

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**

House Bill 724 (Chairman, Economic Matters Committee)  
(By Request – Departmental – Labor, Licensing, and Regulation)

Economic Matters

Finance

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**Commissioner of Financial Regulation - Investigative and Enforcement Powers**

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This departmental bill grants the Commissioner of Financial Regulation the authority to sanction a person not licensed by the commissioner.

The bill takes effect July 1, 2005.

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**Fiscal Summary**

**State Effect:** Enforcement could be handled with the existing resources of the Division of Financial Regulation.

**Local Effect:** None.

**Small Business Effect:** The Department of Labor, Licensing, and Regulation has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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**Analysis**

**Bill Summary:** When the commissioner determines that a person has committed what would be a violation if committed by a licensee, the commissioner may, in addition to taking any other authorized action, issue an order to bar the person from engaging in any business over which the commissioner has jurisdiction. Such a determination (and related action) is made after notice and a hearing, unless that right is waived.

A person licensed by the commissioner may not, after exercising reasonable due diligence, knowingly employ or use as an agent a person against whom the commissioner has issued a final debarment order under the bill.

**Current Law:** The commissioner generally has authority to perform investigations to: (1) determine whether a person has violated a law, regulation, rule, or order over which the commissioner has jurisdiction; and (2) aid in the enforcement of a law, regulation, rule, or order.

**Background:** The Division of Financial Regulation advises that the bill would grant the commissioner a means of disciplining loan officers or individuals who seek employment in loan officer positions with mortgage lenders. Whereas mortgage lenders are regulated by the commissioner, loan officers are not currently regulated.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 21, 2005  
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