
By: **Delegates Haynes, Anderson, Kirk, Murray, and Paige**

Introduced and read first time: February 6, 2006

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 creating a Short-Term Small Consumer Loan Study Commission;

4 providing for the membership and cochairs of and staff for the Study

5 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 16 members:

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

15 (2) two members of the House of Delegates, appointed by the Speaker of
16 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) (1) The Study Commission:

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

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

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

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

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

4 (vi) subject to paragraph (2) of this subsection, shall report to the
5 General Assembly, in accordance with § 2-1246 of the State Government Article, on or
6 before December 1, 2007, on recommendations, including proposed legislation, if any,
7 to help meet the need for short-term, small consumer loans in the State and the
8 needs of the check cashing industry, to improve delivery of check cashing services to
9 consumers in the State, and to address any other issues identified by the Study
10 Commission.

11 (2) The recommendations made under paragraph (1)(vi) of this
12 subsection may not include increasing allowable fees charged by persons licensed to
13 provide check cashing services.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 June 1, 2006. It shall remain effective for a period of 1 year and 7 months and, at the
16 end of December 31, 2007, with no further action required by the General Assembly,
17 this Act shall be abrogated and of no further force and effect.