

HOUSE BILL 59

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9lr0056

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

Introduced and read first time: January 17, 2019

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Financial Institutions – Commissioner of Financial Regulation – Debt**
3 **Settlement Services**

4 FOR the purpose of requiring registrants providing debt settlement services to obtain and
5 maintain a valid unique identifier issued by the Nationwide Mortgage Licensing
6 System and Registry (NMLS) and to transfer registration information to NMLS
7 during a certain time period; requiring the Commissioner of Financial Regulation to
8 establish a certain time period; requiring the Commissioner to notify certain
9 registrants of the transfer period and provide certain registrants with certain
10 instructions; requiring a certain applicant for the issuance of a registration or a
11 renewal of a registration to apply for the registration through NMLS on or after a
12 certain date or on or after the date that the Commissioner joins NMLS; decreasing
13 certain fees to register as a debt settlement services provider; requiring a certain
14 registrant to pay certain NMLS fees; altering the term of an initial registration and
15 a renewal of a registration; repealing an outdated provision; defining a certain term;
16 and generally relating to debt settlement services.

17 BY repealing and reenacting, without amendments,
18 Article – Financial Institutions
19 Section 12–1001(a)
20 Annotated Code of Maryland
21 (2011 Replacement Volume and 2018 Supplement)

22 BY adding to
23 Article – Financial Institutions
24 Section 12–1001(l)
25 Annotated Code of Maryland
26 (2011 Replacement Volume and 2018 Supplement)

27 BY repealing and reenacting, with amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Article – Financial Institutions
2 Section 12–1004, 12–1006, and 12–1009
3 Annotated Code of Maryland
4 (2011 Replacement Volume and 2018 Supplement)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
6 That the Laws of Maryland read as follows:

7 **Article – Financial Institutions**

8 12–1001.

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

10 (L) **“UNIQUE IDENTIFIER” MEANS A NUMBER OR ANOTHER IDENTIFIER**
11 **ASSIGNED BY NMLS.**

12 12–1004.

13 (A) A person may not offer, provide, or attempt to provide debt settlement services
14 unless the person:

15 (1) Is registered with the Commissioner under this subtitle; or

16 (2) Is exempt from registration under this subtitle.

17 (B) **DURING THE TIME PERIOD ESTABLISHED BY THE COMMISSIONER**
18 **UNDER SUBSECTION (C) OF THIS SECTION, EACH REGISTRANT SHALL:**

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

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

22 (C) (1) **THE COMMISSIONER SHALL ESTABLISH A TIME PERIOD THAT IS**
23 **NOT LESS THAN 2 MONTHS WITHIN WHICH A REGISTRANT MUST TRANSFER**
24 **REGISTRATION INFORMATION TO NMLS.**

25 (2) **THE TIME PERIOD THAT THE COMMISSIONER ESTABLISHES**
26 **UNDER THIS SUBSECTION SHALL BEGIN ON OR AFTER JULY 1, 2019.**

27 (3) **AT LEAST 30 DAYS BEFORE THE TRANSFER PERIOD BEGINS, THE**
28 **COMMISSIONER SHALL:**

29 (I) **NOTIFY REGISTRANTS OF THE TRANSFER PERIOD; AND**

1 **(II) PROVIDE INSTRUCTIONS FOR THE TRANSFER OF**
2 **REGISTRATION INFORMATION TO NMLS.**

3 **(D) SUBJECT TO SUBSECTION (B) OF THIS SECTION, AN APPLICANT FOR THE**
4 **ISSUANCE OF A REGISTRATION OR A RENEWAL OF A REGISTRATION SHALL APPLY**
5 **FOR THE INITIAL REGISTRATION OR THE RENEWAL OF THE REGISTRATION**
6 **THROUGH NMLS:**

7 **(1) ON OR AFTER JULY 1, 2019; OR**

8 **(2) IF THE COMMISSIONER HAS NOT JOINED NMLS WITH RESPECT**
9 **TO PERSONS REQUIRED TO BE REGISTERED UNDER THIS SUBTITLE AS OF JULY 1,**
10 **2019, ON OR AFTER THE DATE THAT THE COMMISSIONER JOINS, AS SPECIFIED BY**
11 **THE COMMISSIONER BY PUBLIC NOTICE.**

12 12–1006.

13 **(A)** A person registering as a debt settlement services provider with the
14 Commissioner under this subtitle shall pay to the Commissioner a nonrefundable fee in
15 the amount of:

16 (1) ~~[\$1,000]~~ **\$500** for the issuance of a registration under this subtitle; and

17 (2) ~~[\$1,000]~~ **\$500** for the renewal of a registration under this subtitle.

18 **(B) IN ADDITION TO THE REGISTRATION FEE REQUIRED UNDER**
19 **SUBSECTION (A) OF THIS SECTION, A REGISTRANT FOR THE ISSUANCE OF A**
20 **REGISTRATION OR A RENEWAL OF A REGISTRATION SHALL PAY TO NMLS ANY FEES**
21 **THAT NMLS IMPOSES IN CONNECTION WITH THE ISSUANCE OF THE REGISTRATION**
22 **OR THE RENEWAL OF THE REGISTRATION.**

23 12–1009.

24 (a) A registration issued under this subtitle expires on December 31 of each
25 ~~[odd-numbered]~~ year ~~[unless the registration is renewed for a 2-year term as provided in~~
26 ~~subsection (b) of this section]~~.

27 (b) On or ~~[before December]~~ **AFTER NOVEMBER** 1 of the year ~~[of expiration, a]~~
28 **IN WHICH A REGISTRATION EXPIRES,** the registration may be renewed for ~~[a 2-year]~~
29 **AN ADDITIONAL 1-YEAR** term if the registrant:

30 (1) Otherwise is entitled to be registered;

31 (2) Pays to the Commissioner the renewal fee established under § 12–1006

1 of this subtitle; [and]

2 (3) Submits to the Commissioner a renewal application on the form that
3 the Commissioner requires; AND

4 (4) **PAYS TO NMLS ANY FEES THAT NMLS IMPOSES IN CONNECTION**
5 **WITH THE RENEWAL OF THE REGISTRATION.**

6 [(c) A registration or a renewal of a registration with an expiration date of
7 December 1, 2015, shall automatically extend and expire on June 1, 2016, without payment
8 of an additional fee or submission of an application.]

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2019.