

Chapter 90

(House Bill 59)

AN ACT concerning

Financial Institutions – Commissioner of Financial Regulation – Debt Settlement Services

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to pay certain NMLS fees; altering the term of an initial registration and a renewal of a registration; repealing an outdated provision; defining a certain term; and generally relating to debt settlement services.

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

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

BY repealing and reenacting, with amendments,
Article – Financial Institutions
Section 12–1004, 12–1006, and 12–1009
Annotated Code of Maryland
(2011 Replacement Volume and 2018 Supplement)

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

Article – Financial Institutions

12–1001.

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

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

12-1004.

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

- (1) Is registered with the Commissioner under this subtitle; or
- (2) Is exempt from registration under this subtitle.

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

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

(2) TRANSFER REGISTRATION INFORMATION TO NMLS.

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

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

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

(I) NOTIFY REGISTRANTS OF THE TRANSFER PERIOD; AND

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

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

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

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

12-1006.

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

(1) ~~[\$1,000] \$500~~ \$400 for the issuance of a registration under this subtitle; and

(2) ~~[\$1,000] \$500~~ \$400 for the renewal of a registration under this subtitle.

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

12-1009.

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

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

(1) Otherwise is entitled to be registered;

(2) Pays to the Commissioner the renewal fee established under § 12-1006 of this subtitle; [and]

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

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

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

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

Approved by the Governor, April 18, 2019.