

# HOUSE BILL 848

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By: **Chair, Economic Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Introduced and read first time: February 2, 2018

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Commissioner of Financial Regulation – Consumer Reporting Agencies**

3 FOR the purpose of altering the number of consumer reports that a consumer reporting  
4 agency must provide without imposing a fee; altering the manner in which a  
5 consumer may place, temporarily lift, or remove a security freeze on the consumer's  
6 report; requiring a consumer reporting agency to develop certain procedures  
7 involving the use of certain secure connections to receive and process certain  
8 requests to place or remove a security freeze; altering the requirement that a  
9 consumer reporting agency comply with a certain request; requiring, rather than  
10 authorizing, a consumer reporting agency to develop certain procedures for the  
11 temporary lift and removal of a security freeze and altering the type of procedures  
12 required; prohibiting a consumer reporting agency from charging a consumer or a  
13 protected consumer for any service relating to a security freeze; altering a certain  
14 notice that must be included with a certain summary of rights provided to a  
15 consumer; altering the requirement that a consumer reporting agency place a  
16 security freeze for a certain protected consumer and the time period in which a  
17 consumer reporting agency must place a security freeze for a protected consumer;  
18 requiring a consumer reporting agency to establish certain procedures to facilitate  
19 the prompt identification of certain protected consumers; altering the manner in  
20 which a protected consumer or a protected consumer's representative must remove  
21 a security freeze for the protected consumer; requiring the Department of Human  
22 Services and the Department of Public Safety and Correctional Services to transmit  
23 certain information to a consumer reporting agency in a certain time period;  
24 authorizing each department to enter into certain agreements with a consumer  
25 reporting agency; requiring a consumer reporting agency to notify certain protected  
26 consumers who lose their status as protected consumers of certain provisions  
27 relating to security freezes; prohibiting a person from operating as a consumer  
28 reporting agency unless the person is registered as a consumer reporting agency with  
29 the Commissioner of Financial Regulation; requiring a consumer reporting agency  
30 to take certain actions and include certain information in order to submit a

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 registration with the Commissioner; providing that a registration is not complete  
2 unless it meets certain requirements; requiring certain fees and other revenues  
3 collected to be deposited in a certain fund under certain circumstances; requiring a  
4 consumer reporting agency to obtain and maintain a certain unique identifier and  
5 transfer registration information to a certain nationwide licensing system within a  
6 certain time period; requiring the Commissioner to establish a certain time period  
7 and provide a certain notification regarding a certain transfer; requiring a consumer  
8 reporting agency to submit an initial registration or registration renewal through a  
9 certain nationwide licensing system under certain circumstances; establishing a  
10 certain registration term and certain requirements and procedures related to a  
11 registration renewal for a consumer reporting agency; requiring a registrant to file  
12 a certain surety bond with the Commissioner under certain circumstances and  
13 requiring the bond to meet certain requirements; providing for the liability of a  
14 certain surety and the manner in which certain claims and penalties must be  
15 processed; authorizing the cancellation of a certain bond and specifying the manner  
16 in which the bond must be canceled; authorizing certain claims to be filed against a  
17 certain bond; altering the authority of the Commissioner to take certain enforcement  
18 actions and impose certain penalties; requiring the Commissioner to pay certain  
19 fines and penalties into certain funds; requiring and authorizing the Commissioner  
20 to adopt certain regulations; requiring a registrant to pay a certain fee for certain  
21 investigations; providing that certain requirements regarding the privacy or  
22 confidentiality of certain information or material provided to a certain nationwide  
23 licensing system continue to apply after disclosure of the information or material to  
24 the system; authorizing certain information and materials to be shared with certain  
25 officials under certain circumstances; authorizing the Commissioner to enter into  
26 certain information-sharing agreements and exchange certain information;  
27 providing that certain provisions of this Act supersede certain provisions of law  
28 under certain circumstances; authorizing the Commissioner to participate in a  
29 certain nationwide licensing system for consumer reporting agencies; altering the  
30 composition and purpose of the Nondepository Special Fund; requiring the annual  
31 State budget to include certain costs and expenses relating to the regulation of  
32 consumer reporting agencies; requiring certain excess revenue to be carried forward  
33 within the Fund; providing that the powers and authority conferred by this Act are  
34 supplemental to other powers of the Commissioner; providing for the application of  
35 certain provisions of this Act; defining certain terms; altering certain definitions;  
36 making conforming changes; making stylistic changes; and generally relating to the  
37 Commissioner of Financial Regulation and consumer reporting agencies.

38 BY repealing

39 Article – Commercial Law

40 Section 14–1212.3

41 Annotated Code of Maryland

42 (2013 Replacement Volume and 2017 Supplement)

43 BY renumbering

44 Article – Commercial Law

45 Section 14–1213 through 14–1218, respectively

1 to be Section 14–1222 through 14–1227, respectively  
2 Annotated Code of Maryland  
3 (2013 Replacement Volume and 2017 Supplement)

4 BY adding to  
5 Article – Commercial Law  
6 New part designation “Part I. General Provisions” to immediately precede Section  
7 14–1201; Section 14–1215 through 14–1219 to be under the new part “Part II.  
8 Registration and Bond Requirements”; the new part designation “Part III.  
9 Enforcement, Penalties, and Miscellaneous Provisions” to immediately  
10 precede Section 14–1222; and 14–1228  
11 Annotated Code of Maryland  
12 (2013 Replacement Volume and 2017 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Commercial Law  
15 Section 14–1201, 14–1207(e), 14–1209, 14–1212.1(c), (e), (h), (i), (j), and (l), and  
16 14–1212.2  
17 Annotated Code of Maryland  
18 (2013 Replacement Volume and 2017 Supplement)

19 BY repealing and reenacting, without amendments,  
20 Article – Commercial Law  
21 Section 14–1212.1(g)  
22 Annotated Code of Maryland  
23 (2013 Replacement Volume and 2017 Supplement)

24 BY repealing and reenacting, without amendments,  
25 Article – Commercial Law  
26 Section 14–1222(a)  
27 Annotated Code of Maryland  
28 (2013 Replacement Volume and 2017 Supplement)  
29 (As enacted by Section 2 of this Act)

30 BY repealing and reenacting, with amendments,  
31 Article – Commercial Law  
32 Section 14–1227  
33 Annotated Code of Maryland  
34 (2013 Replacement Volume and 2017 Supplement)  
35 (As enacted by Section 2 of this Act)

36 BY repealing and reenacting, without amendments,  
37 Article – Financial Institutions  
38 Section 1–101(a)  
39 Annotated Code of Maryland  
40 (2011 Replacement Volume and 2017 Supplement)

1 BY repealing and reenacting, with amendments,  
2 Article – Financial Institutions  
3 Section 1–101(q), 2–105.1, and 11–610(a) through (d)  
4 Annotated Code of Maryland  
5 (2011 Replacement Volume and 2017 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
7 That Section(s) 14–1212.3 of Article – Commercial Law of the Annotated Code of Maryland  
8 be repealed.

9 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 14–1213 through  
10 14–1218, respectively, of Article – Commercial Law of the Annotated Code of Maryland be  
11 renumbered to be Section(s) 14–1222 through 14–1227, respectively.

12 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
13 as follows:

14 **Article – Commercial Law**

15 **PART I. GENERAL PROVISIONS.**

16 14–1201.

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

18 **(B) “BREACH OF THE SECURITY OF A SYSTEM” HAS THE MEANING STATED**  
19 **IN § 14–3504 OF THIS TITLE.**

20 **[(b)] (C)** “Commissioner” means the Commissioner of Financial Regulation of  
21 the Department of Labor, Licensing, and Regulation.

22 **[(c)] (D)** “Consumer” means an individual.

23 **[(d)] (E)** (1) “Consumer report” means any written, oral, or other  
24 communication of any information by a consumer reporting agency bearing on a consumer’s  
25 credit worthiness, credit standing, credit capacity, character, general reputation, personal  
26 characteristics, or mode of living which is used or expected to be used or collected in whole  
27 or in part for the purpose of serving as a factor in establishing the consumer’s eligibility  
28 for:

29 (i) Credit or insurance to be used primarily for personal, family, or  
30 household purposes;

31 (ii) Employment purposes; or

32 (iii) Other purposes authorized under § 14–1202 of this subtitle.

1 (2) The term does not include:

2 (i) Any report containing information solely as to transactions or  
3 experiences between the consumer and the person making the report;

4 (ii) Any authorization or approval of a specific extension of credit  
5 directly or indirectly by the issuer of a credit card or similar device; or

6 (iii) Any report in which a person who has been requested by a third  
7 party to make a specific extension of credit directly or indirectly to a consumer conveys his  
8 decision with respect to the request, if the third party advises the consumer of the name  
9 and address of the person to whom the request was made and the person makes the  
10 disclosures to the consumer required under § 14–1212 of this subtitle.

11 **[(e)] (F) (1) “Consumer reporting agency” means any person which, for**  
12 **monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in**  
13 **part in the practice of assembling or evaluating consumer credit information or other**  
14 **information on consumers for the purpose of furnishing consumer reports to third parties,**  
15 **and which uses any means or facility of commerce for the purpose of preparing or furnishing**  
16 **consumer reports.**

17 (2) “Consumer reporting agency” does not include:

18 (i) A person licensed as a private detective agency or certified as a  
19 private detective under the Maryland Private Detectives Act; or

20 (ii) A person who assembles and exchanges consumer credit  
21 information with an affiliated person or a person who is owned or controlled by the same  
22 entity, provided that, in the event of an adverse credit decision against a consumer based  
23 on that information, the entity making the decision shall comply with the notice  
24 requirements of § 14–1212(b) of this subtitle.

25 **(G) (1) “CONTROL PERSON” MEANS A PERSON THAT HAS THE POWER,**  
26 **DIRECTLY OR INDIRECTLY, TO DIRECT THE MANAGEMENT OR POLICIES OF A**  
27 **REGISTRANT, WHETHER THROUGH OWNERSHIP OF SECURITIES, BY CONTRACT, OR**  
28 **OTHERWISE.**

29 **(2) “CONTROL PERSON” INCLUDES A PERSON THAT:**

30 **(I) IS A GENERAL PARTNER, AN OFFICER, A DIRECTOR, OR A**  
31 **MEMBER, OR OCCUPIES A SIMILAR POSITION OR PERFORMS A SIMILAR FUNCTION;**

32 **(II) 1. DIRECTLY OR INDIRECTLY HAS THE RIGHT TO VOTE**  
33 **5% OR MORE OF A CLASS OF VOTING SECURITIES OF A REGISTRANT; OR**



1           **[(i)] (N)**       “Medical information” means information or records obtained, with the  
2 consent of the individual to whom it relates, from licensed physicians or medical  
3 practitioners, hospitals, clinics, or other medical or medically related facilities.

4           **(O)**       “**NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY**” OR  
5 “**NMLS**” HAS THE MEANING STATED IN **§ 1–101 OF THE FINANCIAL INSTITUTIONS**  
6 **ARTICLE.**

7           **(P)**       “**PERIOD OF MILITARY SERVICE**” MEANS THE PERIOD BEGINNING ON  
8 THE DATE ON WHICH A SERVICE MEMBER ENTERS MILITARY SERVICE AND ENDING  
9 ON THE DATE ON WHICH THE SERVICE MEMBER IS RELEASED FROM MILITARY  
10 SERVICE OR DIES WHILE IN MILITARY SERVICE.

11           **[(j)] (Q)**       “Person” includes an individual, corporation, government or  
12 governmental subdivision or agency, business trust, statutory trust, estate, trust,  
13 partnership, association, two or more persons having a joint or common interest, and any  
14 other legal or commercial entity.

15           **(R)**       “**REGISTRANT**” MEANS A PERSON REGISTERED WITH THE  
16 COMMISSIONER UNDER THIS SUBTITLE AS A CONSUMER REPORTING AGENCY.

17           **(S)**       “**SERVICE MEMBER**” MEANS AN INDIVIDUAL WHO IS AN ACTIVE DUTY  
18 MEMBER OF:

19                   **(1)**       **THE ARMED FORCES OF THE UNITED STATES;**

20                   **(2)**       **A RESERVE COMPONENT OF THE ARMED FORCES OF THE UNITED**  
21 **STATES; OR**

22                   **(3)**       **THE NATIONAL GUARD OF ANY STATE.**

23           **(T)**       “**STATE CORRECTIONAL FACILITY**” HAS THE MEANING STATED IN **§**  
24 **1–101 OF THE CORRECTIONAL SERVICES ARTICLE.**

25 14–1207.

26           (e)       Except as provided in [**§ 14–1213**] **§ 14–1222** of this subtitle, no consumer  
27 may:

28                   **(1)**       **EXCEPT AS TO FALSE INFORMATION FURNISHED WITH MALICE OR**  
29 **WILLFUL INTENT TO INJURE THE CONSUMER,** bring any action or proceeding in the  
30 nature of defamation, invasion of privacy, or negligence with respect to the reporting of  
31 information against any consumer reporting agency, any user of information, based on

1 information disclosed pursuant to this section or § 14–1206 or § 14–1212 of this subtitle[,  
2 except as to false information furnished with malice or willful intent to injure the consumer.  
3 Except as provided in § 14–1213 of this subtitle, no consumer may bring]; **OR**

4 (2) **BRING** any action or proceeding against a person who furnishes  
5 information to a consumer reporting agency in the nature of defamation, invasion of  
6 privacy, or negligence for unintentional error.

7 14–1209.

8 (a) Notwithstanding the provisions of subsection (b) of this section, a consumer  
9 reporting agency may not impose a fee for:

10 (1) A consumer report provided under § 14–1206(a) of this subtitle [one  
11 time] **TWO TIMES** during a 12–month period;

12 (2) A consumer report or disclosure provided under §§ 14–1206(a) and  
13 14–1208(e) of this subtitle if the consumer makes a request for the report within 30 days  
14 after receipt by the consumer of a notification under § 14–1212 of this subtitle or  
15 notification from a debt collection agency affiliated with a consumer reporting agency  
16 stating that the consumer’s credit rating may be or has been adversely affected; or

17 (3) A disclosure made under § 14–1208(e) of this subtitle to a person  
18 designated by the consumer of the deletion from the consumer report of information that is  
19 found to be inaccurate or can no longer be verified.

20 (b) (1) A consumer reporting agency may charge a consumer a reasonable fee:

21 (i) For a [second] **THIRD** or subsequent report made during a  
22 12–month period under § 14–1206(a) of this subtitle, not exceeding \$5; and

23 (ii) For furnishing information under § 14–1208(e) of this subtitle,  
24 not exceeding the fee that the consumer reporting agency would impose on each designated  
25 recipient for a consumer report.

26 (2) The consumer reporting agency shall indicate the amount of the fee to  
27 the consumer before providing the report or furnishing the information.

28 14–1212.1.

29 (c) (1) A consumer may elect to place a security freeze on the consumer’s  
30 consumer report by:

31 (i) Written request sent by certified mail;

32 (ii) Subject to paragraph (6) of this subsection, telephone, by



1 providing certain personal information that the consumer reporting agency may require to  
2 verify the identity of the consumer; **OR**

3 (iii) [Electronic mail using an electronic postmark if a secure  
4 electronic mail connection is made available by the consumer reporting agency; or

5 (iv) If the consumer reporting agency makes a secure connection  
6 available on its Web site, an] **AN** electronic request **TRANSMITTED** through [that] **A** secure  
7 connection **MADE AVAILABLE BY THE CONSUMER REPORTING AGENCY ON THE**  
8 **WEBSITE OF THE CONSUMER REPORTING AGENCY.**

9 (2) A consumer reporting agency shall require a consumer to provide  
10 proper identifying information when requesting a security freeze.

11 (3) Except as provided in paragraph (5) of this subsection, a consumer  
12 reporting agency shall place a security freeze on a consumer's consumer report within 3  
13 business days after receiving a request under paragraph (1) of this subsection.

14 (4) Within 5 business days after placing a security freeze on a consumer's  
15 consumer report, the consumer reporting agency shall:

16 (i) Send a written confirmation of the security freeze to the  
17 consumer;

18 (ii) Provide the consumer with a unique personal identification  
19 number or password to be used by the consumer when authorizing the release of the  
20 consumer's consumer report to a specific person or for a specific period of time; and

21 (iii) Provide the consumer with a written statement of the procedures  
22 for requesting the consumer reporting agency to remove or temporarily lift a security freeze.

23 (5) (i) Subject to subparagraph (ii) of this paragraph, a consumer  
24 reporting agency is not required to place a security freeze on a consumer report if the  
25 consumer reporting agency:

26 1. Acts only as a reseller of credit information by assembling  
27 and merging information contained in a database of another consumer reporting agency or  
28 multiple consumer reporting agencies; and

29 2. Does not maintain a permanent database of credit  
30 information from which new consumer reports are produced.

31 (ii) A consumer reporting agency that acts as a reseller of credit  
32 information shall honor a security freeze placed on a consumer report by another consumer  
33 reporting agency.

34 (6) (i) If a consumer requests placement of a security freeze by

1 telephone under paragraph (1)(ii) of this subsection, the consumer reporting agency may  
2 require the consumer to confirm the request in writing on a form that the consumer  
3 reporting agency provides to the consumer with the materials sent in accordance with  
4 paragraph (4) of this subsection.

5 (ii) If the consumer fails to return written confirmation that the  
6 consumer reporting agency requires under subparagraph (i) of this paragraph, the  
7 consumer reporting agency may remove the security freeze in accordance with subsection  
8 (g)(2) of this section.

9 **(7) A CONSUMER REPORTING AGENCY SHALL DEVELOP PROCEDURES**  
10 **INVOLVING THE USE OF SECURE CONNECTIONS TO RECEIVE AND PROCESS, IN AN**  
11 **EXPEDITED MANNER, AN ELECTRONIC REQUEST FROM A CONSUMER TO PLACE A**  
12 **SECURITY FREEZE ON THE CONSUMER'S CONSUMER REPORT.**

13 (e) (1) If a consumer wants to temporarily lift a security freeze to allow the  
14 consumer's consumer report to be accessed by a specific person or for a specific period of  
15 time while a security freeze is in place, the consumer shall:

16 (i) Contact the consumer reporting agency by:

17 1. Mail in the manner prescribed by the consumer reporting  
18 agency;

19 2. Telephone in the manner prescribed by the consumer  
20 reporting agency; **OR**

21 3. [Electronic mail using an electronic postmark if a secure  
22 electronic mail connection is made available to the consumer by the consumer reporting  
23 agency; or

24 4. Electronic] **AN ELECTRONIC** request [if] **TRANSMITTED**  
25 **THROUGH** a secure connection [is] made available **BY THE CONSUMER REPORTING**  
26 **AGENCY** on the [Web site] **WEBSITE** of the consumer reporting agency;

27 (ii) Request that the security freeze be temporarily lifted; and

28 (iii) Provide the following to the consumer reporting agency:

29 1. Proper identifying information;

30 2. The unique personal identification number or password  
31 provided to the consumer under subsection (c)(4)(ii) of this section; and

32 3. The proper information regarding the person that is to  
33 receive the consumer report or the time period during which the consumer report is to be

1 available to users of the consumer report.

2 (2) (i) Except as provided in subparagraph (ii) of this paragraph, a  
3 consumer reporting agency shall comply with a request made under paragraph (1) of this  
4 subsection within 3 business days after receiving the request.

5 (ii) 1. A consumer reporting agency shall comply with a request  
6 made under paragraph (1) of this subsection within 15 minutes after the consumer's  
7 request is received by the consumer reporting agency if the request is made by telephone[,  
8 by electronic mail,] or by **ELECTRONIC REQUEST TRANSMITTED THROUGH A** secure  
9 connection **MADE AVAILABLE BY THE CONSUMER REPORTING AGENCY** on the [Web  
10 site] **WEBSITE** of the consumer reporting agency.

11 2. A consumer reporting agency that is unable to temporarily  
12 lift a security freeze under subparagraph 1 of this subparagraph shall lift the security  
13 freeze as soon as it is reasonably capable of doing so.

14 (3) A consumer reporting agency [may] **SHALL** develop procedures  
15 involving the use of [facsimile or other electronic media] **SECURE CONNECTIONS** to  
16 receive and process, in an expedited manner, [a] **AN ELECTRONIC** request from a  
17 consumer to temporarily lift or remove a security freeze on the consumer's consumer report.

18 (g) (1) Except as provided in paragraph (2) of this subsection, a consumer  
19 reporting agency may remove or temporarily lift a security freeze placed on a consumer's  
20 consumer report only on request of the consumer made under subsection (e) or (h) of this  
21 section.

22 (2) (i) A consumer reporting agency may remove a security freeze  
23 placed on a consumer's consumer report if:

24 1. Placement of the security freeze was based on a material  
25 misrepresentation of fact by the consumer; or

26 2. The consumer:

27 A. Made the request to place the security freeze by telephone  
28 under subsection (c)(1)(ii) of this section; and

29 B. Failed to confirm the request in writing if required in  
30 accordance with subsection (c)(6) of this section.

31 (ii) If a consumer reporting agency intends to remove a security  
32 freeze under subparagraph (i) of this paragraph, the consumer reporting agency shall notify  
33 the consumer in writing of its intent at least 5 business days before removing the security  
34 freeze.

1 (h) (1) Subject to subsection (g)(2) of this section, a security freeze shall remain  
2 in place until the consumer requests that the security freeze be removed.

3 (2) If a consumer wants to remove a security freeze from the consumer's  
4 consumer report, the consumer shall:

5 (i) Contact the consumer reporting agency by:

6 1. Mail in the manner prescribed by the consumer reporting  
7 agency;

8 2. Telephone in the manner prescribed by the consumer  
9 reporting agency; **OR**

10 3. [Electronic mail using an electronic postmark if a secure  
11 electronic mail connection is made available to the consumer by the consumer reporting  
12 agency; or

13 4. Electronic] **AN ELECTRONIC** request [if] **TRANSMITTED**  
14 **THROUGH** a secure connection [is] made available **BY THE CONSUMER REPORTING**  
15 **AGENCY** on the [Web site] **WEBSITE** of the consumer reporting agency;

16 (ii) Request that the security freeze be removed; and

17 (iii) Provide the following to the consumer reporting agency:

18 1. Proper identifying information; and

19 2. The unique personal identification number or password  
20 provided by the consumer reporting agency under subsection (c)(4)(ii) of this section.

21 (3) A consumer reporting agency shall remove a security freeze within 3  
22 business days after receiving a request for removal.

23 **(4) A CONSUMER REPORTING AGENCY SHALL DEVELOP PROCEDURES**  
24 **INVOLVING THE USE OF SECURE CONNECTIONS TO RECEIVE AND PROCESS, IN AN**  
25 **EXPEDITED MANNER, AN ELECTRONIC REQUEST FROM A CONSUMER TO REMOVE A**  
26 **SECURITY FREEZE ON THE CONSUMER'S CONSUMER REPORT.**

27 (i) [(1) Except as provided in paragraph (2) of this subsection, a] **A** consumer  
28 may not be charged for any service relating to a security freeze.

29 [(2) A consumer reporting agency may charge a reasonable fee, not  
30 exceeding \$5, for each placement, temporary lift, or removal of a security freeze.

31 (3) Notwithstanding paragraph (2) of this subsection, a consumer reporting

1 agency may not charge any fee under this section to a consumer who:

2 (i) 1. Has obtained a report of alleged identity fraud against the  
3 consumer under § 8–304 of the Criminal Law Article or an identity theft passport under §  
4 8–305 of the Criminal Law Article; and

5 2. Provides a copy of the report or passport to the consumer  
6 reporting agency; or

7 (ii) Requests the placement of a security freeze if the consumer has  
8 not previously requested the placement of a security freeze from the consumer reporting  
9 agency.]

10 (j) At any time that a consumer is entitled to receive a summary of rights under  
11 § 609 of the federal Fair Credit Reporting Act or § 14–1206 of this subtitle, the following  
12 notice shall be included:

13 “NOTICE

14 You have a right, under § 14–1212.1 of the Commercial Law Article of the Annotated  
15 Code of Maryland, to place a security freeze on your credit report. The security freeze will  
16 prohibit a consumer reporting agency from releasing your credit report or any information  
17 derived from your credit report without your express authorization. The purpose of a  
18 security freeze is to prevent credit, loans, and services from being approved in your name  
19 without your consent. **A CONSUMER REPORTING AGENCY MAY NOT CHARGE YOU A FEE  
20 FOR ANY SERVICE RELATING TO A SECURITY FREEZE, INCLUDING FOR ANY  
21 PLACEMENT, TEMPORARY LIFT, OR REMOVAL OF A SECURITY FREEZE.**

22 You may elect to have a consumer reporting agency place a security freeze on your  
23 credit report by written request sent by certified mail [or by electronic mail or the Internet  
24 if the consumer reporting agency provides a secure electronic connection] **OR BY USING A  
25 SECURE CONNECTION ON THE WEBSITE OF A CONSUMER REPORTING AGENCY.** The  
26 consumer reporting agency must place a security freeze on your credit report within 3  
27 business days after your request is received. Within 5 business days after a security freeze  
28 is placed on your credit report, you will be provided with a unique personal identification  
29 number or password to use if you want to remove the security freeze or temporarily lift the  
30 security freeze to release your credit report to a specific person or for a specific period of  
31 time. You also will receive information on the procedures for removing or temporarily lifting  
32 a security freeze.

33 If you want to temporarily lift the security freeze on your credit report, you must  
34 contact the consumer reporting agency and provide all of the following:

35 (1) The unique personal identification number or password provided by the  
36 consumer reporting agency;

1 (2) The proper identifying information to verify your identity; and

2 (3) The proper information regarding the person who is to receive the credit report  
3 or the period of time for which the credit report is to be available to users of the credit  
4 report.

5 A consumer reporting agency must comply with a request to temporarily lift a  
6 security freeze on a credit report within 3 business days after the request is received, or  
7 within 15 minutes for certain requests. A consumer reporting agency must comply with a  
8 request to remove a security freeze on a credit report within 3 business days after the  
9 request is received.

10 If you are actively seeking credit, you should be aware that the procedures involved  
11 in lifting a security freeze may slow your own applications for credit. You should plan ahead  
12 and lift a security freeze, either completely if you are seeking credit from a number of  
13 sources, or just for a specific creditor if you are applying only to that creditor, a few days  
14 before actually applying for new credit.

15 [A consumer reporting agency may charge a reasonable fee not exceeding \$5 for each  
16 placement, temporary lift, or removal of a security freeze. However, a consumer reporting  
17 agency may not charge any fee to a consumer who, at the time of a request to place,  
18 temporarily lift, or remove a security freeze, presents to the consumer reporting agency a  
19 police report of alleged identity fraud against the consumer or an identity theft passport. A  
20 consumer reporting agency also may not charge any fee to a consumer for the first  
21 placement of a security freeze with the consumer reporting agency.]

22 A security freeze does not apply if you have an existing account relationship and a  
23 copy of your credit report is requested by your existing creditor or its agents or affiliates for  
24 certain types of account review, collection, fraud control, or similar activities.”

25 (l) The exclusive remedy for a violation of subsection (e)(2)(ii) of this section shall  
26 be a complaint filed with the Commissioner under [§ 14–1217] § 14–1226 of this subtitle.

27 14–1212.2.

28 (a) (1) In this section the following words have the meanings indicated.

29 (2) “Protected consumer” means an individual who is:

30 (i) Under the age of 16 years [at the time a request for the  
31 placement of a security freeze is made]; [or]

32 (ii) An incapacitated person or a protected person for whom a  
33 guardian or conservator has been appointed in accordance with Title 13 of the Estates and  
34 Trusts Article;

1 (III) 85 YEARS OLD OR OLDER;

2 (IV) A SERVICE MEMBER DURING A PERIOD OF MILITARY  
3 SERVICE;

4 (V) AN INMATE IN A STATE CORRECTIONAL FACILITY; OR

5 (VI) AN INDIVIDUAL WHO IS IN THE CUSTODY OF A LOCAL  
6 DEPARTMENT AND HAS BEEN PLACED IN A FOSTER CARE SETTING.

7 (3) "Record" means a compilation of information that:

8 (i) Identifies a protected consumer;

9 (ii) Is created by a consumer reporting agency solely for the purpose  
10 of complying with this section; and

11 (iii) May not be created or used to consider the protected consumer's  
12 credit worthiness, credit standing, credit capacity, character, general reputation, personal  
13 characteristics, or mode of living for any purpose listed in [§ 14-1201(d)(1)] §  
14 14-1201(E)(1) of this subtitle.

15 (4) (I) "Representative" means a person who provides to a consumer  
16 reporting agency sufficient proof of authority to act on behalf of a protected consumer.

17 (II) "REPRESENTATIVE" INCLUDES A LOCAL DEPARTMENT.

18 (5) "Security freeze" means:

19 (i) If a consumer reporting agency does not have a file pertaining to  
20 a protected consumer, a restriction that:

21 1. Is placed on the protected consumer's record in accordance  
22 with this section; and

23 2. Prohibits the consumer reporting agency from releasing  
24 the protected consumer's record except as provided in this section; or

25 (ii) If a consumer reporting agency has a file pertaining to the  
26 protected consumer, a restriction that:

27 1. Is placed on the protected consumer's consumer report in  
28 accordance with this section; and

29 2. Prohibits the consumer reporting agency from releasing  
30 the protected consumer's consumer report or any information derived from the protected

1 consumer's consumer report except as provided in this section.

2 (6) (i) "Sufficient proof of authority" means documentation that shows  
3 a representative has authority to act on behalf of a protected consumer.

4 (ii) "Sufficient proof of authority" includes:

5 1. An order issued by a court of law;

6 2. A lawfully executed and valid power of attorney; and

7 3. A written, notarized statement signed by a representative  
8 that expressly describes the authority of the representative to act on behalf of a protected  
9 consumer.

10 (7) (i) "Sufficient proof of identification" means information or  
11 documentation that identifies a protected consumer or a representative of a protected  
12 consumer.

13 (ii) "Sufficient proof of identification" includes:

14 1. A Social Security number or a copy of a Social Security  
15 card issued by the Social Security Administration;

16 2. A certified or official copy of a birth certificate issued by  
17 the entity authorized to issue the birth certificate;

18 3. A copy of a driver's license, an identification card issued  
19 by the Motor Vehicle Administration, or any other government-issued identification; or

20 4. A copy of a bill, including a bill for telephone, sewer, septic  
21 tank, water, electric, oil, or natural gas services, that shows a name and home address.

22 (b) This section does not apply to the use of a protected consumer's consumer  
23 report or record by:

24 (1) A person administering a credit file monitoring subscription service to  
25 which:

26 (i) The protected consumer has subscribed; or

27 (ii) The representative of the protected consumer has subscribed on  
28 behalf of the protected consumer;

29 (2) A person providing the protected consumer or the protected consumer's  
30 representative with a copy of the protected consumer's consumer report on request of the  
31 protected consumer or the protected consumer's representative; or



1 (3) An entity listed in § 14–1212.1(b)(2)(i) or (ii) or (c)(5) of this subtitle.

2 (c) (1) A consumer reporting agency shall place a security freeze for a  
3 protected consumer [if:

4 (i) The consumer reporting agency receives a request from the  
5 protected consumer's representative for the placement of the security freeze under this  
6 section; and

7 (ii) The protected consumer's representative:

8 1. Submits the request to the consumer reporting agency at  
9 the address or other point of contact and in the manner specified by the consumer reporting  
10 agency;

11 2. Provides to the consumer reporting agency sufficient proof  
12 of identification of the protected consumer and the representative;

13 3. Provides to the consumer reporting agency sufficient proof  
14 of authority to act on behalf of the protected consumer; and

15 4. Pays to the consumer reporting agency a fee as provided  
16 in subsection (i) of this section] **IN ACCORDANCE WITH SUBSECTION (D) OF THIS**  
17 **SECTION.**

18 (2) If a consumer reporting agency does not have a file pertaining to a  
19 protected consumer when the consumer reporting agency receives a [request under  
20 paragraph (1) of this subsection] **LIST OF PROTECTED CONSUMERS UNDER**  
21 **SUBSECTION (L) OF THIS SECTION OR INFORMATION ESTABLISHING THE BASIS FOR**  
22 **PROTECTION UNDER SUBSECTION (D)(4) OF THIS SECTION**, the consumer reporting  
23 agency shall create a record for the protected consumer.

24 (d) (1) Within 30 days after receiving [a request that meets the requirements  
25 of subsection (c)(1) of this section] **A LIST OF PROTECTED CONSUMERS UNDER**  
26 **SUBSECTION (L) OF THIS SECTION**, a consumer reporting agency shall place a security  
27 freeze for [the] **EACH** protected consumer **ON THE LIST.**

28 (2) **A CONSUMER REPORTING AGENCY SHALL AUTOMATICALLY**  
29 **PLACE A SECURITY FREEZE FOR A PROTECTED CONSUMER ONCE THE INDIVIDUAL**  
30 **REACHES THE AGE OF 85 YEARS.**

31 (3) **A CONSUMER REPORTING AGENCY SHALL AUTOMATICALLY**  
32 **PLACE A SECURITY FREEZE FOR A PROTECTED CONSUMER ONCE THE CONSUMER**  
33 **REPORTING AGENCY CREATES A FILE PERTAINING TO AN INDIVIDUAL UNDER THE**

1 **AGE OF 16 YEARS.**

2           **(4) FOR ALL OTHER PROTECTED CONSUMERS, A CONSUMER**  
3 **REPORTING AGENCY SHALL PLACE A SECURITY FREEZE FOR THE PROTECTED**  
4 **CONSUMER WITHIN 30 DAYS AFTER RECEIVING INFORMATION ESTABLISHING THE**  
5 **BASIS FOR THE PROTECTION.**

6           **(5) A CONSUMER REPORTING AGENCY SHALL ESTABLISH**  
7 **PROCEDURES TO FACILITATE THE PROMPT IDENTIFICATION BY THE CONSUMER**  
8 **REPORTING AGENCY OF:**

9                   **(I) AN INCAPACITATED PERSON OR A PROTECTED PERSON FOR**  
10 **WHOM A GUARDIAN OR CONSERVATOR HAS BEEN APPOINTED IN ACCORDANCE WITH**  
11 **TITLE 13 OF THE ESTATES AND TRUSTS ARTICLE; AND**

12                   **(II) A SERVICE MEMBER DURING A PERIOD OF MILITARY**  
13 **SERVICE.**

14           (e) Unless a security freeze for a protected consumer is removed in accordance  
15 with subsection (g) or (j) of this section, a consumer reporting agency may not release the  
16 protected consumer's consumer report, any information derived from the protected  
17 consumer's consumer report, or any record created for the protected consumer.

18           (f) A security freeze for a protected consumer placed under subsection (d) of this  
19 section shall remain in effect until:

20                   (1) The protected consumer or the protected consumer's representative  
21 requests the consumer reporting agency to remove the security freeze in accordance with  
22 subsection (g) of this section; or

23                   (2) The security freeze is removed in accordance with subsection (j) of this  
24 section.

25           (g) If a protected consumer or a protected consumer's representative wishes to  
26 remove a security freeze for the protected consumer, the protected consumer or the  
27 protected consumer's representative shall:

28                   (1) Submit a request for the removal of the security freeze to the consumer  
29 reporting agency at the address or other point of contact and in the manner specified by the  
30 consumer reporting agency; **AND**

31                   (2) Provide to the consumer reporting agency:

32                           (i) In the case of a request by the protected consumer:

1                   1.     Proof that the sufficient proof of authority for the  
2 protected consumer's representative to act on behalf of the protected consumer is no longer  
3 valid; and

4                   2.     Sufficient proof of identification of the protected consumer;  
5 [or]

6                   (ii)    In the case of a request by the representative of a protected  
7 consumer:

8                   1.     Sufficient proof of identification of the protected consumer  
9 and the representative; and

10                  2.     Sufficient proof of authority to act on behalf of the  
11 protected consumer; [and

12                  (3)    Pay to the consumer reporting agency a fee as provided in subsection (i)  
13 of this section] OR

14                               **(III) IN THE CASE OF A REQUEST BY THE DEPARTMENT OF**  
15 **HUMAN SERVICES, SUFFICIENT PROOF OF IDENTIFICATION OF THE PROTECTED**  
16 **CONSUMER.**

17           (h)    Within 30 days after receiving a request that meets the requirements of  
18 subsection (g) of this section, the consumer reporting agency shall remove the security  
19 freeze for the protected consumer.

20           (i)    [(1) Except as provided in paragraph (2) of this subsection, a] A consumer  
21 reporting agency may not charge a fee for any service performed under this section.

22                       (2)    A consumer reporting agency may charge a reasonable fee, not  
23 exceeding \$5, for each placement or removal of a security freeze for a protected consumer.

24           (3)    Notwithstanding paragraph (2) of this subsection, a consumer reporting  
25 agency may not charge any fee under this section if:

26                       (i)    The protected consumer's representative:

27                               1.     Has obtained a report of alleged identity fraud against the  
28 protected consumer under § 8-304 of the Criminal Law Article or an identity theft passport  
29 under § 8-305 of the Criminal Law Article; and

30                               2.     Provides a copy of the report or passport to the consumer  
31 reporting agency; or

32                       (ii)   1.     A request for the placement or removal of a security freeze

1 is for a protected consumer who is under the age of 16 years at the time of the request; and

2                   2.     The consumer reporting agency has a consumer report  
3 pertaining to the protected consumer.]

4           (j)     A consumer reporting agency may remove a security freeze for a protected  
5 consumer or delete a record of a protected consumer if the security freeze was placed or the  
6 record was created based on a material misrepresentation of fact by the protected consumer  
7 or the protected consumer's representative.

8           (k)     Notwithstanding any other provision of law, the exclusive remedy for a  
9 violation of this section shall be a complaint filed with the Commissioner under [§  
10 14-1217] § 14-1226 of this subtitle.

11           (L)     (1)    **AT LEAST ONCE EACH YEAR, THE DEPARTMENT OF HUMAN  
12 SERVICES SHALL SEND TO EACH CONSUMER REPORTING AGENCY BY ELECTRONIC  
13 TRANSMISSION A LIST OF CHILDREN WHO ARE IN THE CUSTODY OF A LOCAL  
14 DEPARTMENT AND HAVE BEEN PLACED IN A FOSTER CARE SETTING FOR THE FIRST  
15 TIME.**

16                   (2)    **AT LEAST ONCE EACH YEAR, THE DEPARTMENT OF PUBLIC  
17 SAFETY AND CORRECTIONAL SERVICES SHALL SEND TO EACH CONSUMER  
18 REPORTING AGENCY BY ELECTRONIC TRANSMISSION A LIST OF INMATES WHO ARE  
19 IN STATE CORRECTIONAL FACILITIES.**

20                   (3)    **THE DEPARTMENT OF HUMAN SERVICES AND THE DEPARTMENT  
21 OF PUBLIC SAFETY AND CORRECTIONAL SERVICES MAY ENTER INTO AGREEMENTS  
22 WITH A CONSUMER REPORTING AGENCY CONCERNING THE TRANSMISSION OF  
23 INFORMATION BETWEEN THE DEPARTMENTS AND A CONSUMER REPORTING  
24 AGENCY TO FACILITATE THE IMPLEMENTATION OF THIS SUBSECTION.**

25           (M)     **A CONSUMER REPORTING AGENCY SHALL NOTIFY A PROTECTED  
26 CONSUMER WHO LOSES STATUS AS A PROTECTED CONSUMER UNDER THIS SECTION  
27 OF THE PROVISIONS OF § 14-1212.1 OF THIS SUBTITLE RELATING TO REMOVAL OF  
28 A SECURITY FREEZE.**

29 **14-1213. RESERVED.**

30 **14-1214. RESERVED.**

31                   **PART II. REGISTRATION AND BOND REQUIREMENTS.**

32 **14-1215.**

1           **A PERSON MAY NOT OPERATE AS A CONSUMER REPORTING AGENCY UNLESS**  
2 **THE PERSON IS REGISTERED WITH THE COMMISSIONER UNDER THIS SUBTITLE.**

3 **14-1216.**

4           **(A) TO SUBMIT A REGISTRATION, A CONSUMER REPORTING AGENCY SHALL:**

5                   **(1) SUBMIT TO THE COMMISSIONER A REGISTRATION ON THE FORM**  
6 **THAT THE COMMISSIONER PROVIDES;**

7                   **(2) FILE WITH THE COMMISSIONER A BOND AS REQUIRED UNDER §**  
8 **14-1219 OF THIS SUBTITLE; AND**

9                   **(3) FULFILL ANY OTHER REQUIREMENTS FOR REGISTRATION UNDER**  
10 **THIS SUBTITLE.**

11           **(B) THE REGISTRATION SHALL INCLUDE ANY INFORMATION THAT THE**  
12 **COMMISSIONER REQUIRES BY REGULATION.**

13           **(C) A REGISTRATION IS NOT COMPLETE UNLESS IT MEETS THE**  
14 **REQUIREMENTS OF SUBSECTIONS (A) AND (B) OF THIS SECTION.**

15           **(D) EXCEPT AS PROVIDED IN § 14-1227 OF THIS SUBTITLE, ALL FEES AND**  
16 **OTHER REVENUES COLLECTED UNDER THIS SUBTITLE SHALL BE DEPOSITED INTO**  
17 **THE NONDEPOSITORY SPECIAL FUND ESTABLISHED UNDER § 11-610 OF THE**  
18 **FINANCIAL INSTITUTIONS ARTICLE.**

19 **14-1217.**

20           **(A) WITHIN THE TIME PERIOD ESTABLISHED BY THE COMMISSIONER**  
21 **UNDER SUBSECTION (B) OF THIS SECTION, EACH REGISTRANT SHALL:**

22                   **(1) OBTAIN AND MAINTAIN A VALID UNIQUE IDENTIFIER ISSUED BY**  
23 **NMLS WHEN AN ACCOUNT IS CREATED WITH NMLS; AND**

24                   **(2) TRANSFER REGISTRATION INFORMATION TO NMLS.**

25           **(B) (1) THE COMMISSIONER SHALL ESTABLISH A TIME PERIOD THAT IS**  
26 **NOT LESS THAN 2 MONTHS WITHIN WHICH A REGISTRANT MUST TRANSFER**  
27 **REGISTRATION INFORMATION TO NMLS.**

28                   **(2) SUBJECT TO SUBSECTION (C)(2) OF THIS SECTION, THE TIME**  
29 **PERIOD THAT THE COMMISSIONER ESTABLISHES UNDER THIS SUBSECTION SHALL**

1 BEGIN ON OR AFTER OCTOBER 1, 2018.

2 (3) AT LEAST 30 DAYS BEFORE THE TRANSFER PERIOD, THE  
3 COMMISSIONER SHALL:

4 (I) NOTIFY ALL REGISTRANTS OF THE TRANSFER PERIOD; AND

5 (II) PROVIDE INSTRUCTIONS FOR THE TRANSFER OF  
6 REGISTRATION INFORMATION TO NMLS.

7 (C) SUBJECT TO SUBSECTIONS (A) AND (B) OF THIS SECTION, A CONSUMER  
8 REPORTING AGENCY SHALL SUBMIT THE INITIAL REGISTRATION OR REGISTRATION  
9 RENEWAL THROUGH NMLS:

10 (1) ON OR AFTER OCTOBER 1, 2018; OR

11 (2) IF THE COMMISSIONER HAS NOT JOINED NMLS WITH RESPECT  
12 TO PERSONS REQUIRED TO BE REGISTERED UNDER THIS SUBTITLE AS OF OCTOBER  
13 1, 2018, ON OR AFTER THE DATE THAT THE COMMISSIONER JOINS, AS SPECIFIED BY  
14 THE COMMISSIONER BY PUBLIC NOTICE.

15 14-1218.

16 (A) SUBJECT TO § 14-1217 OF THIS SUBTITLE AND ANY REGULATIONS  
17 PROMULGATED IN CONNECTION WITH THE TRANSITION TO NMLS, AN INITIAL  
18 REGISTRATION TERM SHALL:

19 (1) BEGIN ON THE DAY THE REGISTRATION IS ISSUED; AND

20 (2) EXPIRE ON DECEMBER 31 OF THE YEAR THE REGISTRATION IS  
21 ISSUED.

22 (B) A REGISTRATION MAY BE RENEWED IF THE REGISTRANT:

23 (1) OTHERWISE IS ENTITLED TO BE REGISTERED; AND

24 (2) SUBMITS TO THE COMMISSIONER A RENEWAL REGISTRATION ON  
25 THE FORM THAT THE COMMISSIONER REQUIRES.

26 (C) THE RENEWAL REGISTRATION SHALL INCLUDE ANY INFORMATION  
27 THAT THE COMMISSIONER REQUIRES BY REGULATION.

28 (D) A RENEWAL REGISTRATION IS NOT COMPLETE UNLESS IT MEETS THE

1 REQUIREMENTS OF SUBSECTIONS (B) AND (C) OF THIS SECTION.

2 (E) A REGISTRANT MAY NOT RENEW A REGISTRATION UNLESS PRIOR TO  
3 THE SUBMISSION OF THE REGISTRATION RENEWAL, THE REGISTRANT HAS  
4 TRANSFERRED THE REGISTRANT'S REGISTRATION INFORMATION TO NMLS.

5 14-1219.

6 (A) WITH A NEW OR RENEWAL REGISTRATION, A REGISTRANT SHALL FILE A  
7 SURETY BOND WITH THE COMMISSIONER.

8 (B) (1) THE BOND SHALL RUN TO THE COMMISSIONER, AS OBLIGEE, FOR  
9 THE BENEFIT OF:

10 (I) THE STATE;

11 (II) ANY CONSUMER WHO IS INJURED BY A VIOLATION OF THIS  
12 SUBTITLE COMMITTED BY A REGISTRANT; AND

13 (III) ANY CONSUMER WHO SUFFERS ACTUAL DAMAGES AS A  
14 RESULT OF THE BREACH OF THE SECURITY OF A SYSTEM EXPERIENCED BY A  
15 REGISTRANT.

16 (2) THE BOND SHALL BE:

17 (I) IN AN AMOUNT DETERMINED BY THE COMMISSIONER BY  
18 REGULATION;

19 (II) ISSUED BY A SURETY COMPANY THAT:

20 1. IS AUTHORIZED TO DO BUSINESS IN THE STATE; AND

21 2. HOLDS A CERTIFICATE OF AUTHORITY ISSUED BY THE  
22 MARYLAND INSURANCE COMMISSIONER; AND

23 (III) CONDITIONED THAT THE REGISTRANT SHALL COMPLY  
24 WITH ALL STATE AND FEDERAL LAWS AND REGULATIONS GOVERNING CONSUMER  
25 REPORTING AGENCIES.

26 (3) THE LIABILITY OF THE SURETY:

27 (I) SHALL BE CONTINUOUS;

1                   **(II) MAY NOT BE AGGREGATED OR CUMULATIVE, WHETHER OR**  
2 **NOT THE BOND IS RENEWED, CONTINUED, REPLACED, OR MODIFIED;**

3                   **(III) MAY NOT BE DETERMINED BY ADDING TOGETHER THE**  
4 **PENAL SUM OF THE BOND, OR ANY PART OF THE PENAL SUM OF THE BOND, IN**  
5 **EXISTENCE AT ANY TWO OR MORE POINTS IN TIME;**

6                   **(IV) SHALL BE CONSIDERED TO BE ONE CONTINUOUS**  
7 **OBLIGATION, REGARDLESS OF INCREASES OR DECREASES IN THE PENAL SUM OF**  
8 **THE BOND;**

9                   **(V) MAY NOT BE AFFECTED BY:**

10                   **1. THE INSOLVENCY OR BANKRUPTCY OF THE**  
11 **REGISTRANT;**

12                   **2. ANY MISREPRESENTATION, BREACH OF WARRANTY,**  
13 **FAILURE TO PAY A PREMIUM, OR ANY OTHER ACT OR OMISSION OF THE REGISTRANT**  
14 **OR AN AGENT OF THE REGISTRANT; OR**

15                   **3. THE SUSPENSION OF THE REGISTRANT'S**  
16 **REGISTRATION;**

17                   **(VI) MAY NOT REQUIRE AN ADMINISTRATIVE ENFORCEMENT**  
18 **ACTION BY THE COMMISSIONER AS A PREREQUISITE TO LIABILITY; AND**

19                   **(VII) SHALL CONTINUE FOR 3 YEARS AFTER THE LATER OF THE**  
20 **DATE ON WHICH:**

21                   **1. THE BOND IS CANCELED; OR**

22                   **2. THE REGISTRANT, FOR ANY REASON, CEASES TO BE**  
23 **REGISTERED.**

24                   **(4) (I) A BOND MAY BE CANCELED BY THE SURETY OR THE**  
25 **REGISTRANT BY GIVING NOTICE OF CANCELLATION TO THE COMMISSIONER.**

26                   **(II) NOTICE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH**  
27 **SHALL:**

28                   **1. BE IN WRITING; AND**

29                   **2. BE SENT BY CERTIFIED MAIL, RETURN RECEIPT**



1 **REQUESTED.**

2 **(III) A CANCELLATION OF A BOND UNDER THIS PARAGRAPH IS**  
3 **NOT EFFECTIVE UNTIL 90 DAYS AFTER RECEIPT OF A NOTICE OF CANCELLATION BY**  
4 **THE COMMISSIONER.**

5 **(5) A CLAIM AGAINST THE BOND MAY BE FILED WITH THE SURETY BY:**

6 **(I) A CLAIMANT; OR**

7 **(II) THE COMMISSIONER FOR THE BENEFIT OF A CLAIMANT OR**  
8 **THE STATE.**

9 **(6) IF THE AMOUNT OF CLAIMS AGAINST A BOND EXCEEDS THE**  
10 **AMOUNT OF THE BOND, THE SURETY:**

11 **(I) SHALL PAY THE AMOUNT OF THE BOND TO THE**  
12 **COMMISSIONER FOR PRO RATA DISTRIBUTION TO CLAIMANTS; AND**

13 **(II) IS RELIEVED OF LIABILITY UNDER THE BOND.**

14 **(7) IF THE PENAL AMOUNT OF A BOND IS REDUCED BY PAYMENT OF A**  
15 **CLAIM OR JUDGMENT, THE REGISTRANT SHALL FILE A NEW OR ADDITIONAL BOND**  
16 **WITH THE COMMISSIONER.**

17 **(8) A PENALTY IMPOSED AGAINST A REGISTRANT UNDER §**  
18 **14-1227 OF THIS SUBTITLE MAY BE COLLECTED AND PAID FROM THE PROCEEDS OF**  
19 **A BOND REQUIRED UNDER THIS SECTION.**

20 **14-1220. RESERVED.**

21 **14-1221. RESERVED.**

22 **PART III. ENFORCEMENT, PENALTIES, AND MISCELLANEOUS PROVISIONS.**

23 **14-1222.**

24 **(a) Any consumer reporting agency or user of information which willfully fails to**  
25 **comply with any requirement imposed under this subtitle with respect to any consumer is**  
26 **liable to that consumer in an amount equal to the sum of:**

27 **(1) Any actual damages sustained by the consumer as a result of the**  
28 **failure;**

1 (2) Such amount of punitive damages as the court may allow; and

2 (3) In the case of any successful action to enforce any liability under this  
3 section, the costs of the action together with reasonable attorney's fees as determined by  
4 the court.

5 14-1227.

6 (a) The Commissioner, **IN ADDITION TO TAKING ANY OTHER ACTION**  
7 **AUTHORIZED BY LAW**, may:

8 (1) Hold a hearing on the complaint at a time and place in this State  
9 reasonably convenient to the parties involved;

10 (2) Subpoena **AND TAKE DEPOSITIONS OF** witnesses;

11 [(3) Take depositions of witnesses residing without the State, in the manner  
12 provided for witnesses in civil actions in courts of record;]

13 **(3) CONDUCT INVESTIGATIONS THAT THE COMMISSIONER**  
14 **CONSIDERS NECESSARY;**

15 (4) Administer oaths;

16 (5) Issue orders for compliance with this subtitle;

17 (6) Issue cease and desist orders, if after a hearing the Commissioner finds  
18 a [pattern and practice of] violation of this subtitle; and

19 [(7) If a consumer reporting agency that has violated any law regulating  
20 consumer credit reporting fails to comply with a lawful order of the Commissioner, impose  
21 a civil penalty of up to \$100 for each violation from which the violator failed to cease and  
22 desist or for which the violator failed to take action ordered by the Commissioner for  
23 compliance with the law. In determining the amount of civil penalty to be imposed under  
24 this paragraph, the Commissioner shall consider:

25 (i) The seriousness of the violation;

26 (ii) The good faith of the violator;

27 (iii) The violator's history of previous violations;

28 (iv) The deleterious effect of the violation upon the public and the  
29 credit granting industry;

30 (v) The assets and financial status of the violator; and

1 (vi) Any other factors relevant to the determination of the financial  
2 penalty.]

3 (7) ISSUE AN ORDER SUSPENDING OR REVOKING THE REGISTRATION  
4 OF THE PERSON.

5 (B) THE COMMISSIONER MAY REFUSE TO RENEW, SUSPEND, OR REVOKE  
6 THE REGISTRATION OF ANY CREDIT REPORTING AGENCY IF THE REGISTRANT OR  
7 ANY CONTROL PERSON OF THE REGISTRANT:

8 (1) MAKES ANY MATERIAL MISSTATEMENT IN THE INFORMATION  
9 REQUIRED IN A SUBMISSION FOR A REGISTRATION;

10 (2) IN THE CONDUCT OF BUSINESS OF THE REGISTRANT IN THIS  
11 STATE:

12 (I) COMMITS ANY FRAUD;

13 (II) ENGAGES IN ANY ILLEGAL OR DISHONEST ACTIVITIES; OR

14 (III) MISREPRESENTS OR FAILS TO DISCLOSE ANY MATERIAL  
15 FACTS TO ANYONE ENTITLED TO THAT INFORMATION;

16 (3) VIOLATES ANY PROVISION OF THIS SUBTITLE OR ANY RULE OR  
17 REGULATION ADOPTED UNDER IT OR ANY OTHER LAW REGULATING CONSUMER  
18 CREDIT REPORTING; OR

19 (4) OTHERWISE DEMONSTRATES UNWORTHINESS, BAD FAITH,  
20 DISHONESTY, OR ANY OTHER QUALITY THAT INDICATES THAT THE BUSINESS OF THE  
21 REGISTRANT HAS NOT BEEN OR WILL NOT BE CONDUCTED HONESTLY, FAIRLY,  
22 EQUITABLY, AND EFFICIENTLY.

23 (C) (1) INSTEAD OF OR IN ADDITION TO ANY OTHER ACTION THE  
24 COMMISSIONER MAY TAKE UNDER THIS SECTION OR ANY OTHER PROVISION OF LAW,  
25 THE COMMISSIONER MAY IMPOSE A CIVIL PENALTY NOT EXCEEDING \$1,000 FOR A  
26 FIRST VIOLATION AND \$5,000 FOR EACH SUBSEQUENT VIOLATION.

27 (2) IN DETERMINING THE AMOUNT OF CIVIL PENALTY TO BE IMPOSED  
28 UNDER THIS SUBSECTION, THE COMMISSIONER SHALL CONSIDER:

29 (I) THE SERIOUSNESS OF THE VIOLATION;

30 (II) THE GOOD FAITH OF THE VIOLATOR;

1 (III) THE VIOLATOR'S HISTORY OF PREVIOUS VIOLATIONS;

2 (IV) THE DELETERIOUS EFFECT OF THE VIOLATION ON THE  
3 PUBLIC AND THE CREDIT GRANTING INDUSTRY;

4 (V) THE ASSETS AND FINANCIAL STATUS OF THE VIOLATOR;  
5 AND

6 (VI) ANY OTHER FACTORS RELEVANT TO THE DETERMINATION  
7 OF THE FINANCIAL PENALTY.

8 (3) THE COMMISSIONER SHALL PAY ALL FINES AND PENALTIES  
9 COLLECTED BY THE COMMISSIONER UNDER THIS SUBSECTION INTO THE GENERAL  
10 FUND OF THE STATE.

11 [(b)] (D) If a person fails to comply with any lawful order of the Commissioner  
12 [pursuant to this subtitle] or if any witness fails to appear and testify to any matter  
13 regarding which the witness may be lawfully interrogated, on petition of the Commissioner  
14 setting forth the facts, the circuit court of any county shall:

15 (1) Compel obedience to the requirements of the subpoena or order;

16 (2) Compel the production of contracts, forms, files, and other evidence; and

17 (3) Order compliance with any lawful order issued by the Commissioner  
18 [under the provisions of subsection (a)(5) or subsection (a)(6) of this section].

19 [(c)] (E) If a person fails, refuses, or neglects to comply with the order of the  
20 court, the court may punish that person for contempt of court.

21 [(d)] (F) The Administrative Procedure Act, including its provisions for judicial  
22 review of a final decision in a contested case, applies to proceedings before the  
23 Commissioner pursuant to this subtitle.

24 [(e)] (G) (1) The Commissioner shall adopt regulations necessary to  
25 administer the provisions of this subtitle.

26 (2) The regulations shall include procedures for:

27 (i) Achieving accuracy in information collected and maintained in  
28 consumer files;

29 (ii) Developing a system to facilitate correction of information in a  
30 consumer file at each credit reporting agency on correction at one consumer reporting

1 agency; [and]

2 (iii) Periodically distributing to the public a current listing of the  
3 names, addresses, and telephone numbers of consumer reporting agencies that maintain  
4 information or provide consumer reports on residents of the State; AND

5 (IV) CALCULATING THE REQUIRED BOND AMOUNTS UNDER THIS  
6 SUBTITLE.

7 (H) A REGISTRANT SHALL PAY TO THE COMMISSIONER A PER-DAY FEE SET  
8 BY THE COMMISSIONER FOR EACH OF THE COMMISSIONER'S EMPLOYEES ENGAGED  
9 IN ANY INVESTIGATION OF THE REGISTRANT CONDUCTED UNDER THIS SECTION  
10 THAT THE COMMISSIONER CONSIDERS NECESSARY.

11 14-1228.

12 (A) (1) THE REQUIREMENTS UNDER ANY FEDERAL LAW AND TITLE 4,  
13 SUBTITLES 1 THROUGH 5 OF THE GENERAL PROVISIONS ARTICLE REGARDING THE  
14 PRIVACY OR CONFIDENTIALITY OF INFORMATION OR MATERIAL PROVIDED TO  
15 NMLS, AND ANY PRIVILEGE ARISING UNDER FEDERAL OR STATE LAW, INCLUDING  
16 THE RULES OF ANY FEDERAL OR STATE COURT WITH RESPECT TO THAT  
17 INFORMATION OR MATERIAL, SHALL CONTINUE TO APPLY TO THAT INFORMATION  
18 OR MATERIAL AFTER THE INFORMATION OR MATERIAL HAS BEEN DISCLOSED TO  
19 NMLS.

20 (2) THE INFORMATION AND MATERIAL MAY BE SHARED WITH ALL  
21 STATE AND FEDERAL REGULATORY OFFICIALS HAVING AUTHORITY OVER PERSONS  
22 REQUIRED TO BE REGISTERED UNDER THIS SUBTITLE, INCLUDING THE FINANCIAL  
23 CRIMES ENFORCEMENT NETWORK AND THE OFFICE OF FOREIGN ASSETS  
24 CONTROL, WITHOUT THE LOSS OF PRIVILEGE OR THE LOSS OF CONFIDENTIALITY  
25 PROTECTIONS PROVIDED BY FEDERAL LAW OR TITLE 4, SUBTITLES 1 THROUGH 5  
26 OF THE GENERAL PROVISIONS ARTICLE.

27 (B) THE COMMISSIONER MAY:

28 (1) ENTER INTO INFORMATION-SHARING AGREEMENTS WITH ANY  
29 FEDERAL OR STATE REGULATORY AGENCY HAVING AUTHORITY OVER CONSUMER  
30 REPORTING AGENCIES OR WITH ANY FEDERAL OR STATE LAW ENFORCEMENT  
31 AGENCY, INCLUDING THE FINANCIAL CRIMES ENFORCEMENT NETWORK AND THE  
32 OFFICE OF FOREIGN ASSETS CONTROL, AND ANY SUCCESSOR TO THESE AGENCIES  
33 IF THE AGREEMENTS PROHIBIT THE AGENCIES FROM DISCLOSING ANY SHARED  
34 INFORMATION WITHOUT PRIOR WRITTEN CONSENT FROM THE COMMISSIONER  
35 REGARDING DISCLOSURE OF THE PARTICULAR INFORMATION; AND



1 Supervisors, that may be used for the licensing **AND REGISTRATION** of persons required  
2 to be licensed **OR REGISTERED** under this article **OR THE COMMERCIAL LAW ARTICLE.**

3 2–105.1.

4 (a) (1) In this section the following words have the meanings indicated.

5 (2) “Collection agency” has the meaning stated in § 7–101 of the Business  
6 Regulation Article.

7 **(3) “CONSUMER REPORTING AGENCY” HAS THE MEANING STATED IN**  
8 **§ 14–1201 OF THE COMMERCIAL LAW ARTICLE.**

9 **[(3)] (4)** “Credit services business” has the meaning stated in § 14–1901  
10 of the Commercial Law Article.

11 **[(4)] (5)** “Debt management services provider” has the meaning stated in  
12 § 12–901 of this article.

13 **[(5)] (6)** “Money transmission” has the meaning stated in § 12–401 of this  
14 article.

15 **[(6)] (7)** “Mortgage lender” has the meaning stated in § 11–501 of this  
16 article.

17 **[(7)] (8)** “Mortgage originator” has the meaning stated in § 11–601 of this  
18 article.

19 **[(8)] (9)** “Provide check cashing services” has the meaning stated in §  
20 12–101 of this article.

21 **[(9)] (10)** “Sales finance company” has the meaning stated in § 11–401 of  
22 this article.

23 (b) The Commissioner may adopt and enforce regulations reasonably necessary  
24 to carry out the authority and responsibility of the office of Commissioner.

25 (c) (1) The Commissioner may participate in NMLS for:

26 (i) Collection agencies;

27 (ii) Debt management services providers;

28 (iii) Mortgage lenders;

29 (iv) Mortgage originators;

- 1 (v) Persons who engage in money transmission;
- 2 (vi) Persons who are required to be licensed under Title 11, Subtitle  
3 2 of this article;
- 4 (vii) Persons who are required to be licensed under Title 11, Subtitle  
5 3 of this article;
- 6 (viii) Persons who are required to be licensed under Title 12, Subtitle  
7 1 of this article;
- 8 (ix) Persons who are required to be licensed under Title 14, Subtitle  
9 19 of the Commercial Law Article; [and]

10 (x) Sales finance companies; **AND**

11 **(XI) CONSUMER REPORTING AGENCIES.**

12 (2) To facilitate participation in NMLS, the Commissioner may adopt  
13 regulations that waive or modify the requirements of:

- 14 (i) Title 11, Subtitles 4, 5, and 6 of this article with respect to sales  
15 finance companies, mortgage lenders, and mortgage originators;
- 16 (ii) Title 12, Subtitles 1, 4, and 9 of this article with respect to  
17 providers of check cashing services, persons who engage in money transmission, and  
18 providers of debt management services;
- 19 (iii) Title 11, Subtitle 2 of this article;
- 20 (iv) Title 11, Subtitle 3 of this article;
- 21 (v) Title 7 of the Business Regulation Article with respect to  
22 collection agencies; [and]
- 23 (vi) Title 14, Subtitle 19 of the Commercial Law Article; **AND**

24 **(VII) TITLE 14, SUBTITLE 12 OF THE COMMERCIAL LAW**  
25 **ARTICLE.**

26 11-610.

27 (a) There is a Nondepository Special Fund that consists of:

- 28 (1) Revenue received for the licensing of individuals under this subtitle;



1                   (2)     Revenue received for the licensing of persons under Subtitle 5 of this  
2 title;

3                   (3)     Revenue received for the licensing of persons under Title 12, Subtitle 4  
4 of this article;

5                   (4)     Revenue received for the licensing of persons under Title 12, Subtitle 9  
6 of this article;

7                   (5)     Revenue received for the registration of persons under Title 12, Subtitle  
8 10 of this article;

9                   (6)     Income from the investments that the State Treasurer makes for the  
10 Fund; and

11                   (7)     Any other fee, examination assessment, or revenue received by the  
12 Commissioner under this subtitle, Subtitle 5 of this title, [and] Title 12, Subtitles 4, 9, and  
13 10 of this article, **AND TITLE 14, SUBTITLE 12 OF THE COMMERCIAL LAW ARTICLE.**

14           (b)     Notwithstanding subsection (a) of this section, the Commissioner shall pay all  
15 fines and penalties collected by the Commissioner under this subtitle, Subtitle 5 of this  
16 title, [and] Title 12, Subtitles 4, 9, and 10 of this article, **AND TITLE 14, SUBTITLE 12 OF**  
17 **THE COMMERCIAL LAW ARTICLE** into the General Fund of the State.

18           (c)     The purpose of the Fund is to cover the direct and indirect costs of fulfilling  
19 the statutory and regulatory duties of the Commissioner related to:

20                   (1)     This subtitle;

21                   (2)     Subtitle 5 of this title;

22                   (3)     Title 12, Subtitle 4 of this article;

23                   (4)     Title 12, Subtitle 9 of this article;

24                   (5)     Title 12, Subtitle 10 of this article; [and]

25                   **(6)     TITLE 14, SUBTITLE 12 OF THE COMMERCIAL LAW ARTICLE; AND**

26                   **[(6)] (7)     Any other expense authorized in the State budget.**

27           (d)     (1)     The annual State budget shall include the costs and expenses of the  
28 Commissioner relating to the regulation of mortgage lending, mortgage origination, money  
29 transmission, debt management services, [and] debt settlement services, **AND CONSUMER**  
30 **REPORTING AGENCIES.**

1                   (2) Any expenditures from the Fund to cover costs and expenses of the  
2 Commissioner may be made only:

3                   (i) With an appropriation from the Fund approved by the General  
4 Assembly in the annual State budget; or

5                   (ii) By the budget amendment procedure provided for in § 7–209 of  
6 the State Finance and Procurement Article.

7                   (3) If, in any fiscal year, the amount of the revenue collected by the  
8 Commissioner and deposited into the Fund exceeds the actual appropriation for the  
9 Commissioner to regulate mortgage lending under Subtitle 5 of this title; mortgage  
10 origination under this subtitle; money transmission under Title 12, Subtitle 4 of this article;  
11 debt management services under Title 12, Subtitle 9 of this article; [and] debt settlement  
12 services under Title 12, Subtitle 10 of this article; **AND CONSUMER REPORTING**  
13 **AGENCIES UNDER TITLE 14, SUBTITLE 12 OF THE COMMERCIAL LAW ARTICLE**, the  
14 excess amount shall be carried forward within the Fund.

15                   SECTION 4. AND BE IT FURTHER ENACTED, That the powers and authority  
16 conferred by Section 14–1227 of the Commercial Law Article, as enacted by Section 3 of  
17 this Act, shall be regarded as supplemental and additional to the powers and authority  
18 conferred by other laws on the Commissioner of Financial Regulation and may not be  
19 regarded as in derogation of any powers now existing in the Office of the Commissioner of  
20 Financial Regulation.

21                   SECTION 5. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 2018.