months after the debt
5 management counselor is hired, and that any employee who is a supervisor or
6 manager of a debt management counselor is certified by an independent organization
7 within 3 months after the employee is hired; [and]

8 (19) THE MOST RECENT FINANCIAL STATEMENT OF EACH AFFILIATE,
9 SUBSIDIARY, OR OTHER PERSON THAT PROVIDES SERVICES RELATED TO DEBT
10 MANAGEMENT SERVICES FOR THE APPLICANT OR FOR ANY CONSUMER;

11 (20) A COPY OF EACH CONTRACT OR FEE-FOR-SERVICE ARRANGEMENT
12 BETWEEN THE APPLICANT AND ANY PERSON THAT PROVIDES SERVICES RELATED TO
13 THE DEBT MANAGEMENT SERVICES BUSINESS; AND

14 [(19)] (21) Any other information that the Commissioner reasonably
15 requires.

16 (c) The Commissioner may refuse an application if it contains erroneous or
17 incomplete information.

18 (d) With the application, the applicant shall pay to the Commissioner:

19 (1) A license fee in the amount established under § 12-904 of this
20 subtitle; and

21 (2) A nonrefundable investigation fee in the amount established under §
22 12-904 of this subtitle.

23 (e) With the application, the applicant shall file a surety bond with the
24 Commissioner as provided in § 12-914 of this subtitle.

25 12-914.

26 (a) With the application for a new or renewal license, the applicant or licensee
27 shall file a surety bond or bond renewal certificate with the Commissioner as
28 provided in this section.

29 (b) (1) A surety bond filed under this section shall run to the State for the
30 benefit of any consumer who is injured by a violation of this subtitle or a regulation
31 adopted under this subtitle committed by a licensee or an agent of a licensee,
32 including an agent managing a trust account.

33 (2) The surety bond shall be:

34 (i) In an amount not less than \$10,000 and not more than
35 [\$350,000] \$1,000,000, as set by the Commissioner;

1 (ii) Issued by a bonding, surety, or insurance company that is
2 authorized to do business in the State; and

3 (iii) Conditioned so that the licensee and its agent shall comply with
4 all State and federal laws and regulations governing the business of providing debt
5 management services.

6 (3) The liability of a surety:

7 (i) Is not affected by the insolvency or bankruptcy of the licensee or
8 its agent or by any misrepresentation, breach of warranty, failure to pay a premium,
9 or other act or omission of the licensee or its agent; and

10 (ii) Continues as to all transactions of the licensee, and
11 transactions of its agent on behalf of the licensee, for no longer than 2 years after the
12 licensee ceases, for any reason, to be licensed.

13 (4) The Commissioner may allow the amount of the surety bond to be
14 reduced if the amount of the licensee's outstanding debt management services
15 liabilities in the State is reduced.

16 (5) In setting the amount of the surety bond, the Commissioner shall
17 consider:

18 (i) The financial condition and business experience of the applicant
19 or licensee and the agent of the applicant or licensee;

20 (ii) For an applicant, the projected monthly and annual volume of
21 debt management services to be provided in the State;

22 (iii) For a licensee, the average monthly and annual volume of debt
23 management services provided in the State during the previous 12-month period;

24 (iv) The potential loss to consumers who remit funds to the
25 applicant or licensee if the applicant or licensee becomes financially impaired; and

26 (v) Any other factor the Commissioner considers appropriate.

27 (c) If the principal amount of a surety bond is reduced by payment of a claim
28 or judgment, the licensee shall file with the Commissioner any new or additional
29 surety bond in the amount that the Commissioner sets.

30 (d) The Commissioner may waive the surety bond requirement under this
31 section if the Commissioner determines that the volume of debt management services
32 provided by the applicant or licensee does not warrant the need for a surety bond.

33 (e) A penalty imposed under § 12-928 or § 12-929 of this subtitle may be paid
34 and collected from the proceeds of a surety bond required under this section.

1 12-920.

2 (a) A licensee may not:

3 (1) Purchase any debt or obligation of a consumer;

4 (2) Lend money or provide credit to a consumer;

5 (3) Obtain a mortgage or other security interest in property owned by a
6 consumer;

7 (4) Operate as a collection agency, as defined in § 7-101 of the Business
8 Regulation Article;

9 (5) Structure a debt management services agreement in a manner that
10 would result in a negative amortization of any of the consumer's debts;

11 (6) Make any false, misleading, or deceptive representations or
12 omissions of information in connection with the offer, sale, or performance of any
13 service;

14 (7) Offer, pay, or give a substantial gift, bonus, premium, reward, or
15 other compensation to a person for referring a prospective customer to the licensee;

16 (8) Offer an incentive, including a gift, bonus, premium, reward, or other
17 compensation, to a consumer for executing a debt management services agreement
18 with the licensee;

19 (9) Charge for or provide credit insurance; [or]

20 (10) Compromise any debts of a consumer unless the licensee has
21 obtained the prior written approval of the consumer, and the compromise benefits the
22 consumer;

23 (11) ENTER INTO A CONTRACT OR FEE-FOR-SERVICE ARRANGEMENT
24 WITH A PERSON OWNED, CONTROLLED BY, OR AFFILIATED WITH AN OFFICER, A
25 DIRECTOR, OR AN EMPLOYEE OF THE DEBT MANAGEMENT SERVICE PROVIDER, OR
26 WITH A RELATIVE OF AN OFFICER, A DIRECTOR, OR AN EMPLOYEE, THAT BENEFITS
27 AN OFFICER, A DIRECTOR, OR AN EMPLOYEE OF THE DEBT MANAGEMENT SERVICE
28 PROVIDER;

29 (12) ADVERTISE, DISPLAY, DISTRIBUTE, BROADCAST, TELEVISION, OR
30 OTHERWISE PUBLISH DEBT MANAGEMENT SERVICE RATES, TERMS, OR SERVICES IN
31 A FALSE, MISLEADING, OR DECEPTIVE MANNER; OR

32 (13) PAY AN INCENTIVE TO AN EMPLOYEE FOR ENROLLING A CONSUMER
33 IN A DEBT MANAGEMENT SERVICES PLAN OR AGREEMENT.

34 (b) (1) Notwithstanding any other provision of State law, a licensee may not,
35 directly or indirectly, collect any fee for referring, advising, procuring, arranging, or
36 assisting a consumer in obtaining any extension of credit or other consumer service

1 from a lender or service provider if the licensee, or any owner, officer, director,
 2 principal, or employee of the licensee, is an owner, partner, director, officer, or
 3 employee of the lender or service provider.

4 (2) This subsection does not prohibit a licensee from referring, advising,
 5 procuring, arranging, or assisting a consumer in obtaining any extension of credit or
 6 other consumer service from a lender or service provider of which the licensee, or any
 7 owner, officer, director, principal, or employee of the licensee, is an owner, partner,
 8 director, officer, or employee, if:

9 (i) The licensee does not directly or indirectly collect any fee; and

10 (ii) The consumer is provided with a written disclosure of the
 11 relationship.

12 12-929.

13 A person who knowingly and willfully violates any provision of this subtitle is
 14 guilty of a felony and on conviction is subject to a fine not exceeding \$1,000 for the
 15 first violation and not exceeding \$5,000 for each subsequent violation or
 16 imprisonment not exceeding 5 years or both.

17 **Article - Courts and Judicial Proceedings**

18 7-409.

19 (a) (2) "Crime" means an act committed by a person in the State that is:

20 (IX) A CRIME UNDER TITLE 12, SUBTITLE 9 OF THE FINANCIAL
 21 INSTITUTIONS ARTICLE;

22 **Article - Insurance**

23 2-401.

24 (c) "Insurance fraud" means:

25 (4) any other fraudulent activity that is committed by or against a
 26 person regulated under this article and is a violation of:

27 (i) Title 1, Subtitle 3 of the Agriculture Article;

28 (ii) Title 19, Subtitle 2 or Subtitle 3 of the Business Regulation
 29 Article;

30 (iii) Title 14, Subtitle 29, § 11-810, or § 14-1317 of the Commercial
 31 Law Article;

32 (iv) the Criminal Law Article other than Title 8, Subtitle 2, Part II
 33 or § 10-614;

1 (V) TITLE 12, SUBTITLE 9 OF THE FINANCIAL INSTITUTIONS

2 ARTICLE;

3 [(v)] (VI) § 14-127 of the Real Property Article;

4 [(vi)] (VII) Article 2B, Title 22 of the Code;

5 [(vii)] (VIII) § 109 of the Code of Public Local Laws of Caroline County;

6 [(viii)] (IX) § 4-103 of the Code of Public Local Laws of Carroll

7 County; or

8 [(ix)] (X) § 8A-1 of the Code of Public Local Laws of Talbot County.

9 27-801.

10 (c) "Insurance fraud" means:

11 (3) any other fraudulent activity that is committed by or against a
12 person regulated under this article and is a violation of:

13 (i) Title 1, Subtitle 3 of the Agriculture Article;

14 (ii) Title 19, Subtitle 2 or Subtitle 3 of the Business Regulation

15 Article;

16 (iii) Title 14, Subtitle 29, § 11-810 or § 14-1317 of the Commercial

17 Law Article;

18 (iv) the Criminal Law Article other than Title 8, Subtitle 2, Part II

19 or § 10-614;

20 (V) TITLE 12, SUBTITLE 9 OF THE FINANCIAL INSTITUTIONS

21 ARTICLE;

22 [(v)] (VI) § 14-127 of the Real Property Article;

23 [(vi)] (VII) Article 2B, Title 22 of the Code;

24 [(vii)] (VIII) § 109 of the Code of Public Local Laws of Caroline

25 County;

26 [(viii)] (IX) § 4-103 of the Code of Public Local Laws of Carroll

27 County; or

28 [(ix)] (X) § 8A-1 of the Code of Public Local Laws of Talbot County.

29 SECTION 3. AND BE IT FURTHER ENACTED, That the Commissioner of
30 Financial Regulation and the Attorney General jointly shall:

1 (1) study the impact of this Act on consumers and debt management
2 services providers in the State;

3 (2) study the regulatory mechanisms employed and proposed elsewhere
4 in the country for regulation of debt management, debt settlement, debt adjustment,
5 and similar services;

6 (3) study the impact of authorizing persons who are not nonprofit
7 organizations that are exempt from taxation under § 501(c) of the Internal Revenue
8 Code to provide debt management services in the State;

9 ~~(3)~~ (4) recommend appropriate changes, if any, to the Maryland Debt
10 Management Services Act and regulations adopted under that Act; and

11 ~~(4)~~ (5) on or before December 31, 2006, report, in accordance with §
12 2-1246 of the State Government Article, the results of the study and any
13 recommendations to the House Economic Matters Committee and the Senate Finance
14 Committee.

15 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take
16 effect October 1, 2005.