

# SENATE BILL 786

I1, I3, N1

9lr1049  
CF 9lr2428

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By: **Senators Rosapepe, Lee, Ferguson, and Washington**

Introduced and read first time: February 4, 2019

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Financial Consumer Protection Act of 2019**

3 FOR the purpose of establishing and strengthening consumer protections in certain areas  
4 of financial transactions, including mobile home purchases, security breaches,  
5 vehicle purchases, money transmission, and other areas; applying certain existing  
6 financial consumer protections to new forms of financial transactions; establishing  
7 that a mobile home retailer has a certain duty of good faith and fair dealing;  
8 prohibiting a mobile home retailer from steering a consumer borrower to certain  
9 products; requiring a mobile home retailer to provide a certain written statement to  
10 a consumer borrower in a certain manner; requiring a certain written statement to  
11 be on a certain form prescribed by the Commissioner of Financial Regulation by  
12 regulation; establishing that the failure to comply with certain laws does not impact  
13 the validity of a certain transaction; authorizing the Commissioner to enforce certain  
14 laws in a certain manner; requiring a lender to serve a certain notice on a consumer  
15 borrower a certain number of days before the lender repossesses a certain mobile  
16 home under certain circumstances; requiring a credit grantor to serve a certain  
17 notice on a consumer borrower a certain number of days before the credit grantor  
18 repossesses a certain mobile home under certain circumstances; requiring certain  
19 notices that are given less than a certain number of days before a certain  
20 repossession to include a certain certification; authorizing the Commissioner to set  
21 certain fees based on certain activity; requiring a certain business that maintains  
22 certain personal information to implement and maintain certain security procedures  
23 and practices to protect the information; requiring a business to notify a certain  
24 individual of a certain breach of a security system unless the business makes a  
25 certain determination; requiring a certain notification to a certain individual within  
26 a certain number of days after a business discovers or is notified of a certain breach;  
27 requiring a certain notification to a certain owner or licensee within a certain  
28 number of days after a business discovers or is notified of a certain breach; requiring  
29 a certain notification after a certain delay within a certain number of days after a  
30 certain determination; requiring a certain notification to be given in a certain  
31 manner under certain circumstances; requiring certain supplemental notifications

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 to be provided in a certain manner; requiring the notice of a certain breach provided  
2 to the Office of the Attorney General to include certain information; requiring a  
3 certain entity to implement and maintain certain security procedures and practices  
4 to protect certain information; prohibiting a certain entity from retaining certain  
5 information for a certain period of time; making a certain entity liable to a certain  
6 financial institution for the reimbursement of certain costs under certain  
7 circumstances; making a certain vendor liable to a certain financial institution for  
8 the reimbursement of certain costs under certain circumstances; establishing that a  
9 certain entity or vendor is not liable for certain reimbursement under certain  
10 circumstances; authorizing a certain financial institution to bring an action to  
11 recover certain costs; requiring a certain dealer to disclose certain information to a  
12 certain buyer in a certain manner before executing a certain agreement for the sale  
13 of a vehicle; requiring a certain dealer to obtain a certain buyer's signature on certain  
14 disclosures before executing a certain agreement for the sale of a vehicle; prohibiting  
15 a certain dealer from participating in certain finance charges that would result in a  
16 certain difference in certain rates; establishing that certain persons are fiduciaries  
17 and have certain duties to customers; authorizing the Commissioner of Financial  
18 Regulation to adopt certain regulations; providing that certain provisions of law do  
19 not impose certain requirements on a certain broker-dealer that are not imposed  
20 under federal law; adding certain sources of revenue to the Nondepository Special  
21 Fund; requiring the Commissioner to pay certain fines and penalties into the  
22 General Fund of the State; adding as a purpose of the Nondepository Special Fund  
23 the coverage of costs of certain statutory and regulatory duties of the Commissioner  
24 related to certain provisions of law; requiring a certain money transmission license  
25 applicant to provide information that satisfies the Commissioner that the applicant  
26 has created in a record policies and procedures for certain programs; requiring  
27 money transmitters to maintain certain amounts of virtual currency under certain  
28 circumstances; prohibiting a money transmitter from providing money transmission  
29 services to a customer unless the transmitter fully complies with certain federal  
30 laws; prohibiting a certain person from engaging in certain practices in the conduct  
31 of money transmission; requiring a certain licensee to maintain in a record policies  
32 and procedures for certain compliance programs; requiring certain licensing revenue  
33 to be credited and used in a certain manner; prohibiting a certain person from  
34 providing currency exchange services unless the person has a certain license;  
35 requiring a separate license for certain business locations; requiring a certain license  
36 applicant or licensee to provide certain information to NMLS; establishing certain  
37 eligibility qualifications for a certain license; requiring a certain license applicant or  
38 licensee to provide certain fingerprints to NMLS under certain circumstances and  
39 for a certain purpose; requiring a certain license applicant or licensee to pay a certain  
40 fee; providing for the application of certain provisions of law; extending certain  
41 privacy and confidentiality requirements to certain information provided to NMLS  
42 under certain circumstances; extending certain privileges to certain information  
43 provided to NMLS; authorizing the sharing of certain information or material  
44 provided to NMLS with certain entities; superseding certain provisions of law  
45 relating to the disclosure of certain information or material; requiring an applicant  
46 for a certain license to apply in a certain manner and include certain information in  
47 an application; requiring an applicant for a certain license to pay certain fees to the

1 Commissioner and NMLS; requiring separate license applications and fees for  
2 certain business locations; subjecting a person who makes a certain false statement  
3 on a certain application to certain penalties of perjury; establishing the date on which  
4 certain license applications must be submitted through NMLS; requiring the  
5 Commissioner to determine the fitness of an applicant to receive a license in a certain  
6 manner; requiring, under certain circumstances, the Commissioner to approve or  
7 deny an application on or before a certain date; requiring the Commissioner to issue  
8 a certain license to any applicant who meets certain requirements; requiring the  
9 Commissioner to take certain actions if a license applicant does not meet certain  
10 requirements; requiring the Commissioner to provide a certain notice to a certain  
11 applicant of a denied application within a certain number of days in a certain  
12 manner; requiring the Commissioner to include certain information on a certain  
13 license; establishing that a certain license authorizes the licensee to provide currency  
14 exchange services in a certain manner; authorizing the Commissioner to issue more  
15 than one license under certain circumstances; authorizing a certain licensee to  
16 surrender a license by sending a certain statement to the Commissioner in a certain  
17 manner; prohibiting the Commissioner from refunding any part of a certain license  
18 fee if a license is surrendered under certain circumstances; establishing that  
19 surrender of a certain license does not affect certain liability for certain acts;  
20 establishing the initial term of a certain license; authorizing the renewal of a certain  
21 license under certain circumstances; establishing the renewal term of a certain  
22 license; prohibiting the transfer of a certain license; requiring a licensee to display a  
23 certain license in a certain manner; prohibiting a licensee from changing the location  
24 for which a license is issued unless the licensee provides certain notice to and  
25 receives certain consent from the Commissioner; requiring the Commissioner to send  
26 a certain licensee an amended license under certain circumstances; requiring a  
27 licensee to keep certain books and records for a certain period of time and in a certain  
28 manner; authorizing a certain licensee to retain certain records at any location under  
29 certain circumstances; requiring a certain licensee to retain a certain register of  
30 certain currency exchange services; authorizing the Commissioner to investigate and  
31 access certain records and business operations in a certain manner; authorizing the  
32 Commissioner to examine a certain person under oath; requiring a certain licensee  
33 to comply with certain laws concerning money laundering; requiring a licensee to  
34 post a notice of exchange rates and fees for currency exchange services at certain  
35 places of business and on a certain website in a certain manner; requiring a certain  
36 licensee to provide a customer with a certain receipt; requiring a certain licensee to  
37 maintain certain amounts of virtual currency under certain circumstances;  
38 prohibiting a licensee from providing currency exchange services to a customer  
39 unless the licensee is in full compliance with certain laws and the customer presents  
40 certain identification; prohibiting a licensee or person from engaging in certain  
41 activities while conducting virtual exchange services; authorizing the Commissioner  
42 to enforce certain provisions of law by issuing certain orders; authorizing the  
43 Commissioner to suspend or revoke certain licenses under certain circumstances;  
44 establishing certain criteria for the Commissioner to consider in determining  
45 whether to suspend or revoke a certain license; requiring the Commissioner to  
46 provide a certain licensee certain notice and an opportunity for a certain hearing  
47 before the Commissioner takes certain action; requiring the Commissioner to report

1 certain alleged criminal violations to certain entities; establishing that a certain  
2 penalty applies to a violation of certain provisions of law; authorizing the  
3 Commissioner to impose a certain civil penalty against a person who violates certain  
4 provisions of law; requiring the Commissioner to consider certain factors in  
5 determining a certain civil penalty; authorizing a person who is injured by a violation  
6 of certain provisions of law to bring certain actions; authorizing a court to award  
7 certain damages, fees, and costs to a certain plaintiff; providing that certain  
8 provisions of law may not be construed to affect a certain jurisdiction of the Securities  
9 Commissioner; requiring the Maryland Office of the Attorney General and the Office  
10 of the Commissioner of Financial Regulation to review certain model legislation and  
11 report to certain committees of the General Assembly on certain findings on or before  
12 a certain date; extending the effectiveness of the Maryland Financial Consumer  
13 Protection Commission until a certain date; requiring the Maryland Financial  
14 Consumer Protection Commission to assess the impact of certain financial services  
15 issues; requiring the Maryland Financial Consumer Protection Commission to report  
16 certain findings and recommendations to the General Assembly on or before a certain  
17 date; providing for the application of certain provisions of law; defining certain  
18 terms; providing for the effective dates of this Act; and generally relating to financial  
19 consumer protection.

20 BY repealing and reenacting, without amendments,  
21 Article – Financial Institutions  
22 Section 2–105.1(a)(1), 11–501(a), 11–601(a), and 12–401(a)  
23 Annotated Code of Maryland  
24 (2011 Replacement Volume and 2018 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Article – Financial Institutions  
27 Section 2–105.1(a)(5) through (10) and (c)(1)(x) and (xi) and (2)(ii), 11–501(c),  
28 11–503.1, 11–601(q), 11–610(a)(10) through (13), (b)(1), and (c)(11) through  
29 (15), 12–401(m), and 12–407(b)(6) and (7)  
30 Annotated Code of Maryland  
31 (2011 Replacement Volume and 2018 Supplement)

32 BY adding to  
33 Article – Financial Institutions  
34 Section 2–105.1(a)(5) and (c)(1)(xii), 11–501(h–1), 11–601(m–1), 11–610(a)(10) and  
35 (c)(11), 12–401(f–1), (g–1), and (u), 12–407(b)(7), 12–414.1 through 12–414.3,  
36 and 12–425(d); and 12–1101 through 12–1129 to be under the new subtitle  
37 “Subtitle 11. Currency Exchanges”  
38 Annotated Code of Maryland  
39 (2011 Replacement Volume and 2018 Supplement)

40 BY adding to  
41 Article – Real Property  
42 Section 7–601 through 7–605 to be under the new subtitle “Subtitle 6. Mobile Home  
43 Retail Sales”

1 Annotated Code of Maryland  
2 (2015 Replacement Volume and 2018 Supplement)

3 BY repealing and reenacting, without amendments,  
4 Article – Commercial Law  
5 Section 12–101(a), 12–901(a), 12–1001(a), and 14–1901(a)  
6 Annotated Code of Maryland  
7 (2013 Replacement Volume and 2018 Supplement)

8 BY adding to  
9 Article – Commercial Law  
10 Section 12–101(h–1), 12–901(h–1), 12–1001(k–1), 14–1906.1, and 14–3504.1  
11 Annotated Code of Maryland  
12 (2013 Replacement Volume and 2018 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Commercial Law  
15 Section 12–115(c) and (d), 12–921(c)(1), 12–1021(c)(1), 14–1901(e)(2), 14–3501,  
16 14–3503(a), and 14–3504  
17 Annotated Code of Maryland  
18 (2013 Replacement Volume and 2018 Supplement)

19 BY adding to  
20 Article – Transportation  
21 Section 15–311.4  
22 Annotated Code of Maryland  
23 (2012 Replacement Volume and 2018 Supplement)

24 BY adding to  
25 Article – Corporations and Associations  
26 Section 11–803  
27 Annotated Code of Maryland  
28 (2014 Replacement Volume and 2018 Supplement)

29 BY repealing and reenacting, with amendments,  
30 Chapter 18 of the Acts of the General Assembly of 2017  
31 Section 1(f) and (h) and 2

32 BY repealing and reenacting, with amendments,  
33 Chapter 781 of the Acts of the General Assembly of 2017  
34 Section 1(f) and (h) and 2

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

37 **Article – Financial Institutions**

1 11-501.

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

3 (c) (1) “Dwelling” [has the meaning stated in 15 U.S.C. § 1602(w)] **MEANS A**  
 4 **RESIDENTIAL STRUCTURE OR MOBILE HOME THAT CONTAINS ONE TO FOUR FAMILY**  
 5 **HOUSING UNITS, OR INDIVIDUAL UNITS OF CONDOMINIUMS OR COOPERATIVES.**

6 (2) “Dwelling” does not include a residential structure or mobile home  
 7 unless the residential structure or mobile home, or at least one unit contained in the  
 8 residential structure or mobile home, is owner-occupied.

9 **(H-1) “MOBILE HOME” MEANS A TRAILER, HOUSE TRAILER, TRAILER COACH,**  
 10 **OR ANY OTHER DWELLING THAT IS TRANSPORTABLE IN ONE OR MORE SECTIONS**  
 11 **THAT IS:**

12 **(1) USED OR CAN BE USED FOR RESIDENTIAL PURPOSES; AND**

13 **(2) PERMANENTLY ATTACHED TO LAND OR CONNECTED TO UTILITY,**  
 14 **WATER, OR SEWAGE FACILITIES.**

15 11-601.

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

17 **(M-1) “MOBILE HOME” HAS THE MEANING STATED IN § 11-501 OF THIS TITLE.**

18 (q) (1) “Mortgage loan originator” means an individual who for compensation  
 19 or gain, or in the expectation of compensation or gain:

20 (i) Takes a loan application; or

21 (ii) Offers or negotiates terms of a mortgage loan.

22 (2) “Mortgage loan originator” does not include an individual who:

23 (i) Acts solely as a mortgage loan processor or underwriter;

24 (ii) Performs only real estate brokerage activities and is licensed in  
 25 accordance with Title 17 of the Business Occupations and Professions Article, unless the  
 26 individual is compensated by a mortgage lender, mortgage broker, or other mortgage loan  
 27 originator or by any agent of a mortgage lender, mortgage broker, or other mortgage loan  
 28 originator; [or]

29 (iii) Is involved solely in extensions of credit relating to timeshare  
 30 plans, as that term is defined in 11 U.S.C. § 101(53d); **OR**

1 (IV) IS A RETAILER OF MOBILE HOMES OR AN EMPLOYEE OF THE  
2 RETAILER IF THE RETAILER OR EMPLOYEE, AS APPLICABLE, DOES NOT RECEIVE,  
3 DIRECTLY OR INDIRECTLY, COMPENSATION OR GAIN FOR ENGAGING IN ACTIVITIES  
4 DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION.

5 Article – Real Property

6 SUBTITLE 6. MOBILE HOME RETAIL SALES.

7 7-601.

8 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
9 INDICATED.

10 (B) “COMMISSIONER” MEANS THE COMMISSIONER OF FINANCIAL  
11 REGULATION IN THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.

12 (C) “MOBILE HOME” HAS THE MEANING STATED IN § 11-501 OF THE  
13 FINANCIAL INSTITUTIONS ARTICLE.

14 (D) “MOBILE HOME RETAILER” MEANS A PERSON THAT:

15 (1) SELLS MOBILE HOMES AT RETAIL;

16 (2) PROVIDES INFORMATION REGARDING FINANCING PRODUCTS TO  
17 A CONSUMER BORROWER FOR THE PURCHASE OF A MOBILE HOME; AND

18 (3) IS NOT:

19 (I) A MORTGAGE LENDER AS DEFINED IN § 11-501 OF THE  
20 FINANCIAL INSTITUTIONS ARTICLE; OR

21 (II) A MORTGAGE ORIGINATOR AS DEFINED IN § 11-601 OF THE  
22 FINANCIAL INSTITUTIONS ARTICLE.

23 7-602.

24 A MOBILE HOME RETAILER:

25 (1) HAS A DUTY OF GOOD FAITH AND FAIR DEALING IN PROVIDING  
26 FINANCIAL INFORMATION TO A PROSPECTIVE CONSUMER BORROWER, INCLUDING  
27 PROVIDING FINANCIAL INFORMATION IN A MANNER THAT IS NOT MISLEADING OR  
28 DECEPTIVE AND THAT DISCLOSES ALL MATERIAL FACTS;

1           **(2) MAY NOT STEER A CONSUMER BORROWER TO FINANCING**  
2 **PRODUCTS THAT OFFER LESS FAVORABLE TERMS; AND**

3           **(3) SHALL PROVIDE A WRITTEN STATEMENT TO A CONSUMER**  
4 **BORROWER IN ACCORDANCE WITH § 7-603 OF THIS SUBTITLE.**

5 **7-603.**

6           **(A) (1) THE STATEMENT REQUIRED UNDER § 7-602(3) OF THIS SUBTITLE**  
7 **SHALL BE ON A FORM PRESCRIBED BY THE COMMISSIONER BY REGULATION.**

8           **(2) IF THE FORM PRESCRIBED BY THE COMMISSIONER IS INCLUDED**  
9 **IN OTHER DOCUMENTS PROVIDED BY THE MOBILE HOME RETAILER TO A CONSUMER**  
10 **BORROWER, THE FORM SHALL BE CONSPICUOUS, SUCH AS THROUGH THE USE OF A**  
11 **DIFFERENT FONT OR SEPARATED WITH A BOX AROUND IT.**

12           **(B) THE STATEMENT REQUIRED UNDER § 7-602(3) OF THIS SUBTITLE**  
13 **SHALL INCLUDE:**

14           **(1) A DISCLOSURE THAT DESCRIBES ANY CORPORATE AFFILIATION**  
15 **BETWEEN THE MOBILE HOME RETAILER AND A FINANCING SOURCE ABOUT WHICH**  
16 **THE MOBILE HOME RETAILER PROVIDES INFORMATION TO THE CONSUMER**  
17 **BORROWER;**

18           **(2) A DISCLOSURE THAT THE CONSUMER BORROWER MAY OBTAIN**  
19 **FINANCING FROM ANY LENDER AND IS NOT REQUIRED TO OBTAIN FINANCING FROM**  
20 **A LENDER SUGGESTED BY THE MOBILE HOME RETAILER; AND**

21           **(3) INFORMATION REGARDING THE RIGHTS OF A CONSUMER**  
22 **BORROWER AND THE PROCEDURE FOR FILING A COMPLAINT WITH THE**  
23 **COMMISSIONER.**

24           **(C) THE MOBILE HOME RETAILER SHALL PROVIDE THE STATEMENT**  
25 **REQUIRED UNDER § 7-602(3) OF THIS SUBTITLE:**

26           **(1) TO A CONSUMER BORROWER AT THE TIME THE MOBILE HOME**  
27 **RETAILER PROVIDES INFORMATION TO THE CONSUMER BORROWER REGARDING**  
28 **FINANCING OR POTENTIALLY AVAILABLE LENDERS; AND**

29           **(2) BY POSTING THE STATEMENT IN A PROMINENT LOCATION OF THE**  
30 **MOBILE HOME RETAILER'S PLACE OF BUSINESS AND WEBSITE, IF ANY.**



1 **7-604.**

2 **FAILURE OF A MOBILE HOME RETAILER TO COMPLY WITH THIS SUBTITLE**  
3 **DOES NOT AFFECT THE VALIDITY OF AN OTHERWISE VALID FINANCING**  
4 **TRANSACTION.**

5 **7-605.**

6 **THE COMMISSIONER MAY ENFORCE THIS SUBTITLE BY EXERCISING ANY OF**  
7 **THE POWERS AUTHORIZED UNDER §§ 2-113 THROUGH 2-116 OF THE FINANCIAL**  
8 **INSTITUTIONS ARTICLE.**

9 **Article – Commercial Law**

10 **12-101.**

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

12 **(H-1) “MOBILE HOME” HAS THE MEANING STATED IN § 11-501 OF THE**  
13 **FINANCIAL INSTITUTIONS ARTICLE.**

14 **12-115.**

15 (c) (1) (i) [At] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**  
16 **PARAGRAPH, AT** least 10 days before [he] **A LENDER** repossesses any goods, a lender may  
17 serve a written notice on the **CONSUMER** borrower of [his] **THE LENDER’S** intention to  
18 repossess the goods.

19 **(II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, AT**  
20 **LEAST 45 DAYS BEFORE A LENDER REPOSSESSES A MOBILE HOME THAT IS**  
21 **PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD USE, THE LENDER SHALL**  
22 **SERVE A WRITTEN NOTICE ON THE CONSUMER BORROWER OF THE LENDER’S**  
23 **INTENTION TO REPOSSESS THE MOBILE HOME.**

24 **(III) THE NOTICE REQUIRED BY SUBPARAGRAPH (II) OF THIS**  
25 **PARAGRAPH IS NOT REQUIRED IF THE MOBILE HOME IS ABANDONED OR IF THE**  
26 **CONSUMER BORROWER VOLUNTARILY SURRENDERS THE MOBILE HOME TO THE**  
27 **LENDER.**

28 **(IV) ANY NOTICE GIVEN LESS THAN 45 DAYS BEFORE**  
29 **REPOSSESSION SHALL BE ACCOMPANIED BY A CERTIFICATION FROM THE LENDER**  
30 **IDENTIFYING THE CIRCUMSTANCES DEMONSTRATING THAT THE MOBILE HOME IS**  
31 **VACANT AS SET FORTH IN § 7-105(D) OF THE REAL PROPERTY ARTICLE OR THAT**  
32 **THE MOBILE HOME HAS BEEN SURRENDERED.**

1 (2) The notice shall:

2 (i) State the default and any period at the end of which the goods  
3 will be repossessed; and

4 (ii) Briefly state the rights of the borrower in case the goods are  
5 repossessed.

6 (d) The notice may be delivered to the borrower personally or sent to [him] **THE**  
7 **BORROWER** at [his] **THE BORROWER'S** last known address by registered or certified mail.  
8 12-901.

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

10 **(H-1) "MOBILE HOME" HAS THE MEANING STATED IN § 11-501 OF THE**  
11 **FINANCIAL INSTITUTIONS ARTICLE.**

12 12-921.

13 (c) (1) **(I) [At] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**  
14 **PARAGRAPH, AT least 10 days before a credit grantor repossesses any tangible personal**  
15 **property, the credit grantor may serve a written notice on the consumer borrower of the**  
16 **intention OF THE CREDIT GRANTOR to repossess the tangible personal property.**

17 **(II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, AT**  
18 **LEAST 45 DAYS BEFORE A CREDIT GRANTOR REPOSSESSES A MOBILE HOME THAT IS**  
19 **PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD USE, THE CREDIT GRANTOR**  
20 **SHALL SERVE A WRITTEN NOTICE ON THE CONSUMER BORROWER OF THE CREDIT**  
21 **GRANTOR'S INTENTION TO REPOSSESS THE MOBILE HOME.**

22 **(III) THE NOTICE REQUIRED UNDER SUBPARAGRAPH (II) OF**  
23 **THIS PARAGRAPH IS NOT REQUIRED IF THE MOBILE HOME IS ABANDONED OR IF THE**  
24 **CONSUMER BORROWER VOLUNTARILY SURRENDERS THE MOBILE HOME TO THE**  
25 **CREDIT GRANTOR.**

26 **(IV) ANY NOTICE GIVEN LESS THAN 45 DAYS BEFORE**  
27 **REPOSSESSION SHALL BE ACCOMPANIED BY A CERTIFICATION FROM THE CREDIT**  
28 **GRANTOR IDENTIFYING THE CIRCUMSTANCES DEMONSTRATING THAT THE MOBILE**  
29 **HOME IS VACANT AS SET FORTH IN § 7-105(D) OF THE REAL PROPERTY ARTICLE OR**  
30 **THAT THE MOBILE HOME HAS BEEN SURRENDERED.**

31 12-1001.

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

2 (K-1) **“MOBILE HOME” HAS THE MEANING STATED IN § 11-501 OF THE**  
3 **FINANCIAL INSTITUTIONS ARTICLE.**

4 12-1021.

5 (c) (1) (I) [At] **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**  
6 **PARAGRAPH, AT least 10 days before a credit grantor repossesses any tangible personal**  
7 **property, the credit grantor may serve a written notice on the consumer borrower of the**  
8 **intention to repossess the tangible personal property.**

9 (II) **SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, AT**  
10 **LEAST 45 DAYS BEFORE A CREDIT GRANTOR REPOSSESSES A MOBILE HOME THAT IS**  
11 **PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD USE, THE CREDIT GRANTOR**  
12 **SHALL SERVE A WRITTEN NOTICE ON THE CONSUMER BORROWER OF THE CREDIT**  
13 **GRANTOR’S INTENTION TO REPOSSESS THE MOBILE HOME.**

14 (III) **THE NOTICE REQUIRED UNDER SUBPARAGRAPH (II) OF**  
15 **THIS PARAGRAPH IS NOT REQUIRED IF THE MOBILE HOME IS ABANDONED OR IF THE**  
16 **CONSUMER BORROWER VOLUNTARILY SURRENDERS THE MOBILE HOME TO THE**  
17 **CREDIT GRANTOR.**

18 (IV) **ANY NOTICE GIVEN LESS THAN 45 DAYS BEFORE**  
19 **REPOSSESSION SHALL BE ACCOMPANIED BY A CERTIFICATION FROM THE CREDIT**  
20 **GRANTOR IDENTIFYING THE CIRCUMSTANCES DEMONSTRATING THAT THE MOBILE**  
21 **HOME IS VACANT AS SET FORTH IN § 7-105(D) OF THE REAL PROPERTY ARTICLE OR**  
22 **THAT THE MOBILE HOME HAS BEEN SURRENDERED.**

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

25 **Article – Financial Institutions**

26 11-503.1.

27 (a) The Commissioner shall set by regulation the fees provided for in this subtitle.

28 (b) The fees established by the Commissioner under this section shall be  
29 reasonable and set in a manner that will produce funds sufficient to cover the actual direct  
30 and indirect costs of regulating licensees in accordance with the provisions of this subtitle.

31 (c) **THE COMMISSIONER MAY SET APPLICATION AND LICENSE FEES AND**  
32 **INVESTIGATION FEES FOR A MORTGAGE LENDER BASED ON THE TYPE AND VOLUME**  
33 **OF ACTIVITY CONDUCTED BY THE MORTGAGE LENDER.**



1                   3.     An account number, a credit card number, or a debit card  
2 number, in combination with any required security code, access code, or password, that  
3 permits access to an individual's financial account;

4                   4.     Health information, including information about an  
5 individual's mental health;

6                   5.     A health insurance policy or certificate number or health  
7 insurance subscriber identification number, in combination with a unique identifier used  
8 by an insurer or an employer that is self-insured, that permits access to an individual's  
9 health information; [or]

10                  6.     Biometric data of an individual generated by automatic  
11 measurements of an individual's biological characteristics such as a fingerprint, voice print,  
12 genetic print, retina or iris image, or other unique biological characteristic, that can be used  
13 to uniquely authenticate the individual's identity when the individual accesses a system or  
14 account; or

15                   **7.     ACTIVITY-TRACKING DATA, INCLUDING:**

16                   **A.     ALL DATA COLLECTED THROUGH AN APPLICATION OR**  
17 **ELECTRONIC DEVICE CAPABLE OF TRACKING INDIVIDUAL ACTIVITY, BEHAVIOR, OR**  
18 **LOCATION; AND**

19                   **B.     ANY INFORMATION OR DATA DERIVED FROM DATA**  
20 **COLLECTED UNDER ITEM A OF THIS ITEM; OR**

21                   (ii)    A user name or e-mail address in combination with a password  
22 or security question and answer that permits access to an individual's e-mail account; **OR**

23                   **(III)   GENETIC INFORMATION WITH RESPECT TO AN INDIVIDUAL,**  
24 **INCLUDING:**

25                   **1.     THE GENETIC SAMPLE OF AN INDIVIDUAL;**

26                   **2.     A GENETIC TEST OF AN INDIVIDUAL;**

27                   **3.     A GENETIC TEST OF A FAMILY MEMBER OF AN**  
28 **INDIVIDUAL;**

29                   **4.     THE MANIFESTATION OF A DISEASE OR DISORDER IN**  
30 **A FAMILY MEMBER OF AN INDIVIDUAL;**

31                   **5.     ANY REQUEST FOR, OR RECEIPT OF, A GENETIC TEST,**  
32 **GENETIC COUNSELING, OR GENETIC EDUCATION; AND**

1                   **6. ANY INFORMATION DERIVED FROM GENETIC**  
2 **INFORMATION WITH RESPECT TO AN INDIVIDUAL; OR**

3                   **(IV) NONPUBLIC SOCIAL MEDIA INFORMATION ABOUT AN**  
4 **INDIVIDUAL, INCLUDING COMMUNICATIONS, POSTINGS, PICTURES, VIDEOS,**  
5 **CONNECTIONS BETWEEN INDIVIDUALS, CONNECTIONS BETWEEN ACCOUNTS, AND**  
6 **ACTIONS.**

7                   (2) “Personal information” does not include:

8                   (i) Publicly available information that is lawfully made available to  
9 the general public from federal, State, or local government records;

10                   (ii) Information that an individual has consented to have publicly  
11 disseminated or listed; or

12                   (iii) Information that is disseminated or listed in accordance with the  
13 federal Health Insurance Portability and Accountability Act.

14                   **[(f)] (G)** “Records” means information that is inscribed on a tangible medium or  
15 that is stored in an electronic or other medium and is retrievable in perceivable form.

16 14–3503.

17                   (a) To protect personal information from unauthorized access, use, modification,  
18 or disclosure, a business that owns, **MAINTAINS**, or licenses personal information of an  
19 individual residing in the State shall implement and maintain reasonable security  
20 procedures and practices that are appropriate to the nature of the personal information  
21 owned, **MAINTAINED**, or licensed and the nature and size of the business and its  
22 operations.

23 14–3504.

24                   (a) In this section:

25                   (1) “Breach of the security of a system” means the unauthorized acquisition  
26 of **[computerized]** data that compromises the security, confidentiality, or integrity of the  
27 personal information maintained by a business; and

28                   (2) “Breach of the security of a system” does not include the good faith  
29 acquisition of personal information by an employee or agent of a business for the purposes  
30 of the business, provided that the personal information is not used or subject to further  
31 unauthorized disclosure.

1 (b) (1) A business that owns or licenses computerized data that includes  
2 personal information of an individual residing in the State, when it discovers or is notified  
3 of a breach of the security of a system, shall conduct in good faith a reasonable and prompt  
4 investigation to determine the likelihood that personal information of the individual has  
5 been or will be misused as a result of the breach.

6 (2) [If, after the investigation is concluded,] **UNLESS** the business  
7 **REASONABLY** determines that the breach of the security of the system [creates] **DOES NOT**  
8 **CREATE** a likelihood that personal information has been or will be misused, the business  
9 shall notify the individual of the breach.

10 (3) Except as provided in subsection (d) of this section, the notification  
11 required under paragraph (2) of this subsection shall be given as soon as reasonably  
12 practicable, but not later than [45] **10** days after the business [concludes the investigation  
13 required under paragraph (1) of this subsection] **DISCOVERS OR IS NOTIFIED OF THE**  
14 **BREACH OF THE SECURITY OF A SYSTEM.**

15 (4) If after the investigation required under paragraph (1) of this  
16 subsection is concluded, the business determines that notification under paragraph (2) of  
17 this subsection is not required, the business shall maintain records that reflect its  
18 determination for 3 years after the determination is made.

19 (c) (1) A business that maintains computerized data that includes personal  
20 information of an individual residing in the State that the business does not own or license,  
21 when it discovers or is notified of a breach of the security of a system, shall notify, as soon  
22 as practicable, the owner or licensee of the personal information of the breach of the security  
23 of a system.

24 (2) Except as provided in subsection (d) of this section, the notification  
25 required under paragraph (1) of this subsection shall be given as soon as reasonably  
26 practicable, but not later than [45] **3** days after the business discovers or is notified of the  
27 breach of the security of a system.

28 (3) A business that is required to notify an owner or licensee of personal  
29 information of a breach of the security of a system under paragraph (1) of this subsection  
30 shall share with the owner or licensee information relative to the breach.

31 (d) (1) The notification required under subsections (b) and (c) of this section  
32 may be delayed:

33 (i) If a law enforcement agency determines that the notification will  
34 impede a criminal investigation or jeopardize homeland or national security; or

35 (ii) To determine the scope of the breach of the security of a system,  
36 identify the individuals affected, or restore the integrity of the system.

1           (2) If notification is delayed under paragraph (1)(i) of this subsection,  
2 notification shall be given as soon as reasonably practicable, but not later than [30 days] 1  
3 DAY after the law enforcement agency determines that it will not impede a criminal  
4 investigation and will not jeopardize homeland or national security.

5           (e) The notification required under subsection (b) of this section [may] **SHALL** be  
6 given:

7           (1) By written notice sent to the most recent address of the individual in  
8 the records of the business;

9           (2) By electronic mail to the most recent electronic mail address of the  
10 individual in the records of the business, if:

11           (i) The individual has expressly consented to receive electronic  
12 notice; or

13           (ii) The business conducts its business primarily through Internet  
14 account transactions or the Internet; **OR**

15           (3) By telephonic notice, to the most recent telephone number of the  
16 individual in the records of the business[; or

17           (4) By substitute notice as provided in subsection (f) of this section, if:

18           (i) The business demonstrates that the cost of providing notice  
19 would exceed \$100,000 or that the affected class of individuals to be notified exceeds  
20 175,000; or

21           (ii) The business does not have sufficient contact information to give  
22 notice in accordance with item (1), (2), or (3) of this subsection].

23           (f) [Substitute notice under subsection (e)(4) of this section shall consist of] **THE**  
24 **NOTIFICATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION SHALL ALSO BE**  
25 **GIVEN BY:**

26           (1) Electronically mailing the notice to an individual entitled to notification  
27 under subsection (b) of this section, if the business has an electronic mail address for the  
28 individual to be notified;

29           (2) Conspicuous posting of the notice on the Web site of the business, if the  
30 business maintains a Web site; and

31           (3) Notification to statewide media.



1 (g) Except as provided in subsection (i) of this section, the notification required  
2 under subsection (b) of this section shall include:

3 (1) To the extent possible, a description of the categories of information  
4 that were, or are reasonably believed to have been, acquired by an unauthorized person,  
5 including which of the elements of personal information were, or are reasonably believed  
6 to have been, acquired;

7 (2) Contact information for the business making the notification, including  
8 the business' address, telephone number, and toll-free telephone number if one is  
9 maintained;

10 (3) The toll-free telephone numbers and addresses for the major consumer  
11 reporting agencies; and

12 (4) (i) The toll-free telephone numbers, addresses, and Web site  
13 addresses for:

14 1. The Federal Trade Commission; and

15 2. The Office of the Attorney General; and

16 (ii) A statement that an individual can obtain information from  
17 these sources about steps the individual can take to avoid identity theft.

18 (h) (1) Prior to giving the notification required under subsection (b) of this  
19 section and subject to subsection (d) of this section, a business shall provide notice of a  
20 breach of the security of a system to the Office of the Attorney General.

21 (2) **THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS**  
22 **SUBSECTION SHALL INCLUDE, AT A MINIMUM:**

23 (I) **THE NUMBER OF AFFECTED INDIVIDUALS RESIDING IN THE**  
24 **STATE;**

25 (II) **A DESCRIPTION OF THE BREACH OF THE SECURITY OF A**  
26 **SYSTEM, INCLUDING HOW IT OCCURRED AND ANY VULNERABILITIES THAT WERE**  
27 **EXPLOITED;**

28 (III) **ANY STEPS THE BUSINESS HAS TAKEN OR PLANS TO TAKE**  
29 **RELATING TO THE BREACH OF THE SECURITY OF A SYSTEM; AND**

30 (IV) **A SAMPLE OF EACH FORM OF NOTICE THAT WILL BE SENT**  
31 **TO CONSUMERS UNDER SUBSECTIONS (E) AND (F) OF THIS SECTION.**

1 (i) (1) In the case of a breach of the security of a system involving personal  
2 information that permits access to an individual's e-mail account under § 14-3501(e)(1)(ii)  
3 of this subtitle and no other personal information under § 14-3501(e)(1)(i) of this subtitle,  
4 the business may comply with the notification requirement under subsection (b) of this  
5 section by providing the notification in electronic or other form that directs the individual  
6 whose personal information has been breached promptly to:

7 (i) Change the individual's password and security question or  
8 answer, as applicable; or

9 (ii) Take other steps appropriate to protect the e-mail account with  
10 the business and all other online accounts for which the individual uses the same user name  
11 or e-mail and password or security question or answer.

12 (2) Subject to paragraph (3) of this subsection, the notification provided  
13 under paragraph (1) of this subsection may be given to the individual by any method  
14 described in this section.

15 (3) (i) Except as provided in subparagraph (ii) of this paragraph, the  
16 notification provided under paragraph (1) of this subsection may not be given to the  
17 individual by sending notification by e-mail to the e-mail account affected by the breach.

18 (ii) The notification provided under paragraph (1) of this subsection  
19 may be given by a clear and conspicuous notice delivered to the individual online while the  
20 individual is connected to the affected e-mail account from an Internet Protocol address or  
21 online location from which the business knows the individual customarily accesses the  
22 account.

23 (j) A waiver of any provision of this section is contrary to public policy and is void  
24 and unenforceable.

25 (k) Compliance with this section does not relieve a business from a duty to comply  
26 with any other requirements of federal law relating to the protection and privacy of  
27 personal information.

28 **14-3504.1.**

29 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
30 **INDICATED.**

31 (2) **"ACCOUNT INFORMATION" MEANS ANY OF THE FOLLOWING**  
32 **UNENCRYPTED PERSONAL INFORMATION CONNECTED TO A PAYMENT CARD:**

33 (I) **THE FULL DATA CONTAINED IN THE MAGNETIC STRIPE OF A**  
34 **PAYMENT CARD;**

1 (II) THE PRIMARY ACCOUNT NUMBER ASSOCIATED WITH THE  
2 PAYMENT CARD;

3 (III) THE PERSONAL IDENTIFICATION NUMBER OF A  
4 CARDHOLDER;

5 (IV) THE NAME OF A CARDHOLDER;

6 (V) THE EXPIRATION DATE OF A PAYMENT CARD; AND

7 (VI) THE 3- OR 4-DIGIT NUMBER CONTAINED IN THE MAGNETIC  
8 STRIPE OF A PAYMENT CARD OR PRINTED ON A PAYMENT CARD THAT IS USED TO:

9 1. SPECIFY ACCEPTANCE REQUIREMENTS; OR

10 2. VALIDATE THE PAYMENT CARD.

11 (3) "BREACH" MEANS THE BREACH OF THE SECURITY OF A SYSTEM,  
12 AS DEFINED IN § 14-3504 OF THIS SUBTITLE.

13 (4) "CARDHOLDER" MEANS A RESIDENT OF THE STATE WHO HOLDS A  
14 PAYMENT CARD ISSUED BY A FINANCIAL INSTITUTION.

15 (5) "ENTITY" MEANS:

16 (I) A FINANCIAL INSTITUTION;

17 (II) A BUSINESS THAT:

18 1. PROVIDES, OFFERS, OR SELLS GOODS OR SERVICES  
19 IN THE STATE; AND

20 2. PROCESSES MORE THAN 20,000 PAYMENT CARD  
21 TRANSACTIONS EACH YEAR; OR

22 (III) A BUSINESS THAT DIRECTLY PROCESSES OR TRANSMITS  
23 ACCOUNT INFORMATION FOR OR ON BEHALF OF ANOTHER PERSON AS PART OF A  
24 PAYMENT PROCESSING SERVICE.

25 (6) "FINANCIAL INSTITUTION" HAS THE MEANING STATED IN § 1-101  
26 OF THE FINANCIAL INSTITUTIONS ARTICLE.

1           **(7) "PAYMENT CARD" MEANS A CREDIT CARD, DEBIT CARD, OR**  
2 **STORED VALUE CARD.**

3           **(8) "VENDOR" MEANS A BUSINESS THAT:**

4                   **(I) MANUFACTURES AND SELLS SOFTWARE OR EQUIPMENT**  
5 **THAT IS DESIGNED TO PROCESS, TRANSMIT, OR STORE ACCOUNT INFORMATION; OR**

6                   **(II) MAINTAINS ACCOUNT INFORMATION THAT THE BUSINESS**  
7 **DOES NOT OWN.**

8           **(B) (1) TO PROTECT ACCOUNT INFORMATION FROM UNAUTHORIZED**  
9 **ACCESS, USE, MODIFICATION, OR DISCLOSURE, AN ENTITY UNDER THIS SECTION**  
10 **SHALL IMPLEMENT AND MAINTAIN REASONABLE SECURITY PROCEDURES AND**  
11 **PRACTICES THAT ARE APPROPRIATE TO:**

12                   **(I) THE NATURE OF THE ACCOUNT INFORMATION THAT IS IN**  
13 **THE POSSESSION OR UNDER THE CONTROL OF THE ENTITY; AND**

14                   **(II) THE SIZE OF THE BUSINESS AND OPERATIONS.**

15           **(2) AN ENTITY UNDER THIS SECTION MAY NOT RETAIN ACCOUNT**  
16 **INFORMATION MORE THAN 48 HOURS AFTER AUTHORIZATION OF A PAYMENT CARD**  
17 **TRANSACTION.**

18           **(C) (1) THIS SUBSECTION APPLIES TO THE REIMBURSEMENT OF**  
19 **REASONABLE ACTUAL COSTS INCURRED BY A FINANCIAL INSTITUTION TO MITIGATE**  
20 **CURRENT OR FUTURE DAMAGES RESULTING FROM A BREACH.**

21           **(2) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A**  
22 **BREACHED ENTITY OTHER THAN A VENDOR IS LIABLE TO A FINANCIAL INSTITUTION**  
23 **FOR REIMBURSEMENT IF:**

24                   **(I) THE BREACHED ENTITY OTHER THAN A VENDOR VIOLATED**  
25 **SUBSECTION (B) OF THIS SECTION; AND**

26                   **(II) THE VIOLATION WAS THE PROXIMATE CAUSE OF THE**  
27 **BREACH.**

28           **(3) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A**  
29 **VENDOR IS LIABLE TO A FINANCIAL INSTITUTION FOR REIMBURSEMENT IF:**

1                   **(I) THE NEGLIGENCE OF THE VENDOR WAS THE PROXIMATE**  
2 **CAUSE OF THE BREACH; AND**

3                   **(II) THE CLAIM OF THE FINANCIAL INSTITUTION IS NOT**  
4 **LIMITED BY:**

5                               1. **ANOTHER PROVISION OF LAW; OR**

6                               2. **A CONTRACT TO WHICH THE FINANCIAL INSTITUTION**  
7 **IS A PARTY.**

8                   **(4) COSTS FOR WHICH A FINANCIAL INSTITUTION IS ENTITLED FOR**  
9 **REIMBURSEMENT UNDER THIS SUBSECTION INCLUDE REASONABLE ACTUAL COSTS**  
10 **INCURRED BY THE FINANCIAL INSTITUTION TO:**

11                               **(I) NOTIFY CARDHOLDERS AFFECTED BY THE BREACH;**

12                               **(II) CANCEL OR REISSUE PAYMENT CARDS AFFECTED BY THE**  
13 **BREACH; AND**

14                               **(III) CLOSE OR REOPEN ACCOUNTS AFFECTED BY THE BREACH.**

15                   **(D) (1) AN ENTITY OR VENDOR IS NOT LIABLE UNDER THIS SECTION IF:**

16                               **(I) THE ACCOUNT INFORMATION IN THE POSSESSION OR**  
17 **UNDER THE CONTROL OF AN ENTITY OR VENDOR WAS ENCRYPTED AT THE TIME OF**  
18 **THE BREACH; OR**

19                               **(II) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**  
20 **ENTITY OR VENDOR:**

21                                       1. **WAS CERTIFIED COMPLIANT WITH THE PAYMENT**  
22 **CARD INDUSTRY DATA STANDARDS ADOPTED BY THE PAYMENT CARD INDUSTRY**  
23 **SECURITY STANDARDS COUNCIL; OR**

24                                       2. **HAD IMPLEMENTED AND WAS STILL MAINTAINING**  
25 **THE PAYMENT CARD INDUSTRY DATA STANDARDS OR SUBSTANTIALLY SIMILAR**  
26 **DATA SECURITY STANDARDS AT THE TIME OF THE BREACH.**

27                   **(2) (I) AN ENTITY OR VENDOR SHALL BE CONSIDERED COMPLIANT**  
28 **WITH PARAGRAPH (1)(II) OF THIS SUBSECTION IF THE SECURITY SYSTEM OF THE**  
29 **ENTITY OR VENDOR WAS VALIDATED BY AN ANNUAL SECURITY ASSESSMENT THAT**  
30 **OCCURRED WITHIN 1 YEAR BEFORE THE BREACH.**

1                   **(II) THE RESULTS OF AN ANNUAL SECURITY ASSESSMENT**  
 2 **UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH ARE IRREVOCABLE FOR THE**  
 3 **PURPOSE OF DETERMINING LIABILITY OF AN ENTITY OR A VENDOR UNDER THIS**  
 4 **SECTION.**

5                   **(E) A FINANCIAL INSTITUTION MAY BRING AN ACTION TO RECOVER ANY**  
 6 **COSTS, INCLUDING ATTORNEY’S FEES, FOR WHICH AN ENTITY OR A VENDOR IS**  
 7 **LIABLE UNDER THIS SECTION.**

8                   SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
 9 as follows:

10   **Article – Commercial Law**

11 14–1901.

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

13                   (e) (2) “Credit services business” includes [a]:

14   **(I) A person who sells or attempts to sell written materials**  
 15 **containing information that the person represents will enable a consumer to establish a**  
 16 **new credit file or record; AND**

17   **(II) A DEALER, AS DEFINED IN § 15–101 OF THE**  
 18 **TRANSPORTATION ARTICLE, WHO PARTICIPATES IN FINANCE CHARGES**  
 19 **ASSOCIATED WITH A CONTRACT FOR THE SALE OF A VEHICLE BY THE DEALER.**

20 14–1906.1.

21                   **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
 22 **INDICATED.**

23   **(2) “BUY RATE” MEANS THE LOWEST ANNUAL PERCENTAGE RATE**  
 24 **THAT AN INDIRECT LENDER INDICATES TO A DEALER WOULD NEED TO BE A FEATURE**  
 25 **OF A PARTICULAR CONTRACT FOR THE SALE OF A VEHICLE IN ORDER FOR THE**  
 26 **INDIRECT LENDER TO PURCHASE THE CONTRACT FROM THE DEALER.**

27                   **(3) “CONTRACT RATE” MEANS THE ANNUAL PERCENTAGE RATE IN A:**

28   **(I) CONTRACT OFFERED FOR THE SALE OF A VEHICLE; OR**

29   **(II) FINAL CONTRACT FOR THE SALE OF A VEHICLE.**

1           **(B) THIS SECTION APPLIES TO A DEALER WHO PARTICIPATES IN FINANCE**  
2 **CHARGES ASSOCIATED WITH A CONTRACT FOR THE SALE OF A VEHICLE BY THE**  
3 **DEALER.**

4           **(C) (1) BEFORE EXECUTING A FINANCING AGREEMENT ON A CONTRACT**  
5 **FOR THE SALE OF A VEHICLE TO A BUYER, A DEALER SHALL:**

6                   **(I) IN WRITING ON A DOCUMENT THAT IS SEPARATE FROM THE**  
7 **FINANCING AGREEMENT, DISCLOSE TO THE BUYER ALL FINANCING OFFERS FOR**  
8 **WHICH THE BUYER WAS APPROVED, INCLUDING THE BUY RATE AND THE TERM IN**  
9 **MONTHS FOR EACH OFFER; AND**

10                   **(II) IN WRITING ON A DOCUMENT THAT IS SEPARATE FROM THE**  
11 **FINANCING AGREEMENT AND SEPARATE FROM THE DISCLOSURE REQUIRED UNDER**  
12 **ITEM (1)(I) OF THIS PARAGRAPH, DISCLOSE TO THE BUYER WHETHER OR NOT THE**  
13 **DEALER IS BEING COMPENSATED FOR INCREASING THE CONTRACT RATE TO A**  
14 **HIGHER RATE THAN THE BUY RATE.**

15                   **(2) THE DISCLOSURE UNDER PARAGRAPH (1)(II) OF THIS**  
16 **SUBSECTION SHALL STATE IN AT LEAST 12 POINT TYPE:**

17                           **(I) THE BUY RATE;**

18                           **(II) THE CONTRACT RATE THAT THE DEALER IS OFFERING THE**  
19 **CONSUMER;**

20                           **(III) THE TOTAL AMOUNT OF DEALER COMPENSATION;**

21                           **(IV) THE AMOUNT OF DEALER COMPENSATION ATTRIBUTABLE**  
22 **TO THE DIFFERENCE BETWEEN THE BUY RATE AND THE CONTRACT RATE; AND**

23                           **(V) THE TOTAL AMOUNT THAT THE CONSUMER WILL OWE**  
24 **DURING THE TERM OF THE FINANCING AGREEMENT ATTRIBUTABLE TO:**

25                                   **1. THE TOTAL AMOUNT OF DEALER COMPENSATION;**

26 **AND**

27                                   **2. THE AMOUNT OF DEALER COMPENSATION**  
28 **ATTRIBUTABLE TO THE DIFFERENCE BETWEEN THE BUY RATE AND THE CONTRACT**  
29 **RATE.**







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

2 (x) Sales finance companies; [and]

3 (xi) Consumer reporting agencies; AND

4 (XII) PERSONS WHO ARE REQUIRED TO BE LICENSED UNDER  
5 TITLE 12, SUBTITLE 11 OF THIS ARTICLE.

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

8 (ii) Title 12, Subtitles 1, 4, [and] 9, AND 11 of this article with  
9 respect to providers of check cashing services, persons who engage in money transmission,  
10 [and] providers of debt management services, AND PERSONS THAT PROVIDE CURRENCY  
11 EXCHANGE SERVICES;

12 11-610.

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

14 (10) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER  
15 TITLE 12, SUBTITLE 11 OF THIS ARTICLE;

16 [(10)] (11) Revenue received for the licensing of persons under Title 7 of the  
17 Business Regulation Article;

18 [(11)] (12) Revenue received for the licensing of persons under Title 14,  
19 Subtitle 19 of the Commercial Law Article;

20 [(12)] (13) Income from the investments that the State Treasurer makes for  
21 the Fund; and

22 [(13)] (14) (i) Any other fee, examination or investigation fee or  
23 assessment, or revenue received by the Commissioner under this subtitle, Subtitles 2, 3, 4,  
24 and 5 of this title, Title 12, Subtitles 1, 4, 9, [and] 10, AND 11 of this article, and Title 14,  
25 Subtitles 12 and 19 of the Commercial Law Article; and

26 (ii) Any other fee or revenue received by the State Collection Agency  
27 Licensing Board under Title 7 of the Business Regulation Article.

28 (b) Notwithstanding subsection (a) of this section:

29 (1) The Commissioner shall pay all fines and penalties collected by the  
30 Commissioner under Title 2, Subtitle 1 of this article, this subtitle, Subtitles 2, 3, 4, and 5

1 of this title, Title 12, Subtitles 1, 4, 9, [and] 10, AND 11 of this article, and Title 14, Subtitles  
2 12 and 19 of the Commercial Law Article into the General Fund of the State; and

3 (c) The purpose of the Fund is to cover the direct and indirect costs of fulfilling  
4 the statutory and regulatory duties of the Commissioner and the State Collection Agency  
5 Licensing Board related to:

6 (11) TITLE 12, SUBTITLE 11 OF THIS ARTICLE;

7 [(11)] (12) Title 7 of the Business Regulation Article;

8 [(12)] (13) Title 12, Subtitles 5, 6, 9, and 10 of the Commercial Law Article;

9 [(13)] (14) Title 14, Subtitles 12 and 19 of the Commercial Law Article;

10 [(14)] (15) Title 7, Subtitles 1, 3, 4, [and] 5, AND 6 of the Real Property  
11 Article; and

12 [(15)] (16) Any other expense authorized in the State budget.

13 12-401.

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

15 (F-1) “CONTROL OF VIRTUAL CURRENCY” MEANS:

16 (1) WHEN USED IN REFERENCE TO A TRANSACTION OR  
17 RELATIONSHIP INVOLVING VIRTUAL CURRENCY, POWER TO EXECUTE  
18 UNILATERALLY OR PREVENT INDEFINITELY A VIRTUAL CURRENCY TRANSACTION;  
19 AND

20 (2) WHEN USED IN REFERENCE TO A PERSON, THE DIRECT OR  
21 INDIRECT POWER TO DIRECT THE MANAGEMENT, OPERATIONS, OR POLICIES OF THE  
22 PERSON THROUGH LEGAL OR BENEFICIAL OWNERSHIP OF VOTING POWER IN THE  
23 PERSON OR UNDER A CONTRACT, AN ARRANGEMENT, OR AN UNDERSTANDING.

24 (G-1) “CURRENCY” HAS THE MEANING STATED IN 31 C.F.R. § 1010.100(M).

25 (m) (1) “Money transmission” means the business of selling or issuing payment  
26 instruments or stored value devices, or receiving money or monetary value, for  
27 transmission to a location within or outside the United States by any means, including  
28 electronically or through the Internet.

29 (2) “Money transmission” includes:

- 1 (i) A bill payer service;
- 2 (ii) An accelerated mortgage payment service; [and]
- 3 (iii) Any informal money transfer system engaged in as a business  
4 for, or network of persons who engage as a business in, facilitating the transfer of money,  
5 **INCLUDING VIRTUAL CURRENCY**, outside the conventional financial institutions system  
6 to a location within or outside the United States; **AND**

7 **(IV) AN ASSUMED CONTROL OF VIRTUAL CURRENCY FROM OR**  
8 **ON BEHALF OF A PERSON AND TO:**

- 9 **1. CREDIT THE VIRTUAL CURRENCY TO THE ACCOUNT**  
10 **OF ANOTHER PERSON;**
- 11 **2. MOVE THE VIRTUAL CURRENCY FROM ONE ACCOUNT**  
12 **OF THE PERSON TO ANOTHER ACCOUNT OF THE SAME PERSON; OR**
- 13 **3. RELINQUISH CONTROL OF VIRTUAL CURRENCY TO**  
14 **ANOTHER PERSON.**

15 **(U) (1) "VIRTUAL CURRENCY" MEANS A DIGITAL REPRESENTATION OF**  
16 **VALUE THAT:**

- 17 **(I) MAY BE USED AS A MEDIUM OF EXCHANGE, A UNIT OF**  
18 **ACCOUNT, OR A STORE OF VALUE; AND**
- 19 **(II) IS NOT CURRENCY, WHETHER OR NOT DENOMINATED IN**  
20 **CURRENCY.**

21 **(2) "VIRTUAL CURRENCY" DOES NOT INCLUDE:**

- 22 **(I) A TRANSACTION IN WHICH A MERCHANT GRANTS, AS PART**  
23 **OF AN AFFINITY OR REWARDS PROGRAM, VALUE THAT CANNOT BE TAKEN FROM OR**  
24 **EXCHANGED WITH THE MERCHANT OR OTHERS FOR CURRENCY, BANK CREDIT, OR**  
25 **VIRTUAL CURRENCY; OR**

- 26 **(II) A DIGITAL REPRESENTATION OF VALUE ISSUED BY OR ON**  
27 **BEHALF OF A PUBLISHER AND USED SOLELY WITHIN AN ONLINE GAME, GAME**  
28 **PLATFORM, OR FAMILY OF GAMES SOLD BY THE SAME PUBLISHER OR OFFERED ON**  
29 **THE SAME GAME PLATFORM THAT CANNOT BE TAKEN FROM OR EXCHANGED WITH**  
30 **THE PUBLISHER OR OTHERS FOR CURRENCY, BANK CREDIT, OR VIRTUAL**  
31 **CURRENCY.**

1 12-407.

2 (b) An applicant shall provide:

3 (6) A history of material litigation against the applicant, if any, for the past  
4 3 years; [and]

5 (7) INFORMATION THAT SATISFIES THE COMMISSIONER THAT THE  
6 APPLICANT HAS CREATED IN A RECORD POLICIES AND PROCEDURES FOR THE  
7 COMPLIANCE PROGRAMS REQUIRED UNDER § 12-425(D) OF THIS SUBTITLE; AND

8 [(7)] (8) Any other information that the Commissioner reasonably  
9 requires.

10 12-414.1.

11 AS PART OF A MONEY TRANSMISSION, INCLUDING BEFORE OR AFTER THE  
12 TRANSMISSION, IF A LICENSEE HAS CONTROL OF VIRTUAL CURRENCY FOR ONE OR  
13 MORE CUSTOMERS, THE LICENSEE SHALL MAINTAIN IN ITS CONTROL AN AMOUNT OF  
14 EACH TYPE OF VIRTUAL CURRENCY SUFFICIENT TO SATISFY THE AGGREGATE  
15 ENTITLEMENTS OF THE CUSTOMERS TO THE TYPE OF VIRTUAL CURRENCY.

16 12-414.2.

17 A LICENSEE MAY NOT PROVIDE MONEY TRANSMISSION SERVICES TO A  
18 CUSTOMER UNLESS THE LICENSEE IS IN FULL COMPLIANCE WITH:

19 (1) FEDERAL ANTI-MONEY-LAUNDERING LAWS, INCLUDING 31  
20 C.F.R. PART 1010; AND

21 (2) FEDERAL CUSTOMER DUE DILIGENCE REQUIREMENTS,  
22 INCLUDING 31 C.F.R. PART 1010.

23 12-414.3.

24 A LICENSEE OR PERSON, IN THE CONDUCT OF MONEY TRANSMISSION, MAY  
25 NOT ENGAGE IN:

26 (1) AN UNSAFE OR UNSOUND ACT OR PRACTICE;

27 (2) AN UNFAIR OR DECEPTIVE ACT OR PRACTICE;

28 (3) FRAUD OR INTENTIONAL MISREPRESENTATION;

1           **(4) ANOTHER DISHONEST ACT; OR**

2           **(5) MISAPPROPRIATION OF CURRENCY, VIRTUAL CURRENCY, OR**  
3 **OTHER VALUE HELD BY A FIDUCIARY.**

4 12-425.

5           **(D) A LICENSEE SHALL MAINTAIN IN A RECORD POLICIES AND PROCEDURES**  
6 **FOR THE FOLLOWING COMPLIANCE PROGRAMS:**

7           **(1) AN INFORMATION SECURITY AND OPERATIONAL SECURITY**  
8 **PROGRAM;**

9           **(2) A BUSINESS CONTINUITY PROGRAM;**

10          **(3) A DISASTER RECOVERY PROGRAM;**

11          **(4) AN ANTIFRAUD PROGRAM;**

12          **(5) AN ANTI-MONEY-LAUNDERING PROGRAM;**

13          **(6) A PROGRAM TO PREVENT FUNDING OF TERRORIST ACTIVITY; AND**

14          **(7) A PROGRAM DESIGNED TO:**

15               **(I) ENSURE COMPLIANCE WITH THIS SUBTITLE, OTHER STATE**  
16 **LAW, AND FEDERAL LAW THAT IS RELEVANT TO THE VIRTUAL CURRENCY BUSINESS**  
17 **ACTIVITY CONTEMPLATED BY THE LICENSEE WITH OR ON BEHALF OF RESIDENTS OF**  
18 **THE STATE; AND**

19               **(II) ASSIST THE LICENSEE IN ACHIEVING THE PURPOSES OF**  
20 **THIS SUBTITLE, OTHER STATE LAW, AND FEDERAL LAW.**

21                               **SUBTITLE 11. CURRENCY EXCHANGES.**

22 12-1101.

23           **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
24 **INDICATED.**

25           **(B) “BRANCH LOCATION” MEANS ANY LOCATION OTHER THAN THE**  
26 **PRINCIPAL EXECUTIVE OFFICE OF A LICENSEE OR LICENSE APPLICANT AT WHICH**  
27 **THE LICENSEE CONDUCTS, OR THE LICENSE APPLICANT, ON LICENSURE, WILL**  
28 **CONDUCT, ACTIVITIES REQUIRED TO BE LICENSED UNDER THIS SUBTITLE.**

1 (C) "CONTROL" HAS THE MEANING STATED IN § 12-401 OF THIS TITLE.

2 (D) "CONTROL OF VIRTUAL CURRENCY" HAS THE MEANING STATED IN §  
3 12-401 OF THIS TITLE.

4 (E) (1) "CONTROL PERSON" MEANS A PERSON THAT HAS THE POWER,  
5 DIRECTLY OR INDIRECTLY, TO DIRECT THE MANAGEMENT OR POLICIES OF A  
6 LICENSEE OR LICENSE APPLICANT, WHETHER THROUGH OWNERSHIP OF  
7 SECURITIES, BY CONTRACT, OR OTHERWISE.

8 (2) "CONTROL PERSON" INCLUDES A PERSON THAT:

9 (I) IS A GENERAL PARTNER, AN OFFICER, A DIRECTOR, OR A  
10 MEMBER, OR OCCUPIES A SIMILAR POSITION OR PERFORMS A SIMILAR FUNCTION;

11 (II) DIRECTLY OR INDIRECTLY HAS THE RIGHT TO VOTE 5% OR  
12 MORE OF A CLASS OF VOTING SECURITIES, OR HAS THE POWER TO SELL OR DIRECT  
13 THE SALE OF 5% OR MORE OF A CLASS OF VOTING SECURITIES, OF A LICENSEE OR  
14 LICENSE APPLICANT; OR

15 (III) IN THE CASE OF A PARTNERSHIP, A LIMITED PARTNERSHIP,  
16 A LIMITED LIABILITY PARTNERSHIP, A LIMITED LIABILITY COMPANY, OR ANY OTHER  
17 BUSINESS ENTITY:

18 1. HAS THE RIGHT TO RECEIVE ON LIQUIDATION OR  
19 DISSOLUTION OF A LICENSEE OR LICENSE APPLICANT 5% OR MORE OF THE CAPITAL  
20 OF THE LICENSEE OR LICENSE APPLICANT; OR

21 2. HAS CONTRIBUTED 5% OR MORE OF THE CAPITAL OF  
22 A LICENSEE OR LICENSE APPLICANT.

23 (F) "CURRENCY" HAS THE MEANING STATED IN 31 C.F.R. § 1010.100(M).

24 (G) "CURRENCY EXCHANGE SERVICES" MEANS:

25 (1) RECEIPT OF REVENUES FROM THE EXCHANGE OF CURRENCY OF  
26 ONE GOVERNMENT FOR CURRENCY OF ANOTHER GOVERNMENT; OR

27 (2) THE ASSUMED CONTROL OF VIRTUAL CURRENCY FROM OR ON  
28 BEHALF OF A PERSON, AT LEAST MOMENTARILY, TO SELL, TRADE, OR CONVERT:

1           **(I) VIRTUAL CURRENCY FOR CURRENCY, BANK CREDIT, OR**  
2 **ONE OR MORE FORMS OF VIRTUAL CURRENCY; OR**

3           **(II) CURRENCY OR BANK CREDIT FOR ONE OR MORE FORMS OF**  
4 **VIRTUAL CURRENCY.**

5           **(H) “EXEMPT ENTITY” MEANS AN ENTITY THAT IS EXEMPT FROM ALL**  
6 **REQUIREMENTS OF LICENSING UNDER § 12–1102(B) AND (C) OF THIS SUBTITLE.**

7           **(I) “LICENSE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A**  
8 **LICENSE ISSUED BY THE COMMISSIONER TO PROVIDE CURRENCY EXCHANGE**  
9 **SERVICES.**

10          **(J) “LICENSEE” MEANS, UNLESS THE CONTEXT REQUIRES OTHERWISE, A**  
11 **PERSON THAT IS LICENSED BY THE COMMISSIONER TO PROVIDE CURRENCY**  
12 **EXCHANGE SERVICES.**

13          **(K) “UNIQUE IDENTIFIER” MEANS A NUMBER OR ANOTHER IDENTIFIER**  
14 **ASSIGNED BY NMLS.**

15          **(L) “VIRTUAL CURRENCY” HAS THE MEANING STATED IN § 12–401 OF THIS**  
16 **TITLE.**

17 **12–1102.**

18          **(A) THIS SUBTITLE DOES NOT APPLY TO:**

19           **(1) A BANK, TRUST COMPANY, SAVINGS BANK, SAVINGS AND LOAN**  
20 **ASSOCIATION, OR CREDIT UNION INCORPORATED OR CHARTERED UNDER THE LAWS**  
21 **OF THE STATE OR THE UNITED STATES THAT MAINTAINS ITS PRINCIPAL OFFICE IN**  
22 **THE STATE;**

23           **(2) AN OUT-OF-STATE BANK, AS DEFINED IN § 5–1001 OF THIS**  
24 **ARTICLE, HAVING A BRANCH THAT ACCEPTS DEPOSITS IN THE STATE; OR**

25           **(3) AN INSTITUTION INCORPORATED UNDER FEDERAL LAW AS A**  
26 **SAVINGS ASSOCIATION OR SAVINGS BANK THAT DOES NOT MAINTAIN ITS PRINCIPAL**  
27 **OFFICE IN THE STATE BUT HAS A BRANCH THAT ACCEPTS DEPOSITS IN THE STATE.**

28          **(B) A SUBSIDIARY OR AN AFFILIATE OF AN INSTITUTION DESCRIBED IN**  
29 **SUBSECTION (A) OF THIS SECTION IS EXEMPT FROM ALL REQUIREMENTS OF**  
30 **LICENSING UNDER THIS SUBTITLE PROVIDED THE SUBSIDIARY OR AFFILIATE:**



1           **(1) IS SUBJECT TO AUDIT OR EXAMINATION BY A REGULATORY BODY**  
2 **OR AGENCY OF THE STATE, THE UNITED STATES, OR THE STATE IN WHICH THE**  
3 **SUBSIDIARY OR AFFILIATE MAINTAINS ITS PRINCIPAL OFFICE; AND**

4           **(2) SUBMITS TO THE COMMISSIONER IN WRITING AND PRIOR TO**  
5 **PROVIDING CURRENCY EXCHANGE SERVICES THE FOLLOWING INFORMATION:**

6           **(I) THE SUBSIDIARY'S OR AFFILIATE'S NAME AND ADDRESS,**  
7 **AND THE NAMES AND ADDRESSES OF EACH:**

8                   **1. OWNER WHO OWNS 5% OR MORE OF THE SUBSIDIARY**  
9 **OR AFFILIATE; AND**

10                   **2. OFFICER, DIRECTOR, OR PRINCIPAL OF THE**  
11 **SUBSIDIARY OR AFFILIATE;**

12           **(II) EACH ADDRESS AT WHICH CURRENCY EXCHANGE SERVICES**  
13 **WILL BE PROVIDED; AND**

14           **(IV) ANY OTHER INFORMATION THAT THE COMMISSIONER**  
15 **REQUESTS.**

16           **(C) (1) AN EXEMPT ENTITY IS NOT SUBJECT TO §§ 12-1107 THROUGH**  
17 **12-1115, INCLUSIVE, AND 12-1123 OF THIS SUBTITLE.**

18           **(2) AN EXEMPT ENTITY IS SUBJECT TO:**

19                   **(I) §§ 12-1116 THROUGH 12-1122, INCLUSIVE, AND 12-1124**  
20 **THROUGH 12-1128, INCLUSIVE, OF THIS SUBTITLE; AND**

21                   **(III) ANY REGULATION, EXCEPT TO THE EXTENT THE**  
22 **REGULATION CONCERNS LICENSING, ADOPTED UNDER THIS SUBTITLE.**

23 **12-1103.**

24           **THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS**  
25 **SUBTITLE.**

26 **12-1104.**

27           **(A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS**  
28 **SUBTITLE AND ANY OTHER FEE OR REVENUE RECEIVED BY THE COMMISSIONER**  
29 **UNDER THIS SUBTITLE SHALL BE:**

1           (1) CREDITED TO THE NONDEPOSITORY SPECIAL FUND UNDER §  
2 11-610 OF THIS ARTICLE; AND

3           (2) USED IN ACCORDANCE WITH § 11-610(C) OF THIS ARTICLE.

4           (B) THE COMMISSIONER SHALL PAY ALL FINES AND PENALTIES  
5 COLLECTED BY THE COMMISSIONER UNDER THIS SUBTITLE INTO THE GENERAL  
6 FUND OF THE STATE.

7 12-1105.

8           (A) A PERSON MAY NOT PROVIDE CURRENCY EXCHANGE SERVICES UNLESS  
9 THE PERSON IS LICENSED UNDER THIS SUBTITLE OR IS AN EXEMPT ENTITY.

10          (B) A SEPARATE LICENSE IS REQUIRED:

11           (1) FOR THE PRINCIPAL EXECUTIVE OFFICE OF THE APPLICANT OR  
12 LICENSEE; AND

13           (2) AT EACH BRANCH LOCATION AT WHICH A PERSON PROVIDES  
14 EXCHANGE SERVICES.

15 12-1106.

16          IN CONNECTION WITH AN INITIAL APPLICATION FOR A LICENSE, AND AT ANY  
17 OTHER TIME THE COMMISSIONER REQUESTS, AN APPLICANT OR LICENSEE SHALL  
18 PROVIDE TO NMLS INFORMATION CONCERNING THE APPLICANT OR LICENSEE'S  
19 IDENTITY, AS WELL AS OTHER INFORMATION THAT NMLS REQUIRES.

20 12-1107.

21          TO QUALIFY FOR A LICENSE, AN APPLICANT SHALL SATISFY THE  
22 COMMISSIONER THAT:

23           (1) THE APPLICANT'S BUSINESS WILL PROMOTE THE CONVENIENCE  
24 AND ADVANTAGE OF THE COMMUNITY IN WHICH THE APPLICANT'S PLACE OF  
25 BUSINESS WILL BE LOCATED; AND

26           (2) THE APPLICANT OR, IF THE APPLICANT IS NOT AN INDIVIDUAL,  
27 EACH OF THE OWNERS, OFFICERS, DIRECTORS, OR PRINCIPALS OF THE ENTITY:

1                   **(I) HAS SUFFICIENT EXPERIENCE, CHARACTER, FINANCIAL**  
2 **RESPONSIBILITY, AND GENERAL FITNESS TO:**

3                   1.     **COMMAND THE CONFIDENCE OF THE PUBLIC; AND**

4                   2.     **WARRANT THE BELIEF THAT THE BUSINESS WILL BE**  
5 **OPERATED LAWFULLY, HONESTLY, FAIRLY, AND EFFICIENTLY; AND**

6                   **(II) HAS NOT COMMITTED ANY ACT AT THAT WOULD BE A**  
7 **GROUND FOR SUSPENSION OR REVOCATION OF A LICENSE.**

8 **12-1108.**

9                   **(A) IN CONNECTION WITH AN INITIAL APPLICATION FOR A LICENSE UNDER**  
10 **THIS SUBTITLE, AND AT ANY OTHER TIME THE COMMISSIONER REQUIRES, AN**  
11 **APPLICANT OR LICENSEE SHALL PROVIDE FINGERPRINTS, AS DIRECTED BY THE**  
12 **COMMISSIONER, TO NMLS FOR USE BY THE FEDERAL BUREAU OF INVESTIGATION**  
13 **TO CONDUCT A CRIMINAL HISTORY RECORDS CHECK.**

14                   **(B) AN APPLICANT OR LICENSEE REQUIRED UNDER THIS SECTION TO**  
15 **PROVIDE FINGERPRINTS SHALL PAY ANY PROCESSING OR OTHER REQUIRED FEE.**

16                   **(C) IF THE APPLICANT OR LICENSEE IS A CORPORATION, THE**  
17 **FINGERPRINTING AND CRIMINAL HISTORY RECORDS CHECK REQUIREMENTS SHALL**  
18 **APPLY TO THE PRESIDENT, AND ANY OTHER OFFICER, DIRECTOR, PRINCIPAL, OR**  
19 **OWNER OF THE CORPORATION AS REQUIRED BY THE COMMISSIONER.**

20 **12-1109.**

21                   **(A) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION:**

22                   **(I) THE REQUIREMENTS OF FEDERAL LAW AND TITLE 4,**  
23 **SUBTITLES 1 THROUGH 5 OF THE GENERAL PROVISIONS ARTICLE REGARDING THE**  
24 **PRIVACY OR CONFIDENTIALITY OF INFORMATION OR MATERIAL CONTINUES TO**  
25 **APPLY TO THE INFORMATION OR MATERIAL AFTER THE INFORMATION OR MATERIAL**  
26 **IS PROVIDED TO NMLS UNDER THIS SUBTITLE; AND**

27                   **(II) ANY PRIVILEGE ARISING UNDER FEDERAL OR STATE LAW,**  
28 **INCLUDING THE RULES OF ANY FEDERAL OR STATE COURT WITH RESPECT TO**  
29 **INFORMATION OR MATERIAL, CONTINUES TO APPLY TO THE INFORMATION OR**  
30 **MATERIAL AFTER THE INFORMATION OR MATERIAL IS PROVIDED TO NMLS UNDER**  
31 **THIS SUBTITLE.**

1           **(2) (I) INFORMATION OR MATERIAL PROVIDED TO NMLS UNDER**  
2 **THIS SUBTITLE MAY BE SHARED WITH ANY STATE OR FEDERAL REGULATORY**  
3 **OFFICIAL THAT HAS OVERSIGHT AUTHORITY OVER PERSONS REQUIRED TO BE**  
4 **LICENSED UNDER THIS SUBTITLE, INCLUDING THE FINANCIAL CRIMES**  
5 **ENFORCEMENT NETWORK AND THE OFFICE OF FOREIGN ASSETS CONTROL, AND**  
6 **ANY SUCCESSOR TO THOSE AGENCIES.**

7           **(II) INFORMATION OR MATERIAL SHARED UNDER**  
8 **SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT LOSE ANY CONFIDENTIALITY OR**  
9 **PRIVILEGE THAT APPLIES UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

10          **(B) INFORMATION OR MATERIAL OR MATERIAL THAT IS CONFIDENTIAL OR**  
11 **PRIVILEGED UNDER SUBSECTION (A) IS NOT SUBJECT TO:**

12           **(1) DISCLOSURE UNDER ANY FEDERAL OR STATE LAW GOVERNING**  
13 **THE DISCLOSURE TO THE PUBLIC OF INFORMATION HELD BY AN OFFICER OR**  
14 **AGENCY OF THE FEDERAL GOVERNMENT OR A STATE THAT HAS RECEIVED THE**  
15 **INFORMATION OR MATERIAL; OR**

16           **(2) UNLESS THE PERSON TO WHOM THE INFORMATION OR MATERIAL**  
17 **PERTAINS WAIVES A PRIVILEGE HELD BY NMLS, SUBPOENA, DISCOVERY, OR**  
18 **ADMISSION INTO EVIDENCE IN ANY PRIVATE CIVIL LITIGATION OR ADMINISTRATIVE**  
19 **PROCESS.**

20          **(C) THIS SECTION SUPERSEDES THE PROVISIONS OF TITLE 4, SUBTITLES 1**  
21 **THROUGH 5 OF THE GENERAL PROVISIONS ARTICLE RELATING TO THE**  
22 **DISCLOSURE OF ANY INFORMATION OR MATERIAL DESCRIBED IN SUBSECTION (A)**  
23 **OF THIS SECTION THAT ARE INCONSISTENT WITH SUBSECTION (A) OF THIS SECTION.**

24          **(D) THIS SECTION DOES NOT APPLY TO INFORMATION OR MATERIAL**  
25 **RELATING TO PUBLICLY ADJUDICATED DISCIPLINARY AND ENFORCEMENT ACTIONS**  
26 **AGAINST A PERSON REQUIRED TO BE LICENSED THAT IS INCLUDED IN NMLS AND**  
27 **DESIGNATED FOR ACCESS BY THE PUBLIC.**

28 **12-1110.**

29          **(A) (1) TO APPLY FOR A LICENSE, AN APPLICANT SHALL:**

30           **(I) COMPLETE, SIGN, AND SUBMIT TO THE COMMISSIONER AN**  
31 **APPLICATION MADE UNDER OATH IN THE FORM, AND IN ACCORDANCE WITH THE**  
32 **PROCESS, THAT THE COMMISSIONER REQUIRES THROUGH NMLS; AND**

1                   **(II) PROVIDE ALL INFORMATION THAT THE COMMISSIONER**  
2 **REQUESTS.**

3                   **(2) THE APPLICATION SHALL INCLUDE:**

4                   **(I) THE APPLICANT'S NAME, THE APPLICANT'S PRINCIPAL**  
5 **EXECUTIVE OFFICE ADDRESS, AND, IF THE APPLICANT IS NOT AN INDIVIDUAL, THE**  
6 **NAME AND RESIDENCE ADDRESS OF EACH CONTROL PERSON;**

7                   **(II) THE ADDRESS OF EACH BRANCH LOCATION, IF ANY;**

8                   **(III) ANY OTHER INFORMATION THAT THE COMMISSIONER**  
9 **REQUIRES FOR AN INVESTIGATION AND FINDINGS UNDER § 12-111 OF THIS**  
10 **SUBTITLE; AND**

11                   **(IV) INFORMATION THAT SATISFIES THE COMMISSIONER THAT**  
12 **THE APPLICANT HAS CREATED IN A RECORD POLICIES AND PROCEDURES FOR THE**  
13 **COMPLIANCE PROGRAMS REQUIRED UNDER § 12-425(D) OF THIS SUBTITLE.**

14                   **(B) WITH THE APPLICATION, THE APPLICANT SHALL PAY TO THE**  
15 **COMMISSIONER:**

16                   **(1) A NONREFUNDABLE INVESTIGATION FEE OF \$1,000; AND**

17                   **(2) A NONREFUNDABLE LICENSE FEE OF \$1,000.**

18                   **(C) IN ADDITION TO THE FEES REQUIRED UNDER SUBSECTION (B) OF THIS**  
19 **SECTION, A LICENSEE SHALL PAY TO NMLS ANY FEES THAT NMLS IMPOSES IN**  
20 **CONNECTION WITH AN INITIAL LICENSE.**

21                   **(D) FOR THE PRINCIPAL EXECUTIVE OFFICE AND EACH BRANCH LOCATION**  
22 **FOR WHICH AN APPLICANT APPLIES, THE APPLICANT SHALL:**

23                   **(1) SUBMIT A SEPARATE APPLICATION; AND**

24                   **(2) PAY A SEPARATE INVESTIGATION FEE AND LICENSE FEE.**

25                   **(E) A PERSON WHO KNOWINGLY MAKES A FALSE STATEMENT UNDER OATH**  
26 **ON AN APPLICATION FILED WITH THE COMMISSIONER UNDER THIS SECTION IS**  
27 **GUILTY OF PERJURY AND ON CONVICTION IS SUBJECT TO THE PENALTIES OF §**  
28 **9-101 OF THE CRIMINAL LAW ARTICLE.**

1           **(F) SUBJECT TO SUBSECTION (C) OF THIS SECTION, AN APPLICANT FOR AN**  
2 **INITIAL LICENSE OR A LICENSE RENEWAL SHALL APPLY THROUGH NMLS:**

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

4           **(2) IF THE COMMISSIONER HAS NOT JOINED NMLS WITH RESPECT**  
5 **TO PERSONS REQUIRED TO BE LICENSED UNDER THIS SUBTITLE AS OF JULY 1, 2019,**  
6 **ON OR AFTER THE DATE THAT THE COMMISSIONER JOINS, AS SPECIFIED BY THE**  
7 **COMMISSIONER BY PUBLIC NOTICE.**

8 **12-1111.**

9           **(A) WHEN AN APPLICANT FOR A LICENSE FILES THE APPLICATION AND**  
10 **PAYS THE FEES REQUIRED BY § 12-1110 OF THIS SUBTITLE, THE COMMISSIONER**  
11 **SHALL INVESTIGATE THE FACTS RELEVANT TO THE APPLICATION TO DETERMINE IF**  
12 **THE APPLICANT MEETS THE REQUIREMENTS OF THIS SUBTITLE.**

13           **(B) UNLESS THE COMMISSIONER AND AN APPLICANT AGREE IN WRITING TO**  
14 **EXTEND THE TIME, THE COMMISSIONER SHALL APPROVE OR DENY EACH**  
15 **APPLICATION FOR A LICENSE WITHIN 60 DAYS AFTER THE DATE ON WHICH THE**  
16 **COMPLETE APPLICATION IS FILED AND THE FEES ARE PAID.**

17           **(C) THE COMMISSIONER SHALL ISSUE A LICENSE TO ANY APPLICANT WHO**  
18 **MEETS THE REQUIREMENTS OF THIS SUBTITLE.**

19           **(D) (1) IF AN APPLICANT DOES NOT MEET THE REQUIREMENTS OF THIS**  
20 **SUBTITLE, THE COMMISSIONER SHALL:**

21                   **(i) DENY THE APPLICATION;**

22                   **(ii) NOTIFY THE APPLICANT IMMEDIATELY OF THE DENIAL;**

23                   **(iii) REFUND THE LICENSE FEE; AND**

24                   **(iv) RETAIN THE INVESTIGATION FEE.**

25           **(2) (i) WITHIN 10 DAYS AFTER THE COMMISSIONER DENIES AN**  
26 **APPLICATION, THE COMMISSIONER SHALL SEND A WRITTEN NOTICE TO THE**  
27 **APPLICANT STATING THE REASONS FOR THE DENIAL.**

28                   **(ii) THE NOTICE SHALL BE SENT BY UNITED STATES MAIL,**  
29 **ELECTRONIC MAIL, OR ANY MEANS PROVIDED THROUGH NMLS TO THE ADDRESS**  
30 **LISTED IN THE APPLICATION.**

1 12-1112.

2 (A) THE COMMISSIONER SHALL INCLUDE ON EACH LICENSE:

3 (1) THE NAME OF THE LICENSEE;

4 (2) ANY TRADE NAME OR ALIAS APPROVED BY THE COMMISSIONER;

5 (3) THE ADDRESS OF THE LOCATION AT WHICH CURRENCY  
6 EXCHANGE SERVICES WILL BE PROVIDED; AND

7 (4) THE LICENSE NUMBER OR UNIQUE IDENTIFIER OF THE LICENSEE.

8 (B) (1) A LICENSE AUTHORIZES THE LICENSEE TO PROVIDE CURRENCY  
9 EXCHANGE SERVICES UNDER ANY NAME STATED ON THE LICENSE AND AT THE  
10 LOCATION AT WHICH CURRENCY EXCHANGE SERVICES WILL BE PROVIDED.

11 (2) ONLY ONE LOCATION MAY BE MAINTAINED UNDER ANY ONE  
12 LICENSE.

13 (C) SUBJECT TO § 12-1105(B) OF THIS SUBTITLE, THE COMMISSIONER MAY  
14 ISSUE MORE THAN ONE LICENSE TO AN APPLICANT WHO:

15 (1) CONDUCTS ACTIVITIES FOR WHICH A LICENSE IS REQUIRED AT  
16 MORE THAN ONE LOCATION;

17 (2) COMPLIES WITH § 12-1110 OF THIS SUBTITLE; AND

18 (3) OTHERWISE MEETS THE REQUIREMENTS OF THIS SUBTITLE.

19 12-1113.

20 (A) A LICENSEE MAY SURRENDER A LICENSE BY SENDING TO THE  
21 COMMISSIONER, IN THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE  
22 COMMISSIONER REQUIRES, A STATEMENT THAT THE LICENSE IS SURRENDERED.

23 (B) IF A LICENSE IS SURRENDERED VOLUNTARILY, OR IS SUSPENDED OR  
24 REVOKED, THE COMMISSIONER MAY NOT REFUND ANY PART OF THE LICENSE FEE  
25 REGARDLESS OF THE TIME REMAINING IN THE LICENSE TERM.

1           **(C) THE SURRENDER OF A LICENSE DOES NOT AFFECT ANY CIVIL OR**  
2 **CRIMINAL LIABILITY OF THE LICENSEE FOR ACTS COMMITTED BEFORE THE LICENSE**  
3 **WAS SURRENDERED.**

4 **12-1114.**

5           **(A) AN INITIAL LICENSE TERM SHALL:**

6                   **(1) BEGIN ON THE DATE THE LICENSE IS ISSUED; AND**

7                   **(2) EXPIRE ON DECEMBER 31 OF THE YEAR:**

8                           **(i) IN WHICH THE LICENSE IS ISSUED, IF THE LICENSE IS**  
9 **ISSUED BEFORE NOVEMBER 1; OR**

10                           **(ii) IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE**  
11 **LICENSE IS ISSUED, IF THE LICENSE IS ISSUED ON OR AFTER NOVEMBER 1.**

12           **(B) ON OR AFTER NOVEMBER 1 OF THE YEAR A LICENSE EXPIRES, THE**  
13 **LICENSE MAY BE RENEWED FOR AN ADDITIONAL 1-YEAR TERM, IF THE LICENSEE:**

14                   **(1) OTHERWISE IS ENTITLED TO BE LICENSED;**

15                   **(2) PAYS TO THE COMMISSIONER A RENEWAL FEE OF \$1,000;**

16                   **(3) SUBMITS TO THE COMMISSIONER A RENEWAL REGISTRATION ON**  
17 **THE FORM THAT THE COMMISSIONER REQUIRES THROUGH NMLS; AND**

18                   **(4) PAYS TO NMLS ANY FEES THAT NMLS IMPOSES IN CONNECTION**  
19 **WITH THE REGISTRATION.**

20           **(C) SUBJECT TO ANY REGULATIONS THE COMMISSIONER ADOPTS IN**  
21 **CONNECTION WITH NMLS, A RENEWAL TERM SHALL:**

22                   **(1) BE FOR A PERIOD OF 1 YEAR;**

23                   **(2) BEGIN ON JANUARY 1 EACH YEAR AFTER THE INITIAL TERM; AND**

24                   **(3) EXPIRE ON DECEMBER 31 OF THE YEAR THE RENEWAL TERM**  
25 **BEGINS.**

26 **12-1115.**



1 (A) A LICENSE IS NOT TRANSFERABLE.

2 (B) A LICENSEE SHALL DISPLAY THE LICENSE CONSPICUOUSLY AT THE  
3 LICENSEE'S LICENSED LOCATION.

4 12-1116.

5 (A) A LICENSEE MAY NOT CHANGE THE LOCATION FOR WHICH A LICENSE IS  
6 ISSUED UNLESS THE LICENSEE:

7 (1) PROVIDES TO THE COMMISSIONER, IN THE FORM AND IN  
8 ACCORDANCE WITH THE PROCESS THAT THE COMMISSIONER REQUIRES, NOTICE OF  
9 THE PROPOSED CHANGE; AND

10 (2) RECEIVES THE WRITTEN CONSENT OF THE COMMISSIONER BY  
11 UNITED STATES MAIL, E-MAIL, OR ANY MEANS PROVIDED THROUGH NMLS PRIOR  
12 TO THE CHANGE.

13 (B) IF THE COMMISSIONER CONSENTS TO A PROPOSED CHANGE OF  
14 LOCATION, THE COMMISSIONER SHALL SEND THE LICENSEE AN AMENDED LICENSE.

15 12-1117.

16 (A) A LICENSEE SHALL KEEP THE BOOKS AND RECORDS THAT THE  
17 COMMISSIONER REQUIRES TO DETERMINE COMPLIANCE WITH THIS SUBTITLE.

18 (B) UNLESS A LONGER PERIOD IS EXPRESSLY REQUIRED BY STATE OR  
19 FEDERAL LAW, A LICENSEE SHALL RETAIN THE RECORDS REQUIRED UNDER THIS  
20 SUBTITLE FOR A PERIOD OF AT LEAST 2 YEARS.

21 (C) A LICENSEE MAY RETAIN THE RECORDS REQUIRED UNDER THIS  
22 SUBTITLE AT ANY LOCATION, PROVIDED THAT THE LICENSEE:

23 (1) NOTIFIES THE COMMISSIONER IN WRITING OF THE LOCATION OF  
24 THE RECORDS; AND

25 (2) MAKES THE RECORDS AVAILABLE AT A PLACE OF BUSINESS FOR  
26 WHICH A LICENSE HAS BEEN ISSUED OR AT THE LICENSEE'S PRINCIPAL PLACE OF  
27 BUSINESS, AS AGREED BY THE COMMISSIONER AND THE LICENSEE, WITHIN 7 DAYS  
28 AFTER A WRITTEN REQUEST FOR EXAMINATION BY THE COMMISSIONER.

29 (D) IN ADDITION TO ANY OTHER BOOKS AND RECORDS THAT THE  
30 COMMISSIONER MAY REQUIRE, A LICENSEE SHALL RETAIN A CHRONOLOGICAL

1 REGISTER OF ALL CURRENCY EXCHANGE SERVICES PROVIDED BY THE LICENSEE  
2 SHOWING:

3 (1) THE NAME OF THE CUSTOMER;

4 (2) THE TRANSACTION DATE;

5 (3) THE RATE OF EXCHANGE;

6 (4) THE TYPES AND AMOUNT OF CURRENCY OR VIRTUAL CURRENCY  
7 EXCHANGED;

8 (5) THE AMOUNT OF FEES CHARGED; AND

9 (6) A COMPLETE DESCRIPTION OF THE IDENTIFICATION PRESENTED  
10 BY THE CUSTOMER.

11 (E) A LICENSEE SHALL RETAIN THE RECORDS REQUIRED UNDER THIS  
12 SECTION IN ONE OF THE FOLLOWING WAYS:

13 (1) THE ORIGINAL FORM;

14 (2) AN ELECTRONIC EQUIVALENT APPROVED BY THE  
15 COMMISSIONER; OR

16 (3) A MICROPHOTOGRAPHIC COPY APPROVED BY THE  
17 COMMISSIONER.

18 (F) A LICENSEE SHALL MAINTAIN IN A RECORD POLICIES AND PROCEDURES  
19 FOR THE FOLLOWING COMPLIANCE PROGRAMS:

20 (1) AN INFORMATION SECURITY AND OPERATIONAL SECURITY  
21 PROGRAM;

22 (2) A BUSINESS CONTINUITY PROGRAM;

23 (3) A DISASTER RECOVERY PROGRAM;

24 (4) AN ANTIFRAUD PROGRAM;

25 (5) AN ANTI-MONEY-LAUNDERING PROGRAM;

26 (6) A PROGRAM TO PREVENT FUNDING OF TERRORIST ACTIVITY; AND

1           **(7) A PROGRAM DESIGNED TO:**

2                   **(I) ENSURE COMPLIANCE WITH THIS SUBTITLE, OTHER STATE**  
3 **LAWS, AND FEDERAL LAWS THAT ARE RELEVANT TO THE VIRTUAL CURRENCY**  
4 **BUSINESS ACTIVITY CONTEMPLATED BY THE LICENSEE WITH OR ON BEHALF OF**  
5 **RESIDENTS OF THE STATE; AND**

6                   **(II) ASSIST THE LICENSEE IN ACHIEVING THE PURPOSES OF**  
7 **THIS SUBTITLE, OTHER STATE LAW, AND FEDERAL LAW.**

8 **12-1118.**

9           **(A) AT ANY TIME AND AS OFTEN AS THE COMMISSIONER CONSIDERS**  
10 **APPROPRIATE, THE COMMISSIONER MAY INVESTIGATE THE RECORDS AND**  
11 **BUSINESS OPERATIONS OF A LICENSEE OR A PERSON WHO ACTS ON BEHALF OF A**  
12 **LICENSEE.**

13           **(B) FOR THE PURPOSES OF THIS SECTION, THE COMMISSIONER:**

14                   **(1) SHALL HAVE ACCESS TO ANY BOOKS, PAPERS, RECORDS, SAFES,**  
15 **OR VAULTS OF THE PERSON UNDER INVESTIGATION; AND**

16                   **(2) MAY EXAMINE UNDER OATH A PERSON WHOSE TESTIMONY THE**  
17 **COMMISSIONER REQUIRES.**

18 **12-1119.**

19           **A LICENSEE SHALL COMPLY WITH ALL FEDERAL AND STATE LAWS**  
20 **CONCERNING MONEY LAUNDERING.**

21 **12-1120.**

22           **(A) (1) A LICENSEE SHALL CONSPICUOUSLY POST, IN 48-POINT OR**  
23 **LARGER TYPE, AT EACH PLACE OF BUSINESS AT WHICH THE LICENSEE PROVIDES**  
24 **CURRENCY EXCHANGE SERVICES, A NOTICE OF THE RATE OF EXCHANGE AND FEES**  
25 **FOR PROVIDING CURRENCY EXCHANGE SERVICES.**

26                   **(2) IF A LICENSEE PROVIDES CURRENCY EXCHANGE SERVICES ON**  
27 **THE LICENSEE'S WEBSITE, THE WEBSITE SHALL CONSPICUOUSLY SHOW A NOTICE OF**  
28 **THE RATE OF EXCHANGE AND FEES FOR PROVIDING CURRENCY EXCHANGE**  
29 **SERVICES.**

1           **(B) A LICENSEE SHALL PROVIDE EACH CUSTOMER WITH A WRITTEN**  
2 **RECEIPT SUFFICIENT TO IDENTIFY:**

3                   **(1) THE TRANSACTION;**

4                   **(2) THE LICENSEE;**

5                   **(3) THE RATE OF EXCHANGE;**

6                   **(4) THE AMOUNT AND TYPE OF CURRENCY OR VIRTUAL CURRENCY**  
7 **EXCHANGED; AND**

8                   **(5) THE FEES CHARGED.**

9 **12-1121.**

10           **(A) AS PART OF A CURRENCY EXCHANGE SERVICE TRANSACTION,**  
11 **INCLUDING BEFORE OR AFTER THE TRANSACTION, IF A LICENSEE HAS CONTROL OF**  
12 **VIRTUAL CURRENCY FOR ONE OR MORE CUSTOMERS, THE LICENSEE SHALL**  
13 **MAINTAIN IN ITS CONTROL AN AMOUNT OF EACH TYPE OF VIRTUAL CURRENCY**  
14 **SUFFICIENT TO SATISFY THE AGGREGATE ENTITLEMENTS OF THE CUSTOMERS TO**  
15 **THE TYPE OF VIRTUAL CURRENCY.**

16           **(B) A LICENSEE MAY NOT PROVIDE CURRENCY EXCHANGE SERVICES TO A**  
17 **CUSTOMER UNLESS:**

18                   **(1) THE LICENSEE IS IN FULL COMPLIANCE WITH:**

19                           **(I) FEDERAL ANTI-MONEY-LAUNDERING LAWS, INCLUDING 31**  
20 **C.F.R. PART 1010; AND**

21                           **(II) FEDERAL CUSTOMER DUE DILIGENCE REQUIREMENTS,**  
22 **INCLUDING 31 C.F.R. PART 1010; AND**

23                   **(2) THE CUSTOMER PRESENTS A FORM OF CUSTOMARILY**  
24 **ACCEPTABLE IDENTIFICATION, INCLUDING:**

25                           **(I) A VALID DRIVER'S LICENSE WITH PHOTOGRAPH ISSUED BY**  
26 **A STATE GOVERNMENT;**

27                           **(II) A VALID IDENTITY CARD WITH PHOTOGRAPH ISSUED BY A**  
28 **STATE GOVERNMENT;**

1 (III) A VALID UNITED STATES PASSPORT OR ALIEN  
2 REGISTRATION CARD; AND

3 (IV) A VALID MILITARY IDENTIFICATION CARD.

4 (C) A LICENSEE OR PERSON, IN THE CONDUCT OF VIRTUAL CURRENCY  
5 EXCHANGE SERVICES, MAY NOT ENGAGE IN:

6 (1) AN UNSAFE OR UNSOUND ACT OR PRACTICE;

7 (2) AN UNFAIR OR DECEPTIVE ACT OR PRACTICE;

8 (3) FRAUD OR INTENTIONAL MISREPRESENTATION;

9 (4) ANOTHER DISHONEST ACT; OR

10 (5) MISAPPROPRIATION OF CURRENCY, VIRTUAL CURRENCY, OR  
11 OTHER VALUE HELD BY A FIDUCIARY.

12 12-1122.

13 THE COMMISSIONER MAY ENFORCE THIS SUBTITLE BY ISSUING AN ORDER:

14 (1) TO CEASE AND DESIST AND TO TAKE AFFIRMATIVE ACTION FROM  
15 THE VIOLATION AND ANY FURTHER SIMILAR VIOLATIONS; AND

16 (2) REQUIRING THE VIOLATOR TO TAKE AFFIRMATIVE ACTION TO  
17 CORRECT THE VIOLATION INCLUDING THE RESTITUTION OF MONEY OR PROPERTY  
18 TO ANY PERSON AGGRIEVED BY THE VIOLATION.

19 12-1123.

20 (A) SUBJECT TO THE HEARING PROVISIONS OF § 12-1124 OF THIS  
21 SUBTITLE, THE COMMISSIONER MAY SUSPEND OR REVOKE THE LICENSE OF ANY  
22 LICENSEE IF THE LICENSEE OR ANY OWNER, DIRECTOR, OFFICER, MEMBER,  
23 PARTNER, STOCKHOLDER, EMPLOYEE, OR AGENT OF THE LICENSEE:

24 (1) MAKES ANY MATERIAL MISSTATEMENT IN AN APPLICATION FOR A  
25 LICENSE;

26 (2) IS CONVICTED UNDER THE LAWS OF THE UNITED STATES OR OF  
27 ANY OTHER STATE OF:

1           **(I) A FELONY; OR**

2           **(II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE**  
3 **FITNESS AND QUALIFICATION OF THE PERSON TO PROVIDE CURRENCY EXCHANGE**  
4 **SERVICES;**

5           **(3) IN CONNECTION WITH ANY CURRENCY EXCHANGE SERVICE:**

6           **(I) COMMITS ANY FRAUD;**

7           **(II) ENGAGES IN ANY ILLEGAL OR DISHONEST ACTIVITIES; OR**

8           **(III) MISREPRESENTS OR FAILS TO DISCLOSE ANY MATERIAL**  
9 **FACTS TO ANYONE ENTITLED TO THAT INFORMATION;**

10           **(4) VIOLATES ANY PROVISION OF THIS SUBTITLE OR ANY RULE OR**  
11 **REGULATION ADOPTED UNDER THIS SUBTITLE, OR ANY OTHER LAW REGULATING**  
12 **CURRENCY EXCHANGE SERVICES IN THE STATE; OR**

13           **(5) OTHERWISE DEMONSTRATES UNWORTHINESS, BAD FAITH,**  
14 **DISHONESTY, OR ANY OTHER QUALITY THAT INDICATES THAT THE BUSINESS OF THE**  
15 **LICENSEE HAS NOT BEEN OR WILL NOT BE CONDUCTED HONESTLY, FAIRLY,**  
16 **EQUITABLY, AND EFFICIENTLY.**

17           **(B) IN DETERMINING WHETHER THE LICENSE OF THE LICENSEE SHOULD BE**  
18 **SUSPENDED OR REVOKED FOR A REASON LISTED IN SUBSECTION (A)(2) OF THIS**  
19 **SECTION, THE COMMISSIONER SHALL CONSIDER:**

20           **(1) THE NATURE OF THE CRIME;**

21           **(2) THE RELATIONSHIP OF THE CRIME TO THE ACTIVITIES**  
22 **AUTHORIZED BY THE LICENSE;**

23           **(3) WITH RESPECT TO A FELONY, THE RELEVANCE OF THE**  
24 **CONVICTION TO THE FITNESS AND QUALIFICATION OF THE LICENSEE TO PROVIDE**  
25 **CHECK CASHING SERVICES;**

26           **(4) THE LENGTH OF TIME SINCE THE CONVICTION; AND**

27           **(5) THE BEHAVIOR AND ACTIVITIES OF THE LICENSEE SINCE THE**  
28 **CONVICTION.**

29 **12-1124.**

1 (A) BEFORE THE COMMISSIONER TAKES ANY ACTION UNDER § 12-1122, §  
2 12-1123, OR § 12-1127 OF THIS SUBTITLE, THE COMMISSIONER SHALL GIVE THE  
3 LICENSEE AN OPPORTUNITY FOR A HEARING BEFORE THE COMMISSIONER.

4 (B) NOTICE OF THE HEARING SHALL BE GIVEN AND THE HEARING SHALL BE  
5 HELD IN ACCORDANCE WITH TITLE 10, SUBTITLE 2 OF THE STATE GOVERNMENT  
6 ARTICLE.

7 12-1125.

8 THE COMMISSIONER SHALL REPORT TO THE APPROPRIATE STATE'S  
9 ATTORNEY OR THE ATTORNEY GENERAL ANY ALLEGED CRIMINAL VIOLATION OF  
10 THIS SUBTITLE.

11 12-1126.

12 A PERSON WHO KNOWINGLY VIOLATES THIS SUBTITLE IS GUILTY OF A  
13 MISDEMEANOR AND ON CONVICTION IS SUBJECT TO IMPRISONMENT NOT  
14 EXCEEDING 3 YEARS OR A FINE NOT EXCEEDING \$5,000 OR BOTH.

15 12-1127.

16 (A) THE COMMISSIONER MAY IMPOSE A CIVIL PENALTY AGAINST A PERSON  
17 WHO VIOLATES THIS SUBTITLE IN AN AMOUNT NOT EXCEEDING:

18 (1) \$10,000 FOR A FIRST OFFENSE; AND

19 (2) \$25,000 FOR EACH SUBSEQUENT OFFENSE.

20 (B) IN DETERMINING THE AMOUNT OF CIVIL PENALTY TO BE IMPOSED  
21 UNDER SUBSECTION (A) OF THIS SECTION, THE COMMISSIONER SHALL CONSIDER  
22 THE FOLLOWING:

23 (1) THE SERIOUSNESS OF THE VIOLATION;

24 (2) THE GOOD FAITH OF THE VIOLATOR;

25 (3) THE VIOLATOR'S HISTORY OF PREVIOUS VIOLATIONS;

26 (4) THE DELETERIOUS EFFECT OF THE VIOLATION ON THE PUBLIC;

27 (5) THE ASSETS OF THE VIOLATOR; AND





- 1 (i) the Dodd–Frank Wall Street Reform and Consumer Protection  
 2 Act;
- 3 (ii) the Consumer Financial Protection Bureau;
- 4 (iii) the Securities and Exchange Commission;
- 5 (iv) the Commodity Futures Trading Commission;
- 6 (v) the Pension Benefit Guaranty Corporation;
- 7 (vi) the Department of Labor;
- 8 (vii) the Federal Reserve Board; and
- 9 (viii) any other federal financial regulators; [and]

10 **(2) ASSESS THE IMPACT OF NEW DEVELOPMENTS IN FINANCIAL**  
 11 **SERVICES THAT HAVE REVEALED NEW RISKS TO CONSUMERS; AND**

12 **[(2)] (3)** provide recommendations for federal and State actions that will  
 13 protect residents of the State in financial transactions and when receiving financial  
 14 services.

15 (h) On or before December 31, 2017, [and] on or before December 31, 2018, **ON**  
 16 **OR BEFORE DECEMBER 31, 2019, AND ON OR BEFORE DECEMBER 31, 2020**, the  
 17 Commission shall submit a report on its findings and recommendations, including any  
 18 legislative proposals, to the Governor and, in accordance with § 2–1246 of the State  
 19 Government Article, the General Assembly.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
 21 1, 2017. It shall remain effective for a period of **[2] 4** years and 1 month and, at the end of  
 22 **[June 30, 2019] JUNE 30, 2021**, with no further action required by the General Assembly,  
 23 this Act shall be abrogated and of no further force and effect.

24 **Chapter 781 of the Acts of 2017**

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
 26 That:

27 (f) The Commission shall:

28 (1) assess the impact of potential changes to federal financial industry  
 29 laws and regulations, budgets, and policies, including changes to:

- 1 (i) the Dodd–Frank Wall Street Reform and Consumer Protection  
2 Act;
- 3 (ii) the Consumer Financial Protection Bureau;
- 4 (iii) the Securities and Exchange Commission;
- 5 (iv) the Commodity Futures Trading Commission;
- 6 (v) the Pension Benefit Guaranty Corporation;
- 7 (vi) the Department of Labor;
- 8 (vii) the Federal Reserve Board; and
- 9 (viii) any other federal financial regulators; [and]

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11 **SERVICES THAT HAVE REVEALED NEW RISKS TO CONSUMERS; AND**

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22 **[June 30, 2019] JUNE 30, 2021**, with no further action required by the General Assembly,  
23 this Act shall be abrogated and of no further force and effect.

24 SECTION 9. AND BE IT FURTHER ENACTED, That Section 8 of this Act shall take  
25 effect July 1, 2019.

26 SECTION 10. AND BE IT FURTHER ENACTED, That, except as provided in  
27 Section 9 of this Act, this Act shall take effect October 1, 2019.