

HOUSE BILL 686

I1, I2

3lr1369

By: **Delegate Queen**

Introduced and read first time: February 6, 2023

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Financial Regulation – Modernizing Licensing of Non-Depository Institutions**
3 **and Elimination of Branch License Requirements**

4 FOR the purpose of eliminating requirements for collection agencies and certain
5 non-depository financial institutions to maintain separate licenses for branch
6 locations and authorizing them to conduct business at multiple licensed locations
7 under a single license; altering certain other requirements and provisions governing
8 the licensing and regulation of collection agencies and certain non-depository
9 financial institutions, including applications, Nationwide Mortgage Licensing
10 System and Registry (NMLS) information, use of trade names, examination,
11 Commissioner of Financial Regulation assessments, and bond requirements; and
12 generally relating to the licensing of financial services providers.

13 BY repealing and reenacting, with amendments,

14 Article – Business Regulation

15 Section 7-101, 7-206, 7-301(c), 7-302(b), (d), and (e), 7-302.1(b), 7-302.2(a),
16 7-304(c)(1), 7-305, 7-306.1(a) and (c), and 7-308(c)

17 Annotated Code of Maryland

18 (2015 Replacement Volume and 2022 Supplement)

19 BY repealing

20 Article – Business Regulation

21 Section 7-302(c) and 7-308(b)

22 Annotated Code of Maryland

23 (2015 Replacement Volume and 2022 Supplement)

24 BY adding to

25 Article – Business Regulation

26 Section 7-302.2(c) and 7-304(j)

27 Annotated Code of Maryland

28 (2015 Replacement Volume and 2022 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 BY repealing and reenacting, with amendments,
2 Article – Commercial Law
3 Section 14–1216(d) and (e)
4 Annotated Code of Maryland
5 (2013 Replacement Volume and 2022 Supplement)
- 6 BY adding to
7 Article – Financial Institutions
8 Section 2–120, 2–121, 11–203.1(b), 11–203.3(c), 11–206(d), 11–208, 11–211,
9 11–402.1(c), 11–408, 11–411, 11–501(f–1) and (f–2), 11–503.2(c), 11–508(c),
10 12–104.1(c), 12–110, 12–113, 12–401(k) and (l), 12–404(c), 12–407(b)(1),
11 12–415(a), 12–905(c), and 12–914(f)
12 Annotated Code of Maryland
13 (2020 Replacement Volume and 2022 Supplement)
- 14 BY repealing and reenacting, with amendments,
15 Article – Financial Institutions
16 Section 11–201, 11–203.3(a), 11–204(a) and (c)(2), 11–206(a)(2) and (c)(3)(i),
17 11–210(b)(1) and (c), 11–401, 11–402.1(a), 11–403(b),
18 11–404(a)(2), 11–406(a), 11–410(b)(1) and (c), 11–414, 11–503.1(b),
19 11–503.2(a), 11–505, 11–506.1(b) through (e), 11–507, 11–508(a) and (e)
20 through (g), 11–511(a), (c), and (d), 11–512, 11–512.1(a) and (c), 11–513,
21 11–601(f), 11–602(c), 11–612.1, 12–101, 12–104.1(a), 12–105(b), 12–106,
22 12–108(a)(2), 12–112(b)(1) and (c), 12–114(c), 12–118, 12–401(c) and (k–1),
23 12–404(a), 12–406(a)(3), 12–407(b)(2), 12–410, 12–412(a) and (d),
24 12–424, 12–901, 12–904, 12–905(a), 12–906(b), 12–908(b)(1) and (2), 12–911,
25 12–914(b)(2)(i), 12–915, 12–923(b)(1), 12–924(a), (c), and (d), and 12–1007(a)
26 Annotated Code of Maryland
27 (2020 Replacement Volume and 2022 Supplement)
- 28 BY repealing
29 Article – Financial Institutions
30 Section 11–203.1(b), 11–206(d), 11–208, 11–211, 11–404(c), 11–408, 11–411,
31 11–508(c) and (d), 11–610, 12–108(c), 12–110, 12–113, 12–401(e), 12–407(b)(1)
32 and (h), 12–415(a), and 12–914(b)(8)
33 Annotated Code of Maryland
34 (2020 Replacement Volume and 2022 Supplement)
- 35 BY repealing and reenacting, without amendments,
36 Article – Financial Institutions
37 Section 11–501(a), 11–601(a), and 12–401(a)
38 Annotated Code of Maryland
39 (2020 Replacement Volume and 2022 Supplement)
- 40 BY repealing and reenacting, without amendments,
41 Article – State Finance and Procurement

1 Section 6–226(a)(2)(i)
2 Annotated Code of Maryland
3 (2021 Replacement Volume and 2022 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article – State Finance and Procurement
6 Section 6–226(a)(2)(ii)170. and 171.
7 Annotated Code of Maryland
8 (2021 Replacement Volume and 2022 Supplement)

9 BY adding to
10 Article – State Finance and Procurement
11 Section 6–226(a)(2)(ii)172.
12 Annotated Code of Maryland
13 (2021 Replacement Volume and 2022 Supplement)

14 BY renumbering
15 Article – Financial Institutions
16 Section 12–401(f) through (k) and (l) through (v)
17 to be Section 12–401(e) through (j) and (n) through (x), respectively
18 Annotated Code of Maryland
19 (2020 Replacement Volume and 2022 Supplement)

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

22 **Article – Business Regulation**

23 7–101.

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

25 (b) “Board” means the State Collection Agency Licensing Board.

26 (c) [“Branch location” means any location other than the principal executive office
27 of a licensee or license applicant at which a person does business as a collection agency or,
28 on licensure, will do business as a collection agency, in the State or with a person in the
29 State.

30 (d)] “Collection agency” means a person who engages directly or indirectly in the
31 business of:

32 (1) (i) collecting for, or soliciting from another, a consumer claim; or

33 (ii) collecting a consumer claim the person owns, if the claim was in
34 default when the person acquired it;

1 (2) collecting a consumer claim the person owns, using a name or other
2 artifice that indicates that another party is attempting to collect the consumer claim;

3 (3) giving, selling, attempting to give or sell to another, or using, for
4 collection of a consumer claim, a series or system of forms or letters that indicates directly
5 or indirectly that a person other than the owner is asserting the consumer claim; or

6 (4) employing the services of an individual or business to solicit or sell a
7 collection system to be used for collection of a consumer claim.

8 **[(e)] (D)** “Commissioner” means the Commissioner of Financial Regulation.

9 **[(f)] (E)** “Consumer claim” means a claim that:

10 (1) is for money owed or said to be owed by a resident of the State; and

11 (2) arises from a transaction in which, for a family, household, or personal
12 purpose, the resident sought or got credit, money, personal property, real property, or
13 services.

14 **[(g)] (F)** (1) “Control person” means a person who has the power, directly or
15 indirectly, to direct the management or policies of a collection agency, whether through
16 ownership of securities, by contract, or otherwise.

17 (2) “Control person” includes a person who:

18 (i) is a general partner, an officer, a director, or a member of a
19 collection agency, or occupies a similar position or performs a similar function;

20 (ii) directly or indirectly has the right to vote 10% or more of a class
21 of voting securities, or has the power to sell or direct the sale of 10% or more of a class of
22 voting securities of a collection agency; or

23 (iii) in the case of a partnership, a limited partnership, a limited
24 liability partnership, a limited liability company, or any other business entity:

25 1. has the right to receive on liquidation or dissolution of a
26 collection agency 10% or more of the capital of the collection agency; or

27 2. has contributed 10% or more of the capital of a collection
28 agency.

29 **[(h)] (G)** “License” means a license issued in any form by the Board under this
30 title to do business as a collection agency, including as provided for through NMLS.

31 **[(h-1)]** “Licensee” means a person licensed under this title to do business as a

1 collection agency.]

2 [(i)] (H) “Licensed collection agency” means a person who is required to be
3 licensed under this title, regardless of whether the person is actually licensed.

4 (I) “**LICENSED LOCATION**” MEANS ANY LOCATION LISTED BY THE LICENSEE
5 IN NMLS IN ACCORDANCE WITH THIS TITLE.

6 (J) “**LICENSED NAME**” MEANS:

7 (1) THE LICENSEE’S LEGAL NAME; AND

8 (2) ANY TRADE NAME USED BY THE LICENSEE IN ACCORDANCE WITH
9 § 2–121 OF THE FINANCIAL INSTITUTIONS ARTICLE.

10 (K) “**LICENSEE**” MEANS A PERSON LICENSED UNDER THIS TITLE TO DO
11 BUSINESS AS A COLLECTION AGENCY.

12 [(j)] (L) “NMLS” [means a multistate uniform licensing system developed and
13 maintained by the Conference of State Bank Supervisors, or by a subsidiary or an affiliate
14 of the Conference of State Bank Supervisors, that may be used for the licensing of persons
15 required to be licensed by the Board] HAS THE MEANING STATED IN § 1–101 OF THE
16 FINANCIAL INSTITUTIONS ARTICLE.

17 [(k)] (M) “Unique identifier” means a number or another identifier assigned by
18 NMLS.

19 7–206.

20 [The] EXCEPT AS PROVIDED IN § 7–302.2 OF THIS TITLE, THE Board shall pay
21 all money collected under this title into the General Fund of the State.

22 7–301.

23 (c) A [separate license is required for the principal executive office and each
24 branch location of a person who does business as a collection agency] LICENSEE MAY DO
25 BUSINESS AS A COLLECTION AGENCY ONLY AT A LICENSED LOCATION OR AS
26 OTHERWISE AUTHORIZED BY REGULATION.

27 7–302.

28 (b) An application shall be made under oath and shall include:

29 (1) the applicant’s LEGAL name, ANY TRADE NAME USED BY THE

1 APPLICANT IN ACCORDANCE WITH § 2-121 OF THE FINANCIAL INSTITUTIONS
2 ARTICLE, AND THE APPLICANT'S principal executive office address, telephone number,
3 e-mail address, and Web site addresses, if any;

4 (2) the address of each [branch] ADDITIONAL location, if any, THAT:

5 (I) THE GENERAL PUBLIC MAY REASONABLY VIEW AS A
6 LOCATION THAT DOES BUSINESS AS A COLLECTION AGENCY, INCLUDING ANY
7 LOCATION THAT INVESTIGATES CUSTOMER COMPLAINTS OR DIRECTLY
8 COMMUNICATES WITH CUSTOMERS VERBALLY, ELECTRONICALLY, OR IN WRITING;

9 (II) HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE OR
10 TECHNOLOGY SYSTEMS;

11 (III) CONDUCTS ANY CORE MANAGEMENT, INFORMATION
12 SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR

13 (IV) IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY
14 REGULATION ADOPTED UNDER THIS TITLE;

15 (3) the federal employer identification number or Social Security number
16 of the applicant, as applicable;

17 (4) the state of formation and the date of formation of the applicant if the
18 applicant is a business entity;

19 (5) the name and residence address of each control person;

20 (6) the name and address of the principal contact for consumer complaints;

21 (7) the name, address, and telephone number of the applicant's resident
22 agent; and

23 (8) any other information that the Board requests.

24 [(c) If an applicant wishes to do business as a collection agency at a branch
25 location, the applicant shall submit a separate application and pay a separate application
26 fee and investigation fee for each branch location.]

27 [(d) (C) In addition to any other requirement for licensure under this subtitle,
28 an applicant for a license shall file with the Board a surety bond as required under § 7-304
29 of this subtitle.

30 [(e) (D) The Board shall issue a license to each applicant who meets the
31 requirements of this subtitle.

1 7-302.1.

2 (b) The fees established by the Board under this section **AND ANY ANNUAL**
3 **ASSESSMENTS IMPOSED BY THE COMMISSIONER UNDER § 2-120 OF THE FINANCIAL**
4 **INSTITUTIONS ARTICLE** shall be reasonable and set in a manner that will
5 **COLLECTIVELY** produce funds sufficient to cover the actual direct and indirect costs of
6 regulating collection agencies in accordance with [the provisions of] this title.

7 7-302.2.

8 (a) All revenue received for the licensing **AND ASSESSMENT** of persons under this
9 title and any other fee or revenue received by **THE COMMISSIONER OR** the Board under
10 this title shall be:

11 (1) credited to the [Nondepository] **NON-DEPOSITORY** Special Fund
12 established under [§ 11-610] **§ 2-120** of the Financial Institutions Article; and

13 (2) used in accordance with [§ 11-610(c)] **§ 2-120(D)** of the Financial
14 Institutions Article.

15 **(C) SUBJECT TO § 2-120(H) OF THE FINANCIAL INSTITUTIONS ARTICLE,**
16 **THE COMMISSIONER MAY IMPOSE AN ANNUAL ASSESSMENT ON ANY LICENSEE**
17 **UNDER THIS TITLE.**

18 7-304.

19 (c) The bond shall be:

20 (1) in the amount [of \$5,000] **DETERMINED BY THE BOARD UNDER**
21 **SUBSECTION (J) OF THIS SECTION;**

22 **(J) (1) THE AMOUNT OF THE SURETY BOND REQUIRED UNDER**
23 **SUBSECTION (C) OF THIS SECTION SHALL BE IN AN AMOUNT OF NOT LESS THAN**
24 **\$50,000 AND NOT MORE THAN \$1,000,000, AS DETERMINED BY THE BOARD FOR**
25 **EACH LICENSEE.**

26 **(2) IN SETTING THE AMOUNT OF THE SURETY BOND, THE BOARD MAY**
27 **CONSIDER:**

28 **(I) THE NATURE AND VOLUME OF THE BUSINESS OR PROPOSED**
29 **BUSINESS OF THE LICENSEE OR APPLICANT;**

30 **(II) THE FINANCIAL CONDITION OF THE LICENSEE OR**
31 **APPLICANT, INCLUDING:**

1 **1. THE AMOUNT, NATURE, QUALITY, AND LIQUIDITY OF**
2 **THE ASSETS OF THE LICENSEE OR APPLICANT;**

3 **2. THE AMOUNT AND NATURE OF THE LIABILITIES,**
4 **INCLUDING CONTINGENT LIABILITIES, OF THE LICENSEE OR APPLICANT;**

5 **3. THE HISTORY OF AND PROSPECTS FOR THE LICENSEE**
6 **OR APPLICANT TO EARN AND RETAIN INCOME; AND**

7 **4. THE POTENTIAL HARM TO CONSUMERS IF THE**
8 **APPLICANT OR LICENSEE BECOMES FINANCIALLY IMPAIRED;**

9 **(III) THE QUALITY OF THE OPERATIONS OF THE LICENSEE OR**
10 **APPLICANT;**

11 **(IV) THE QUALITY OF THE MANAGEMENT OF THE LICENSEE OR**
12 **APPLICANT;**

13 **(V) THE NATURE AND QUALITY OF EACH CONTROL PERSON;**
14 **AND**

15 **(VI) ANY OTHER FACTOR THAT THE BOARD CONSIDERS**
16 **RELEVANT.**

17 7-305.

18 (a) A license authorizes the licensee to do business as a collection agency at [only
19 the] **EACH licensed location AND UNDER EACH LICENSED NAME, OR AS OTHERWISE**
20 **AUTHORIZED BY REGULATION.**

21 [(b) Subject to § 7-301(c) of this subtitle, a licensee may hold more than 1 license
22 under this title.

23 (c) (1) Each license provided for through NMLS shall include the following
24 information:

25 (i) the name of the licensee;

26 (ii) the address at which the business is to be conducted; and

27 (iii) the unique identifier of the licensee.

28 (2) The unique identifier of the licensee shall constitute the license number

1 for the license.]

2 (B) INFORMATION IN NMLS ASSOCIATED WITH A LICENSE APPROVED BY
3 THE BOARD UNDER THIS SUBTITLE SHALL INCLUDE THE FOLLOWING:

4 (1) THE LICENSEE'S LEGAL NAME AND ANY TRADE NAME USED BY THE
5 LICENSEE IN ACCORDANCE WITH § 2-121 OF THE FINANCIAL INSTITUTIONS
6 ARTICLE;

7 (2) THE ADDRESS OF THE LICENSEE'S PRINCIPAL EXECUTIVE OFFICE;
8 AND

9 (3) THE ADDRESS OF EACH ADDITIONAL LOCATION, IF ANY, WHERE
10 THE LICENSEE DOES BUSINESS AND THAT:

11 (I) THE GENERAL PUBLIC MAY REASONABLY VIEW AS A
12 LOCATION THAT DOES BUSINESS AS A COLLECTION AGENCY, INCLUDING ANY
13 LOCATION THAT INVESTIGATES CUSTOMER COMPLAINTS OR DIRECTLY
14 COMMUNICATES WITH CUSTOMERS VERBALLY, ELECTRONICALLY, OR IN WRITING;

15 (II) HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE OR
16 TECHNOLOGY SYSTEMS;

17 (III) CONDUCTS ANY CORE MANAGEMENT, INFORMATION
18 SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR

19 (IV) IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY
20 REGULATION.

21 (C) A LICENSEE SHALL MAINTAIN AND UPDATE THE INFORMATION IN
22 NMLS ASSOCIATED WITH THE LICENSEE'S LICENSE TO REFLECT ACCURATELY AT
23 ALL TIMES THE INFORMATION REQUIRED BY SUBSECTION (B) OF THIS SECTION.

24 (D) THE UNIQUE IDENTIFIER OF THE LICENSEE SHALL CONSTITUTE THE
25 LICENSE NUMBER FOR THE LICENSE.

26 (E) A LICENSEE MAY NOT ADD, DELETE, OR MODIFY A LOCATION REQUIRED
27 TO BE LISTED IN NMLS UNDER SUBSECTION (B) OF THIS SECTION UNLESS:

28 (1) THE LICENSEE PROVIDES TO THE BOARD, THROUGH NMLS AND
29 IN ACCORDANCE WITH ANY APPLICABLE REGULATIONS, NOTICE OF THE ADDITION,
30 DELETION, OR MODIFICATION;

1 **(2) THE ADDITION, DELETION, OR MODIFICATION OF THE LOCATION**
2 **IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE LICENSEE'S LICENSE**
3 **IN NMLS; AND**

4 **(3) THE ADDITION, DELETION, OR MODIFICATION OF THE LOCATION**
5 **OTHERWISE COMPLIES WITH THIS TITLE.**

6 **(F) THE LICENSEE MAY NOT DO BUSINESS AT A LOCATION REQUIRED TO BE**
7 **LISTED IN NMLS UNDER SUBSECTION (B) OF THIS SECTION UNTIL THE LOCATION**
8 **IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE LICENSEE'S LICENSE**
9 **IN NMLS.**

10 7-306.1.

11 (a) Each licensee shall conspicuously post, in 48 point or larger type, at [the
12 licensee's] **EACH** licensed location, the following information:

13 (1) the licensee's unique identifier; and

14 (2) a statement advising consumers of the availability of the NMLS
15 Consumer Access website to verify the licensing status of the licensee.

16 (c) A licensee is not required to post the information required under subsection
17 (a) of this section **AT A LICENSED LOCATION** if the licensee does not regularly grant access
18 to [the] **THAT** licensed location to members of the general public.

19 7-308.

20 [(b) If the Board finds that a ground for suspension or revocation of a license
21 applies to more than 1 place of business that the licensee operates, the Board may act
22 against:

23 (1) each license of the licensee; or

24 (2) only the licenses to which the ground applies.]

25 [(c)] **(B)** In determining whether to reprimand a licensee or to suspend or revoke
26 a license for a reason described in subsection (a)(2) of this section, the Board shall consider:

27 (1) the nature of the crime;

28 (2) the relationship of the crime to the activities authorized by the license;

29 (3) with respect to a felony, the relevance of the conviction to the fitness
30 and qualification of the licensee to engage in the collection agency business;

1 (4) the length of time since the conviction; and

2 (5) the behavior and activities of the licensee since the conviction.

3 **Article – Commercial Law**

4 14–1216.

5 (d) Except as provided in § 14–1226 of this subtitle, all fees and other revenues
6 collected under this subtitle shall be deposited into the [Nondepository]
7 **NON-DEPOSITORY** Special Fund established under [§ 11–610] **§ 2–120** of the Financial
8 Institutions Article.

9 (e) The Commissioner may require a consumer reporting agency to register
10 through [the Nationwide Mortgage Licensing System and Registry] **NMLS** or through
11 other means specified by the Commissioner by regulation.

12 **Article – Financial Institutions**

13 **2–120.**

14 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
15 **INDICATED.**

16 (2) **“BOARD” MEANS THE STATE COLLECTION AGENCY LICENSING**
17 **BOARD ESTABLISHED UNDER TITLE 7 OF THE BUSINESS REGULATION ARTICLE.**

18 (3) **“FUND” MEANS THE NON-DEPOSITORY SPECIAL FUND**
19 **ESTABLISHED UNDER THIS SECTION.**

20 (4) **“LICENSE” MEANS ANY LICENSE ISSUED BY THE COMMISSIONER**
21 **OR THE BOARD UNDER APPLICABLE LAW.**

22 (5) **“LICENSE CATEGORY” REFERS TO ALL LICENSES ISSUED BY**
23 **EITHER THE COMMISSIONER OR THE BOARD UNDER ANY OF THE FOLLOWING**
24 **PROVISIONS:**

25 (I) **TITLE 11, SUBTITLE 2 OF THIS ARTICLE;**

26 (II) **TITLE 11, SUBTITLE 3 OF THIS ARTICLE;**

27 (III) **TITLE 11, SUBTITLE 4 OF THIS ARTICLE;**

28 (IV) **TITLE 11, SUBTITLE 5 OF THIS ARTICLE;**

1 (V) TITLE 11, SUBTITLE 6 OF THIS ARTICLE;

2 (VI) TITLE 12, SUBTITLE 1 OF THIS ARTICLE;

3 (VII) TITLE 12, SUBTITLE 4 OF THIS ARTICLE;

4 (VIII) TITLE 12, SUBTITLE 9 OF THIS ARTICLE; OR

5 (IX) TITLE 7 OF THE BUSINESS REGULATION ARTICLE.

6 (6) "LICENSED PERSON" MEANS ANY PERSON REQUIRED BY LAW TO
7 BE LICENSED BY EITHER THE COMMISSIONER OR THE BOARD, REGARDLESS OF
8 WHETHER THE PERSON MAINTAINS THE REQUIRED LICENSE.

9 (7) "REGISTERED PERSON" MEANS ANY PERSON REQUIRED BY LAW
10 TO BE REGISTERED BY THE COMMISSIONER OR THE BOARD, REGARDLESS OF
11 WHETHER THE PERSON MAINTAINS THE REQUIRED REGISTRATION.

12 (8) "REGULATED PERSON" MEANS:

13 (I) A LICENSED PERSON OR REGISTERED PERSON; OR

14 (II) ANY PERSON OTHERWISE ENGAGING IN ACTIVITY SUBJECT
15 TO A PROVISION OF LAW, REGULATION, RULE, OR ORDER OVER WHICH THE
16 COMMISSIONER HAS JURISDICTION, OTHER THAN ACTIVITY SUBJECT TO ANY OF
17 TITLES 3 THROUGH 9 OF THIS ARTICLE.

18 (B) THERE IS A NON-DEPOSITORY SPECIAL FUND THAT CONSISTS OF:

19 (1) ALL REVENUES RECEIVED FROM LICENSING FEES FROM EACH
20 LICENSED PERSON;

21 (2) ALL REVENUES RECEIVED FROM REGISTRATION FEES FROM
22 EACH REGISTERED PERSON;

23 (3) ALL REVENUES RECEIVED FROM ANNUAL ASSESSMENTS UNDER
24 SUBSECTION (H) OF THIS SECTION;

25 (4) INCOME FROM THE INVESTMENTS THAT THE STATE TREASURER
26 MAKES FOR THE FUND; AND

27 (5) ANY OTHER FEE, EXAMINATION OR INVESTIGATION FEE OR

1 ASSESSMENT, OR REVENUE RECEIVED BY THE COMMISSIONER OR THE BOARD WITH
2 RESPECT TO ANY REGULATED PERSON.

3 (C) NOTWITHSTANDING SUBSECTION (B) OF THIS SECTION:

4 (1) THE COMMISSIONER AND THE BOARD SHALL PAY ALL FINES AND
5 PENALTIES COLLECTED FROM ANY REGULATED PERSON INTO THE GENERAL FUND
6 OF THE STATE; AND

7 (2) REVENUE RECEIVED BY THE COMMISSIONER FOR USE OF THE
8 FORECLOSED PROPERTY REGISTRY ESTABLISHED UNDER TITLE 7 OF THE REAL
9 PROPERTY ARTICLE SHALL BE PAID BY THE COMMISSIONER TO THE FORECLOSED
10 PROPERTY REGISTRY FUND ESTABLISHED UNDER § 7-105.14 OF THE REAL
11 PROPERTY ARTICLE.

12 (D) THE PURPOSE OF THE FUND IS TO COVER THE DIRECT AND INDIRECT
13 COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES OF THE
14 COMMISSIONER AND THE BOARD RELATED TO REGULATED PERSONS.

15 (E) (1) THE ANNUAL STATE BUDGET SHALL INCLUDE THE COSTS AND
16 EXPENSES OF THE COMMISSIONER AND THE BOARD RELATING TO SUBSECTION (D)
17 OF THIS SECTION.

18 (2) ANY EXPENDITURES FROM THE FUND TO COVER COSTS AND
19 EXPENSES OF THE COMMISSIONER AND THE BOARD RELATING TO SUBSECTION (D)
20 OF THIS SECTION MAY BE MADE ONLY:

21 (I) WITH AN APPROPRIATION FROM THE FUND APPROVED BY
22 THE GENERAL ASSEMBLY IN THE ANNUAL STATE BUDGET; OR

23 (II) BY THE BUDGET AMENDMENT PROCEDURE UNDER § 7-209
24 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

25 (3) IF, IN ANY FISCAL YEAR, THE AMOUNT OF THE REVENUE
26 COLLECTED BY THE COMMISSIONER AND THE BOARD AND DEPOSITED INTO THE
27 FUND EXCEEDS THE ACTUAL APPROPRIATION FOR THE COMMISSIONER AND THE
28 BOARD UNDER PARAGRAPH (2)(I) OF THIS SUBSECTION, THE EXCESS AMOUNT
29 SHALL BE CARRIED FORWARD WITHIN THE FUND.

30 (F) (1) THE STATE TREASURER IS THE CUSTODIAN OF THE FUND.

31 (2) THE STATE TREASURER SHALL DEPOSIT PAYMENTS RECEIVED
32 FROM THE COMMISSIONER AND THE BOARD INTO THE FUND.

1 **(G) (1) (I) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
2 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

3 **(II) THE FUND MAY NOT BE DEEMED A PART OF THE GENERAL**
4 **FUND OF THE STATE.**

5 **(2) UNLESS OTHERWISE PROVIDED BY LAW, NO PART OF THE FUND**
6 **MAY REVERT OR BE CREDITED TO:**

7 **(I) THE GENERAL FUND OF THE STATE; OR**

8 **(II) ANY OTHER SPECIAL FUND OF THE STATE.**

9 **(H) (1) IN ORDER TO ENSURE THE FUND CONTAINS SUFFICIENT**
10 **AMOUNTS TO ACHIEVE ITS PURPOSE UNDER SUBSECTION (D) OF THIS SECTION, THE**
11 **COMMISSIONER MAY IMPOSE AN ANNUAL ASSESSMENT ON ANY LICENSED PERSON**
12 **NOT MORE THAN ONCE EACH YEAR.**

13 **(2) IN CALCULATING AN ASSESSMENT WITH RESPECT TO ANY**
14 **LICENSED PERSON, THE COMMISSIONER MAY CONSIDER:**

15 **(I) THE COSTS INCURRED BY THE COMMISSIONER OR THE**
16 **BOARD IN SUPERVISING LICENSED PERSONS OF THAT LICENSE CATEGORY;**

17 **(II) THE TYPE OF BUSINESS CONDUCTED IN THE STATE BY THAT**
18 **LICENSED PERSON;**

19 **(III) THE VOLUME OF BUSINESS THAT LICENSED PERSON**
20 **CONDUCTS IN THE STATE;**

21 **(IV) ASSETS OF THE LICENSED PERSON; AND**

22 **(V) ANY OTHER FACTOR THE COMMISSIONER CONSIDERS**
23 **APPROPRIATE.**

24 **(3) A LICENSED PERSON SHALL PAY ANY ASSESSMENT IMPOSED**
25 **UNDER THIS SECTION TO THE COMMISSIONER WITHIN 30 CALENDAR DAYS AFTER**
26 **THE ASSESSMENT IS IMPOSED.**

27 **(4) (I) FAILURE BY A LICENSED PERSON TO TIMELY PAY AN**
28 **ANNUAL ASSESSMENT UNDER THIS SECTION IS A VIOLATION OF THIS SECTION.**

1 **(II) THE COMMISSIONER MAY TAKE ACTION FOR THE**
2 **VIOLATION AGAINST THE LICENSED PERSON AND THE LICENSE UNDER APPLICABLE**
3 **LAW.**

4 **2-121.**

5 **(A) BEFORE USING A TRADE NAME TO ENGAGE IN ANY ACTIVITY REQUIRING**
6 **A LICENSE OR REGISTRATION FROM THE COMMISSIONER OR THE STATE**
7 **COLLECTION AGENCY LICENSING BOARD, THE LICENSED OR REGISTERED PERSON**
8 **SHALL:**

9 **(1) REGISTER THE TRADE NAME WITH THE STATE DEPARTMENT OF**
10 **ASSESSMENTS AND TAXATION; AND**

11 **(2) OBTAIN THE APPROVAL OF THE COMMISSIONER, OR THE STATE**
12 **COLLECTION AGENCY LICENSING BOARD IF LICENSED BY THE BOARD, TO USE THE**
13 **TRADE NAME BY:**

14 **(i) DESIGNATING ON AN ORIGINAL LICENSE OR REGISTRATION**
15 **APPLICATION OR ON A LICENSE OR REGISTRATION RENEWAL APPLICATION**
16 **THROUGH NMLS THE TRADE NAME UNDER WHICH THE LICENSED OR REGISTERED**
17 **PERSON WILL ENGAGE IN LICENSED ACTIVITY IN THE STATE; OR**

18 **(ii) IF THE PERSON WISHES TO BEGIN USING A TRADE NAME**
19 **BEFORE RENEWING A LICENSE OR REGISTRATION, NOTIFYING THE COMMISSIONER,**
20 **OR THE STATE COLLECTION AGENCY LICENSING BOARD IF LICENSED BY THE**
21 **BOARD, IN WRITING BY LISTING THE TRADE NAME IN THE PERSON'S NMLS RECORD.**

22 **(B) AFTER RECEIVING APPROVAL FROM THE COMMISSIONER OR FROM THE**
23 **STATE COLLECTION AGENCY LICENSING BOARD IF LICENSED BY THE BOARD FOR**
24 **THE USE OF A TRADE NAME, THE LICENSED OR REGISTERED PERSON SHALL:**

25 **(1) MAINTAIN REGISTRATION OF THE TRADE NAME IN ACCORDANCE**
26 **WITH § 1-406 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE AND ANY**
27 **IMPLEMENTING REGULATIONS;**

28 **(2) LIST THE TRADE NAME IN NMLS; AND**

29 **(3) IMMEDIATELY NOTIFY THE COMMISSIONER, OR THE STATE**
30 **COLLECTION AGENCY LICENSING BOARD IF LICENSED BY THE BOARD, IF THE**
31 **PERSON AMENDS, CANCELS, OR OTHERWISE FAILS TO RENEW THE REGISTRATION**
32 **OF THE TRADE NAME.**

1 11-201.

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

3 (b) [“Branch location” means any location other than the principal executive office
4 of a licensee or license applicant at which the licensee conducts, or the license applicant, on
5 licensure, will conduct, activities required to be licensed under this subtitle.

6 (c)] (1) “Control person” means a person who has the power, directly or
7 indirectly, to direct the management or policies of a licensee or license applicant, whether
8 through ownership of securities, by contract, or otherwise.

9 (2) “Control person” includes a person who:

10 (i) Is a general partner, an officer, or a director of a licensee or
11 license applicant, or occupies a similar position or performs a similar function;

12 (ii) Directly or indirectly has the right to vote 10% or more of a class
13 of voting securities, or has the power to sell or direct the sale of 10% or more of a class of
14 voting securities of a licensee or license applicant; or

15 (iii) In the case of a partnership, a limited partnership, a limited
16 liability partnership, a limited liability company, or any other business entity:

17 1. Has the right to receive on liquidation or dissolution of a
18 licensee or license applicant 10% or more of the capital of the licensee or license applicant;
19 or

20 2. Has contributed 10% or more of the capital of a licensee or
21 license applicant.

22 [(d)] (C) “License” means a license issued in any form by the Commissioner
23 under this subtitle to make loans under the Maryland Consumer Loan Law, including as
24 provided for through NMLS.

25 (D) “LICENSED LOCATION” MEANS ANY LOCATION LISTED BY THE LICENSEE
26 IN NMLS IN ACCORDANCE WITH THIS SUBTITLE.

27 (E) “LICENSED NAME” MEANS:

28 (1) THE LICENSEE’S LEGAL NAME; AND

29 (2) ANY TRADE NAME USED BY THE LICENSEE IN ACCORDANCE WITH
30 § 2-121 OF THIS ARTICLE.

31 [(d-1)] (F) “Licensee” means a person licensed under this subtitle to make loans

1 under the Maryland Consumer Loan Law.

2 [(e)] (G) “Loan” means any loan or advance of money or credit subject to Title
3 12, Subtitle 3 of the Commercial Law Article, the Maryland Consumer Loan Law – Credit
4 Provisions, regardless of whether the loan or advance of money or credit is or purports to
5 be made under Title 12, Subtitle 3 of the Commercial Law Article.

6 [(f)] (H) “Maryland Consumer Loan Law” means this subtitle and Title 12,
7 Subtitle 3 of the Commercial Law Article.

8 [(g)] (I) “Person” includes an individual, corporation, business trust, statutory
9 trust, estate, trust, partnership, association, two or more persons having a joint or common
10 interest, or any other legal or commercial entity.

11 [(h)] (J) “Unique identifier” means a number or another identifier assigned by
12 NMLS.

13 11–203.1.

14 [(b)] A separate license is required for the principal executive office of the license
15 applicant or licensee and each branch location.]

16 (B) EXCEPT AS OTHERWISE PROVIDED IN § 11–204 OF THIS SUBTITLE OR
17 AUTHORIZED BY THE COMMISSIONER BY REGULATION, A LICENSEE MAY NOT
18 ENGAGE IN THE BUSINESS OF MAKING LOANS AT A LOCATION OTHER THAN A
19 LICENSED LOCATION.

20 11–203.3.

21 (a) All revenue received for the licensing AND ASSESSMENT of persons under this
22 subtitle and Subtitle 3 of this title and any other fee or revenue received by the
23 Commissioner under this subtitle shall be:

24 (1) Credited to the [Nondepository] NON-DEPOSITORY Special Fund
25 established under [§ 11–610] § 2–120 of this [title] ARTICLE; and

26 (2) Used in accordance with [§ 11–610(c)] § 2–120(D) of this [title]
27 ARTICLE.

28 (C) SUBJECT TO § 2–120(H) OF THIS ARTICLE, THE COMMISSIONER MAY
29 IMPOSE AN ANNUAL ASSESSMENT ON ANY LICENSEE UNDER THIS SUBTITLE.

30 11–204.

31 (a) A person may not:

1 (1) Receive any application for a loan or allow any note or contract for a
2 loan to be signed at any place of business [for which the person does not have a license]
3 **THAT IS NOT A LICENSED LOCATION;**

4 (2) Conduct any business under the Maryland Consumer Loan Law under
5 a name different from the [name that appears on the person's license] **LICENSED NAME;**
6 or

7 (3) Evade the application of this section by any device, subterfuge, or
8 pretense of any kind.

9 (c) Notwithstanding subsections (a) and (b) of this section, for a loan that is to be
10 secured by residential real property:

11 (2) Except as provided in item (3) of this subsection, the loan closing shall
12 be conducted at:

13 (i) [The lender's] **A** licensed location;

14 (ii) The office of an attorney representing the licensee, the borrower,
15 the title company, or title insurer in connection with the loan; or

16 (iii) The office of the title insurer or title agency performing closing
17 services in connection with the loan; and

18 11-206.

19 (a) (2) The application shall include:

20 (i) The applicant's **LEGAL** name[, the] **AND ANY TRADE NAME**
21 **USED BY THE APPLICANT IN ACCORDANCE WITH § 2-121 OF THIS ARTICLE;**

22 **(II) THE** applicant's principal executive office address[, and, if];

23 **(III) IF** the applicant is not an individual, the name and residence
24 address of each control person;

25 **[(ii)] (IV)** The address of each [branch] **ADDITIONAL** location, if
26 any, **THAT:**

27 **1. THE GENERAL PUBLIC MAY REASONABLY VIEW AS A**
28 **LOCATION THAT MAKES LOANS, INCLUDING ANY LOCATION THAT INVESTIGATES**
29 **CUSTOMER COMPLAINTS OR DIRECTLY COMMUNICATES WITH CUSTOMERS**
30 **VERBALLY, ELECTRONICALLY, OR IN WRITING;**

1 **2. HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE**
2 **OR TECHNOLOGY SYSTEMS;**

3 **3. CONDUCTS ANY CORE MANAGEMENT, INFORMATION**
4 **SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR**

5 **4. IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY**
6 **REGULATION THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE; and**

7 **[(iii)] (v)** Any other pertinent information that the Commissioner
8 requires for an investigation and findings under § 11–207 of this subtitle.

9 (c) (3) The bond shall be:

10 (i) In an amount [equal to twice the amount of the largest loan that
11 may be made under the Maryland Consumer Loan Law] **DETERMINED BY THE**
12 **COMMISSIONER UNDER SUBSECTION (D) OF THIS SECTION;**

13 [(d) For the principal executive office and each branch location license for which
14 an applicant applies, the applicant shall:

15 (1) Submit a separate application; and

16 (2) Pay a separate investigation fee and license fee.]

17 **(D) (1) THE AMOUNT OF THE SURETY BOND UNDER SUBSECTION (C) OF**
18 **THIS SECTION SHALL BE IN AN AMOUNT OF NOT LESS THAN \$50,000 AND NOT MORE**
19 **THAN \$200,000, AS DETERMINED BY THE COMMISSIONER FOR EACH LICENSEE.**

20 **(2) IN SETTING THE AMOUNT OF THE SURETY BOND, THE**
21 **COMMISSIONER MAY CONSIDER:**

22 **(I) THE NATURE AND VOLUME OF THE BUSINESS OR PROPOSED**
23 **BUSINESS OF THE LICENSEE OR APPLICANT;**

24 **(II) THE FINANCIAL CONDITION OF THE LICENSEE OR**
25 **APPLICANT, INCLUDING:**

26 **1. THE AMOUNT, NATURE, QUALITY, AND LIQUIDITY OF**
27 **THE ASSETS OF THE LICENSEE OR APPLICANT;**

28 **2. THE AMOUNT AND NATURE OF THE LIABILITIES,**
29 **INCLUDING CONTINGENT LIABILITIES, OF THE LICENSEE OR APPLICANT;**

1 **3. THE HISTORY OF AND PROSPECTS FOR THE LICENSEE**
2 **OR APPLICANT TO EARN AND RETAIN INCOME; AND**

3 **4. THE POTENTIAL HARM TO CONSUMERS IF THE**
4 **APPLICANT OR LICENSEE BECOMES FINANCIALLY IMPAIRED;**

5 **(III) THE QUALITY OF THE OPERATIONS OF THE LICENSEE OR**
6 **APPLICANT;**

7 **(IV) THE QUALITY OF THE MANAGEMENT OF THE LICENSEE OR**
8 **APPLICANT;**

9 **(V) THE NATURE AND QUALITY OF THE PERSON THAT HAS**
10 **CONTROL OF THE LICENSEE OR APPLICANT; AND**

11 **(VI) ANY OTHER FACTOR THAT THE COMMISSIONER CONSIDERS**
12 **RELEVANT.**

13 [11–208.

14 (a) (1) Each license provided for through NMLS shall include the following
15 information:

16 (i) The name of the licensee;

17 (ii) The address of the location at which the business is to be
18 conducted; and

19 (iii) The unique identifier of the licensee.

20 (2) The unique identifier of the licensee shall constitute the license number
21 for the license.

22 (b) (1) A license authorizes the licensee to do business under the license, at the
23 licensed location and under the name stated on the license.

24 (2) Only one location may be maintained under any one license.

25 (c) Subject to § 11–203.1(b) of this subtitle, the Commissioner may issue more
26 than one license to an applicant who:

27 (1) Conducts activities for which a license is required at more than one
28 location;

1 (2) Complies with § 11–206 of this subtitle; and

2 (3) Otherwise meets the requirements of this subtitle.]

3 **11–208.**

4 (A) INFORMATION IN NMLS ASSOCIATED WITH A LICENSE APPROVED BY
5 THE COMMISSIONER UNDER THIS SUBTITLE SHALL INCLUDE THE FOLLOWING:

6 (1) THE LICENSEE’S LEGAL NAME AND ANY TRADE NAME USED BY
7 THE LICENSEE IN ACCORDANCE WITH § 2–121 OF THIS ARTICLE;

8 (2) THE ADDRESS OF THE LICENSEE’S PRINCIPAL EXECUTIVE
9 OFFICE; AND

10 (3) THE ADDRESS OF EACH ADDITIONAL LOCATION, IF ANY, WHERE
11 THE LICENSEE DOES BUSINESS AND THAT:

12 (I) THE GENERAL PUBLIC MAY REASONABLY VIEW AS A
13 LOCATION THAT MAKES LOANS, INCLUDING ANY LOCATION THAT INVESTIGATES
14 CUSTOMER COMPLAINTS OR DIRECTLY COMMUNICATES WITH CUSTOMERS
15 VERBALLY, ELECTRONICALLY, OR IN WRITING;

16 (II) HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE OR
17 TECHNOLOGY SYSTEMS;

18 (III) CONDUCTS ANY CORE MANAGEMENT, INFORMATION
19 SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR

20 (IV) IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY
21 REGULATION THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE.

22 (B) A LICENSEE SHALL MAINTAIN AND UPDATE THE INFORMATION IN
23 NMLS ASSOCIATED WITH THE LICENSEE’S LICENSE TO REFLECT ACCURATELY AT
24 ALL TIMES THE INFORMATION REQUIRED BY SUBSECTION (A) OF THIS SECTION.

25 (C) THE UNIQUE IDENTIFIER OF THE LICENSEE SHALL CONSTITUTE THE
26 LICENSE NUMBER FOR THE LICENSE.

27 (D) A LICENSE AUTHORIZES THE LICENSEE TO DO BUSINESS UNDER THE
28 LICENSE AT ANY LICENSED LOCATION AND UNDER ANY LICENSED NAME, OR AS
29 OTHERWISE AUTHORIZED BY THE COMMISSIONER THROUGH REGULATION.

30 11–210.

1 (b) (1) Each licensee shall conspicuously post, in 48 point or larger type, at
2 [the licensee's] **EACH** licensed location the following information:

3 (i) The licensee's unique identifier; and

4 (ii) A statement advising consumers of the availability of the NMLS
5 Consumer Access website to verify the licensing status of the licensee.

6 (c) A licensee is not required to post the information required in subsection (b)(1)
7 of this section **AT A LICENSED LOCATION** if the licensee does not **REGULARLY** grant
8 [regular] access to [the] **THAT** licensed location to members of the general public.

9 [11-211.

10 A licensee may not change the location for which a license is issued unless the
11 licensee:

12 (1) Provides to the Commissioner, in the form and in accordance with the
13 process that the Commissioner requires, notice of the proposed change; and

14 (2) Receives the written consent of the Commissioner by United States
15 mail, e-mail, or any means provided through NMLS.]

16 **11-211.**

17 **(A) A LICENSEE MAY NOT ADD, DELETE, OR MODIFY A LOCATION REQUIRED**
18 **TO BE LISTED IN NMLS UNDER § 11-208(A)(2) OR (3) OF THIS SUBTITLE UNLESS:**

19 **(1) THE LICENSEE PROVIDES TO THE COMMISSIONER, THROUGH**
20 **NMLS AND IN ACCORDANCE WITH ANY REGULATIONS THE COMMISSIONER ADOPTS,**
21 **NOTICE OF THE ADDITION, DELETION, OR MODIFICATION;**

22 **(2) THE ADDITION, DELETION, OR MODIFICATION OF THE LOCATION**
23 **IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE LICENSEE'S LICENSE**
24 **IN NMLS; AND**

25 **(3) THE ADDITION, DELETION, OR MODIFICATION OF THE LOCATION**
26 **OTHERWISE COMPLIES WITH THIS SUBTITLE.**

27 **(B) THE LICENSEE MAY NOT DO BUSINESS AT A LOCATION REQUIRED TO BE**
28 **LISTED IN NMLS BY § 11-208(A)(2) OR (3) OF THIS SUBTITLE UNTIL THE LOCATION**
29 **IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE LICENSEE'S LICENSE**
30 **IN NMLS.**

1 11-401.

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

3 (b) “Agreement” means an installment sale agreement, a renewed or extended
4 installment sale agreement, and any renewal, extension, or refund agreement made in
5 connection with an installment sale agreement.

6 (c) [“Branch location” means any location other than the principal executive office
7 of a licensee or license applicant at which the licensee conducts, or the license applicant, on
8 licensure, will conduct, activities required to be licensed under this subtitle.

9 (d) (1) “Buyer” means a person who buys or leases goods under an installment
10 sale agreement, even though the person has entered into one or more renewal, extension,
11 or refund agreements.

12 (2) “Buyer” includes a prospective buyer.

13 [(e)] (D) (1) “Collateral security” means any security interest in,
14 encumbrance on, or pledge of property or goods that is given to secure performance of an
15 obligation of a buyer or a surety for a buyer under an agreement.

16 (2) “Collateral security” includes the undertaking of a surety for a buyer.

17 (3) “Collateral security” does not include any goods or interest in goods that
18 are the subject of an installment sale agreement.

19 [(f)] (E) (1) “Control person” means a person who has the power, directly or
20 indirectly, to direct the management or policies of a licensee or license applicant, whether
21 through ownership of securities, by contract, or otherwise.

22 (2) “Control person” includes a person who:

23 (i) Is a general partner, an officer, a director, or a member of a
24 licensee or license applicant, or occupies a similar position or performs a similar function;

25 (ii) Directly or indirectly has the right to vote 20% or more of a class
26 of voting securities, or has the power to sell or direct the sale of 20% or more of a class of
27 voting securities, of a licensee or license applicant; or

28 (iii) In the case of a partnership, a limited partnership, a limited
29 liability partnership, a limited liability company, or any other business entity:

30 1. Has the right to receive on liquidation or dissolution of a
31 licensee or license applicant 20% or more of the capital of the licensee or license applicant;
32 or

1 § 2-121 OF THIS ARTICLE.

2 [(i-1)] (K) “Licensee” means a person licensed under this subtitle to [engage in]
3 DO business as a sales finance company.

4 [(j)] (L) “Person” includes an individual, corporation, business trust, statutory
5 trust, estate, trust, partnership, association, two or more persons having a joint or common
6 interest, or any other legal or commercial entity.

7 [(k)] (M) “Retail sale” means the sale of goods for use or consumption by the
8 buyer or for the benefit or satisfaction that the buyer may derive from the use or
9 consumption of the goods by another, but not for resale by the buyer.

10 [(l)] (N) “Sales finance company” means a person who is engaged, whether by
11 purchase, discount, pledge, loan, or otherwise, in the business of acquiring, investing in, or
12 lending money or credit on the security of any interest in:

13 (1) An installment sale agreement made between other parties;

14 (2) A retail credit account transaction, as defined in § 12-501 of the
15 Commercial Law Article, made between other parties; or

16 (3) A transaction that deals with home improvement, as defined in § 8-101
17 of the Business Regulation Article, made between other parties, if collateral security is
18 required by and given to the contractor as a condition to the transaction.

19 [(m)] (O) “Security interest” has the meaning stated in § 1-201(37) of the
20 Commercial Law Article.

21 [(n)] (P) “Seller” means a person who sells or leases or agrees to sell or lease
22 goods under an installment sale agreement.

23 [(o)] (Q) (1) “Surety” includes a guarantor.

24 (2) “Surety” does not include a seller who sells, transfers, or assigns an
25 agreement.

26 [(p)] (R) “Unique identifier” means a number or another identifier assigned by
27 NMLS.

28 11-402.1.

29 (a) All revenue received for the licensing AND ASSESSMENT of persons under this
30 subtitle and any other fee, investigation fee or assessment, or revenue received by the
31 Commissioner under this subtitle shall be:

1 (1) Credited to the [Nondepository] **NON-DEPOSITORY** Special Fund
2 established under [§ 11-610] **§ 2-120** of this [title] **ARTICLE**; and

3 (2) Used in accordance with [§ 11-610(c)] **§ 2-120(D)** of this [title]
4 **ARTICLE**.

5 (c) **SUBJECT TO § 2-120(H) OF THIS ARTICLE, THE COMMISSIONER MAY**
6 **IMPOSE AN ANNUAL ASSESSMENT ON ANY LICENSEE UNDER THIS SUBTITLE.**

7 11-403.

8 (b) A [separate license is required for the principal executive office and each
9 branch location where a person engages in business as a sales finance company] **LICENSEE**
10 **MAY DO BUSINESS AS A SALES FINANCE COMPANY ONLY AT A LICENSED LOCATION**
11 **OR AS OTHERWISE AUTHORIZED BY THE COMMISSIONER THROUGH REGULATION.**

12 11-404.

13 (a) (2) The application shall include:

14 (i) The applicant's **LEGAL** name[, the] **AND ANY TRADE NAME**
15 **USED BY THE APPLICANT IN ACCORDANCE WITH § 2-121 OF THIS ARTICLE;**

16 (ii) **THE** applicant's principal executive office address[, and, if];

17 (iii) **IF** the applicant is not an individual, the name and residence
18 address of each control person;

19 [(ii)] (iv) The address of each [branch] **ADDITIONAL** location, if
20 any, **THAT:**

21 1. **THE GENERAL PUBLIC MAY REASONABLY VIEW AS A**
22 **LOCATION THAT DOES BUSINESS AS A SALES FINANCE COMPANY, INCLUDING ANY**
23 **LOCATION THAT INVESTIGATES CUSTOMER COMPLAINTS OR DIRECTLY**
24 **COMMUNICATES WITH CUSTOMERS VERBALLY, ELECTRONICALLY, OR IN WRITING;**

25 2. **HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE**
26 **OR TECHNOLOGY SYSTEMS;**

27 3. **CONDUCTS ANY CORE MANAGEMENT, INFORMATION**
28 **SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR**

29 4. **IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY**
30 **REGULATION THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE; and**

1 [(iii)] (v) Any other pertinent information that the Commissioner
2 requires.

3 [(c) For the principal executive office and each branch location license for which
4 an applicant applies, the applicant shall:

5 (1) Submit a separate application; and

6 (2) Pay a separate investigation fee and license fee.]

7 11-406.

8 (a) In addition to the investigation fee required by § 11-404 of this subtitle, if an
9 applicant [applies for a license for a place of business that is located] **REQUESTS ANY**
10 **LICENSED LOCATION** outside of [this] **THE State AND THE INVESTIGATION INCLUDES**
11 **TRAVEL TO THAT LOCATION**, the applicant shall pay to the Commissioner, on
12 presentation by the Commissioner of a detailed account, the reasonable travel and living
13 expenses incurred on account of the investigation.

14 [11-408.

15 (a) (1) Each license provided for through NMLS shall include the following
16 information:

17 (i) The name of the licensee;

18 (ii) The address of the location at which the business will be
19 conducted; and

20 (iii) The unique identifier of the licensee.

21 (2) The unique identifier of the licensee shall constitute the license number
22 for the license.

23 (b) (1) A license authorizes the licensee to do business under the license, at the
24 licensed location and under the name stated on the license.

25 (2) Only one location may be maintained under any one license.

26 (c) Subject to § 11-403(b) of this subtitle, the Commissioner may issue more than
27 one license to an applicant who:

28 (1) Conducts activities for which a license is required at more than one
29 branch location;

1 (2) Complies with §§ 11–404 and 11–406 of this subtitle; and

2 (3) Otherwise meets the requirements of this subtitle.]

3 **11–408.**

4 (A) INFORMATION IN NMLS ASSOCIATED WITH A LICENSE APPROVED BY
5 THE COMMISSIONER UNDER THIS SUBTITLE SHALL INCLUDE THE FOLLOWING:

6 (1) THE LICENSEE’S LEGAL NAME AND ANY TRADE NAME USED BY
7 THE LICENSEE IN ACCORDANCE WITH § 2–121 OF THIS ARTICLE;

8 (2) THE ADDRESS OF THE LICENSEE’S PRINCIPAL EXECUTIVE
9 OFFICE; AND

10 (3) THE ADDRESS OF EACH ADDITIONAL LOCATION, IF ANY, WHERE
11 THE LICENSEE DOES BUSINESS AND THAT:

12 (I) THE GENERAL PUBLIC MAY REASONABLY VIEW AS A
13 LOCATION THAT DOES BUSINESS AS A SALES FINANCE COMPANY, INCLUDING ANY
14 LOCATION THAT INVESTIGATES CUSTOMER COMPLAINTS OR DIRECTLY
15 COMMUNICATES WITH CUSTOMERS VERBALLY, ELECTRONICALLY, OR IN WRITING;

16 (II) HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE OR
17 TECHNOLOGY SYSTEMS;

18 (III) CONDUCTS ANY CORE MANAGEMENT, INFORMATION
19 SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR

20 (IV) IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY
21 REGULATION THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE.

22 (B) A LICENSEE SHALL MAINTAIN AND UPDATE THE INFORMATION IN
23 NMLS ASSOCIATED WITH THE LICENSEE’S LICENSE TO REFLECT ACCURATELY AT
24 ALL TIMES THE INFORMATION REQUIRED BY SUBSECTION (A) OF THIS SECTION.

25 (C) THE UNIQUE IDENTIFIER OF THE LICENSEE SHALL CONSTITUTE THE
26 LICENSE NUMBER FOR THE LICENSE.

27 (D) A LICENSE AUTHORIZES THE LICENSEE TO DO BUSINESS UNDER THE
28 LICENSE AT ANY LICENSED LOCATION AND UNDER ANY LICENSED NAME, OR AS
29 OTHERWISE AUTHORIZED BY THE COMMISSIONER THROUGH REGULATION.

30 11–410.

1 (b) (1) Each licensee shall conspicuously post, in 48 point or larger type, at
2 [the licensee's] EACH licensed location the following information:

3 (i) The licensee's unique identifier; and

4 (ii) A statement advising consumers of the availability of the NMLS
5 Consumer Access website to verify the licensing status of the licensee.

6 (c) A licensee is not required to post the information required in subsection (b)(1)
7 of this section AT A LICENSED LOCATION if the licensee does not REGULARLY grant
8 [regular] access to [the] THAT licensed location to members of the general public.

9 [11-411.

10 If a licensee changes the location for which a license is issued, the licensee
11 immediately shall provide to the Commissioner, in the form and in accordance with the
12 process that the Commissioner requires, notice of the change.]

13 11-411.

14 (A) A LICENSEE MAY NOT ADD, DELETE, OR MODIFY A LOCATION REQUIRED
15 TO BE LISTED IN NMLS UNDER § 11-408(A)(2) OR (3) OF THIS SUBTITLE UNLESS:

16 (1) THE LICENSEE PROVIDES TO THE COMMISSIONER, THROUGH
17 NMLS AND IN ACCORDANCE WITH ANY REGULATIONS THE COMMISSIONER ADOPTS,
18 NOTICE OF THE ADDITION, DELETION, OR MODIFICATION;

19 (2) THE ADDITION, DELETION, OR MODIFICATION OF THE LOCATION
20 IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE LICENSEE'S LICENSE
21 IN NMLS; AND

22 (3) THE ADDITION, DELETION, OR MODIFICATION OF THE LOCATION
23 OTHERWISE COMPLIES WITH THIS SUBTITLE.

24 (B) THE LICENSEE MAY NOT DO BUSINESS AT A LOCATION REQUIRED TO BE
25 LISTED IN NMLS BY § 11-408(A)(2) OR (3) OF THIS SUBTITLE UNTIL THE LOCATION
26 IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE LICENSEE'S LICENSE
27 IN NMLS.

28 11-414.

29 [(a)] Subject to the hearing provisions of § 11-415 of this subtitle, the
30 Commissioner may suspend or revoke the license of any licensee, if:

1 (1) The licensee knowingly or without exercising due care:

2 (i) Violates any provision of this subtitle or of any other law that
3 regulates agreements; or

4 (ii) Fails to comply with any demand or requirement that the
5 Commissioner makes under this subtitle;

6 (2) The licensee makes any material misstatement in an application for a
7 license;

8 (3) The licensee defrauds any buyer, to the buyer's damage;

9 (4) The licensee willfully fails to carry out any written agreement with a
10 buyer;

11 (5) The licensee knowingly and repeatedly violates any provision of the
12 Maryland Consumer Debt Collection Act;

13 (6) An officer, director, or trustee of or partner in the licensee is responsible
14 for any act or omission that would be a ground for suspending or revoking a license; or

15 (7) Any agent or employee of the licensee is responsible for any act or
16 omission that would be a ground for suspending or revoking a license, if the licensee:

17 (i) Approves or knows of that or similar acts or omissions; and

18 (ii) After giving approval or learning of the act or omission, keeps
19 any benefit, proceeds, profit, or advantage resulting from the act or omission or otherwise
20 ratifies the act or omission.

21 [(b) If the licensee has more than one place of business, the Commissioner may
22 suspend or revoke only the licenses of the places of business to which the grounds for
23 suspension or revocation relate. However, if the Commissioner suspends or revokes the
24 license of one place of business and finds that the grounds for that action apply to any other
25 place of business, the Commissioner shall take the same action against the license for each
26 other place of business to which the grounds apply.]

27 11-501.

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

29 **(F-1) "LICENSED LOCATION" MEANS ANY LOCATION LISTED BY THE LICENSEE**
30 **IN NMLS IN ACCORDANCE WITH THIS SUBTITLE.**

31 **(F-2) "LICENSED NAME" MEANS:**

1 **(1) THE LICENSEE'S LEGAL NAME; AND**

2 **(2) ANY TRADE NAME USED BY THE LICENSEE IN ACCORDANCE WITH**
3 **§ 2-121 OF THIS ARTICLE.**

4 11-503.1.

5 (b) The fees established by the Commissioner under this section **TOGETHER**
6 **WITH ANY ASSESSMENTS OF LICENSEES UNDER THIS SUBTITLE** shall be reasonable
7 and set in a manner that will **COLLECTIVELY** produce funds sufficient to cover the [actual]
8 direct and indirect costs of [regulating] **FULFILLING THE STATUTORY AND**
9 **REGULATORY DUTIES OF THE COMMISSIONER RELATED TO** licensees in accordance
10 with [the provisions of] this subtitle.

11 11-503.2.

12 (a) All revenue received for the licensing **AND ASSESSMENT** of persons under this
13 subtitle and any other fee, examination or investigation fee or assessment, or revenue
14 received by the Commissioner under this subtitle shall be:

15 (1) Credited to the [Nondepository] **NON-DEPOSITORY** Special Fund
16 established under [§ 11-610] **§ 2-120** of this [title] **ARTICLE**; and

17 (2) Used in accordance with [§ 11-610(c)] **§ 2-120(D)** of this [title]
18 **ARTICLE**.

19 **(C) SUBJECT TO § 2-120(H) OF THIS ARTICLE, THE COMMISSIONER MAY**
20 **IMPOSE AN ANNUAL ASSESSMENT ON ANY LICENSEE UNDER THIS SUBTITLE.**

21 11-505.

22 (a) A license issued under this subtitle authorizes the licensee to act as a
23 mortgage lender under the license at [the] **ANY** licensed [place of business] **LOCATION**
24 **AND UNDER ANY LICENSED NAME, OR AS OTHERWISE AUTHORIZED BY THE**
25 **COMMISSIONER THROUGH REGULATION.**

26 (b) [Only one place of business may be maintained under any one license]
27 **EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION OR AS OTHERWISE**
28 **AUTHORIZED BY THE COMMISSIONER THROUGH REGULATION, A LICENSEE MAY DO**
29 **BUSINESS AS A MORTGAGE LENDER ONLY AT A LICENSED LOCATION.**

30 [(c) A mortgage lender may maintain more than one license under this subtitle
31 provided that a separate application for each license is made pursuant to § 11-507 of this
32 subtitle and the Commissioner approves such application.

1 (d) (1) (i) Each license provided for through NMLS shall include the
2 following information:

- 3 1. The name of the licensee;
- 4 2. The address at which the business is to be conducted; and
- 5 3. The unique identifier of the licensee.

6 (ii) The unique identifier of the licensee shall constitute the license
7 number for the license.

8 (2) A person may not conduct any mortgage loan business at any location
9 or under any name different from the address and name that appears on the person's
10 license.]

11 [(e)] (C) (1) A licensee may not allow any note, or loan contract, mortgage, or
12 evidence of indebtedness secured by a secondary mortgage or deed of trust on a dwelling or
13 residential real estate to be signed or executed at any place [for which the person does not
14 have a license] **OTHER THAN A LICENSED LOCATION**, except at the office of:

15 (i) The attorney for the borrower or for the licensee; or

16 (ii) A title insurance company, a title company, or an attorney for a
17 title insurance company or a title company.

18 (2) Notwithstanding paragraph (1) of this subsection, a licensee may
19 conduct the loan closing at another location at the written request of the borrower or the
20 borrower's designee to accommodate the borrower because of the borrower's sickness.

21 (3) The Commissioner shall adopt regulations to ensure that the loan
22 application process is conducted fairly and in a manner consistent with the best interests
23 of both the borrower and mortgage lender.

24 [(f)] (D) A license may be issued under this subtitle to a business entity whose
25 principal **EXECUTIVE** office is located outside [this] **THE** State [provided that] **IF** the
26 business entity maintains a resident agent within the State at all times during the term of
27 the license, regardless of whether:

28 (1) The business entity maintains any office within the State; or

29 (2) The activities of the business entity constitute doing business or having
30 a tax situs in [this] **THE** State under the applicable provisions of the Corporations and
31 Associations Article.

1 **[(g)] (E)** A person exempt from licensing under this subtitle who employs a
2 mortgage loan originator licensed under Subtitle 6 of this title shall be registered with [the
3 Nationwide Mortgage Licensing System and Registry] **NMLS**.

4 **(F) INFORMATION IN NMLS ASSOCIATED WITH A LICENSE APPROVED BY**
5 **THE COMMISSIONER UNDER THIS SUBTITLE SHALL INCLUDE THE FOLLOWING:**

6 **(1) THE LICENSEE'S LEGAL NAME AND ANY TRADE NAME USED BY**
7 **THE LICENSEE IN ACCORDANCE WITH § 2-121 OF THIS ARTICLE;**

8 **(2) THE ADDRESS OF THE LICENSEE'S PRINCIPAL EXECUTIVE**
9 **OFFICE; AND**

10 **(3) THE ADDRESS OF EACH ADDITIONAL LOCATION, IF ANY, WHERE**
11 **THE LICENSEE DOES BUSINESS AND THAT:**

12 **(i) THE GENERAL PUBLIC MAY REASONABLY VIEW AS A**
13 **LOCATION THAT DOES BUSINESS AS A MORTGAGE LENDER, INCLUDING ANY**
14 **LOCATION THAT INVESTIGATES CUSTOMER COMPLAINTS OR DIRECTLY**
15 **COMMUNICATES WITH CUSTOMERS VERBALLY, ELECTRONICALLY, OR IN WRITING;**

16 **(ii) HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE OR**
17 **TECHNOLOGY SYSTEMS;**

18 **(iii) CONDUCTS ANY CORE MANAGEMENT, INFORMATION**
19 **SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR**

20 **(iv) IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY**
21 **REGULATION THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE.**

22 **(G) A LICENSEE SHALL MAINTAIN AND UPDATE THE INFORMATION IN**
23 **NMLS ASSOCIATED WITH THE LICENSEE'S LICENSE TO REFLECT ACCURATELY AT**
24 **ALL TIMES THE INFORMATION REQUIRED BY SUBSECTION (F) OF THIS SECTION.**

25 **(H) THE UNIQUE IDENTIFIER OF THE LICENSEE SHALL CONSTITUTE THE**
26 **LICENSE NUMBER FOR THE LICENSE.**

27 **(I) A LICENSEE MAY NOT CONDUCT ANY BUSINESS AS A MORTGAGE**
28 **LENDER:**

29 **(1) UNDER ANY NAME OTHER THAN A LICENSED NAME; OR**

30 **(2) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION OR AS**

1 OTHERWISE AUTHORIZED BY THE COMMISSIONER THROUGH REGULATION, AT A
2 LOCATION OTHER THAN A LICENSED LOCATION.

3 11–506.1.

4 (b) In connection with an initial application for a license under § 11–507 of this
5 subtitle, and at any other time the Commissioner requests, an applicant or licensee shall
6 provide to [the Nationwide Mortgage Licensing System and Registry] **NMLS** information
7 concerning the applicant’s identity, including:

8 (1) Fingerprints for submission to the Federal Bureau of Investigation, and
9 any other governmental agency or entity authorized to receive this information, for a state,
10 national, or international criminal history background check; and

11 (2) Personal history and experience in a form prescribed by [the
12 Nationwide Mortgage Licensing System and Registry] **NMLS**, including the submission of
13 authorization for [the Nationwide Mortgage Licensing System and Registry] **NMLS** and
14 the Commissioner to obtain:

15 (i) An independent credit report from a consumer reporting agency
16 described in the federal Fair Credit Reporting Act, 15 U.S.C. § 1681a(p); and

17 (ii) Information related to any administrative, civil, or criminal
18 findings by any governmental jurisdiction.

19 (c) The Commissioner may request from the Federal Bureau of Investigation or
20 [the Nationwide Mortgage Licensing System and Registry] **NMLS**, as applicable, for each
21 applicant or licensee who is required to provide fingerprints under subsection (b) of this
22 section:

23 (1) (i) The state, national, or international criminal history records of
24 the applicant or licensee; and

25 (ii) A printed statement listing any conviction or other disposition of,
26 and any plea of guilty or nolo contendere to, any criminal charge;

27 (2) (i) An update of the initial criminal history records check or
28 criminal history background check of the applicant or licensee; and

29 (ii) A revised statement listing any conviction or other disposition of,
30 and any plea of guilty or nolo contendere to, any criminal charge occurring after the date
31 of the initial criminal history records check or criminal history background check; and

32 (3) An acknowledged receipt of the application for a criminal history
33 records check or criminal history background check of the applicant or licensee.

1 (d) An applicant or licensee who is required to provide fingerprints under
2 subsection (b) of this section shall pay any processing or other fees required by the Federal
3 Bureau of Investigation and [the Nationwide Mortgage Licensing System and Registry]
4 **NMLS**.

5 (e) To implement this subtitle, the Commissioner may use [the Nationwide
6 Mortgage Licensing System and Registry] **NMLS** as a channeling agent to request
7 information from and distribute information to the Department of Justice, any other
8 governmental agency with subject matter jurisdiction, and any other state licensing entity
9 that has loan originators registered with [the Nationwide Mortgage Licensing System and
10 Registry] **NMLS**.

11 11-507.

12 (a) (1) To apply for a license, an applicant shall:

13 (i) Complete, sign, and submit to the Commissioner an application
14 made under oath in the form, and in accordance with the process, that the Commissioner
15 requires; and

16 (ii) Provide all information that the Commissioner requests.

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

18 (I) **THE APPLICANT'S LEGAL NAME AND ANY TRADE NAME USED**
19 **BY THE APPLICANT IN ACCORDANCE WITH § 2-121 OF THIS ARTICLE;**

20 (II) **THE APPLICANT'S PRINCIPAL EXECUTIVE OFFICE ADDRESS;**

21 (III) **IF THE APPLICANT IS NOT AN INDIVIDUAL, THE NAME AND**
22 **RESIDENCE ADDRESS OF EACH CONTROL PERSON;**

23 (IV) **THE ADDRESS OF EACH ADDITIONAL LOCATION, IF ANY,**
24 **THAT:**

25 1. **THE GENERAL PUBLIC MAY REASONABLY VIEW AS A**
26 **LOCATION THAT DOES BUSINESS AS A MORTGAGE LENDER, INCLUDING ANY**
27 **LOCATION THAT INVESTIGATES CUSTOMER COMPLAINTS OR DIRECTLY**
28 **COMMUNICATES WITH CUSTOMERS VERBALLY, ELECTRONICALLY, OR IN WRITING;**

29 2. **HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE**
30 **OR TECHNOLOGY SYSTEMS;**

31 3. **CONDUCTS ANY CORE MANAGEMENT, INFORMATION**
32 **SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR**

1 4. **IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY**
2 **REGULATION THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE; AND**

3 **(v) ANY OTHER PERTINENT INFORMATION THAT THE**
4 **COMMISSIONER REQUIRES.**

5 **(3)** The applicant shall comply with all conditions and provisions of the
6 application for licensure and be issued a license before acting as a mortgage lender [at a
7 particular location].

8 (b) [With each application, the] **THE** applicant shall pay to the Commissioner the
9 following fees:

10 (1) A nonrefundable investigation fee set by the Commissioner; and

11 (2) A nonrefundable license fee set by the Commissioner.

12 (c) In addition to the license fee required under subsection (b)(2) of this section,
13 an applicant for an initial license shall pay to [the Nationwide Mortgage Licensing System
14 and Registry] **NMLS** any fees that [the Nationwide Mortgage Licensing System and
15 Registry] **NMLS** imposes in connection with the application.

16 (d) [For each license for which an applicant applies, the applicant shall:

17 (1) Submit a separate application;

18 (2) Pay a separate nonrefundable license fee;

19 (3) Pay any application processing fee or other fees that the Nationwide
20 Mortgage Licensing System and Registry imposes in connection with the application;

21 (4) If applicable, pay the surcharge; and

22 (5) File a separate surety bond or other financial guaranty under § 11-508
23 of this subtitle.

24 (e)] In addition to any sanctions that may be imposed under this subtitle by the
25 Commissioner, a nonrefundable surcharge of \$500 shall be paid [with]:

26 **(1) WITH** an application if the applicant has begun acting as a mortgage
27 lender without a license [at the location for which an application is filed]; **AND**

28 **(2) BY A LICENSEE IF THE LICENSEE HAS ACTED AS A MORTGAGE**
29 **LENDER AT A LOCATION THAT IS NOT A LICENSED LOCATION.**

1 **[(f) (E)]** A person who knowingly makes a false statement under oath on an
2 application filed with the Commissioner under this section is guilty of perjury and on
3 conviction is subject to the penalties of § 9–101 of the Criminal Law Article.

4 11–508.

5 (a) With the application for a **[new]** license, an applicant shall file a surety bond
6 with the Commissioner.

7 **[(c) (1)]** If an applicant has not conducted a mortgage lending business any time
8 during the 36 months prior to the filing of an original application for a license, the applicant
9 shall provide a sworn statement setting forth that fact.

10 (2) If an applicant has conducted a mortgage lending business any time
11 during the 36 months prior to the filing of an original application, the applicant shall
12 provide a sworn statement setting forth the aggregate principal amount of mortgage loans
13 secured or to be secured by property located in Maryland and applied for and accepted or
14 serviced or mortgage loans secured or to be secured by property located in Maryland and
15 applied for, procured, and accepted or serviced by the mortgage lender during the 12
16 months immediately preceding the month in which the application is filed.

17 (3) If an applicant has conducted a mortgage lending business any time
18 during the 36 months prior to the filing of an original application, but during that time has
19 not acted as a mortgage lender in Maryland, the applicant shall provide with the original
20 application a sworn statement setting forth the aggregate principal amount of loans
21 secured or to be secured by a dwelling or residential real estate located in states other than
22 Maryland and applied for, procured, and accepted or serviced by the mortgage lender
23 during the 12 months preceding the month in which the application is filed.

24 (4) Except as provided in subsection (d) of this section, the applicant shall
25 file with the original application:

26 (i) Where the aggregate principal amount of loans set forth in the
27 sworn statement was \$3,000,000 or less, a surety bond in the amount of \$50,000;

28 (ii) Where the aggregate principal amount of loans set forth in the
29 sworn statement was more than \$3,000,000 but not more than \$10,000,000, a surety bond
30 in the amount of \$100,000; and

31 (iii) Where the aggregate principal amount of loans set forth in the
32 sworn statement was more than \$10,000,000, a surety bond in the amount of \$150,000.]

33 **(C) (1) THE AMOUNT OF THE SURETY BOND UNDER SUBSECTION (B) OF**
34 **THIS SECTION SHALL BE IN AN AMOUNT OF NOT LESS THAN \$50,000 AND NOT MORE**
35 **THAN \$750,000, AS DETERMINED BY THE COMMISSIONER FOR EACH LICENSEE.**

1 **(2) IN SETTING THE AMOUNT OF THE SURETY BOND, THE**
2 **COMMISSIONER MAY CONSIDER:**

3 **(I) THE NATURE AND VOLUME OF THE BUSINESS OR PROPOSED**
4 **BUSINESS OF THE LICENSEE OR APPLICANT;**

5 **(II) THE FINANCIAL CONDITION OF THE LICENSEE OR**
6 **APPLICANT, INCLUDING:**

7 **1. THE AMOUNT, NATURE, QUALITY, AND LIQUIDITY OF**
8 **THE ASSETS OF THE LICENSEE OR APPLICANT;**

9 **2. THE AMOUNT AND NATURE OF THE LIABILITIES,**
10 **INCLUDING CONTINGENT LIABILITIES, OF THE LICENSEE OR APPLICANT;**

11 **3. THE HISTORY OF AND PROSPECTS FOR THE LICENSEE**
12 **OR APPLICANT TO EARN AND RETAIN INCOME; AND**

13 **4. THE POTENTIAL HARM TO CONSUMERS IF THE**
14 **APPLICANT OR LICENSEE BECOMES FINANCIALLY IMPAIRED;**

15 **(III) THE QUALITY OF THE OPERATIONS OF THE LICENSEE OR**
16 **APPLICANT;**

17 **(IV) THE QUALITY OF THE MANAGEMENT OF THE LICENSEE OR**
18 **APPLICANT;**

19 **(V) THE NATURE AND QUALITY OF THE PERSON THAT HAS**
20 **CONTROL OF THE LICENSEE OR APPLICANT; AND**

21 **(VI) ANY OTHER FACTOR THAT THE COMMISSIONER CONSIDERS**
22 **RELEVANT.**

23 [(d) Notwithstanding any other provisions of this section, and subject to approval
24 by the Commissioner, if an applicant files five or more original or renewal applications at
25 the same time, the applicant may provide a blanket surety bond for all licensed offices in
26 the amount of \$750,000.]

27 [(e) **(D)** Subject to approval by the Commissioner, an applicant for license who
28 files an application for a new license may satisfy the bonding requirement under this
29 section by establishing a trust account with or obtaining an irrevocable letter of credit from
30 a financial institution insured by the Federal Deposit Insurance Corporation in an amount
31 equal to the bond required under this section.

1 **[(f)] (E)** (1) The Commissioner may adopt regulations reasonably necessary
2 to assure that the proper surety bond amount established by this section is maintained by
3 each licensee throughout each licensing term.

4 (2) The regulations may provide for periodic reporting, recalculation, and
5 enforcement of required bond amounts.

6 **[(g)] (F)** If a mortgage servicer is subject to a receivership proceeding, the
7 Commissioner or a receiver appointed under § 7-404.1(b)(2) or § 7-506(b) of the Real
8 Property Article, without regard to any priorities, preferences, or adverse claims, may:

9 (1) Reduce the bond or the deposit in lieu of a bond to cash; and

10 (2) Use the cash to defray the costs associated with the receivership.

11 11-511.

12 (a) Subject to any regulations the Commissioner adopts in connection with the
13 transition to **[the Nationwide Mortgage Licensing System and Registry] NMLS**, an initial
14 license term shall:

15 (1) Begin on the day the license is issued; and

16 (2) Expire on December 31 of the year:

17 (i) The license is issued, if the license is issued before November 1;

18 or

19 (ii) Succeeding the year that the license is issued, if the license is
20 issued on or after November 1.

21 (c) Subject to any regulations the Commissioner adopts in connection with the
22 transition to **[the Nationwide Mortgage Licensing System and Registry] NMLS**, a renewal
23 term shall:

24 (1) Be for a period of 1 year;

25 (2) Begin on January 1 of each year after the initial term; and

26 (3) Expire on December 31 of the year the renewal term begins.

27 (d) In addition to the license renewal fee required under subsection (b)(2) of this
28 section, an applicant for a license renewal shall pay to **[the Nationwide Mortgage Licensing
29 System and Registry] NMLS** any fees that **[the Nationwide Mortgage Licensing System
30 and Registry] NMLS** imposes in connection with the renewal application.

1 11-512.

2 [(a) (1) A licensee may not change the place of business for which a license is
3 issued unless the licensee:

4 (i) Notifies the Commissioner through NMLS of the proposed
5 change; and

6 (ii) Receives the approval of the Commissioner through NMLS.

7 (2) Within 60 days after receiving a request for approval of a proposed
8 change in the place of business for a licensee, the Commissioner shall approve or deny the
9 request.

10 (3) If the Commissioner does not approve or deny a request for approval of
11 a proposed change in the place of business for a licensee as provided under paragraph (2)
12 of this subsection, the request shall be deemed approved.]

13 **(A) A LICENSEE MAY NOT ADD, DELETE, OR MODIFY A LOCATION REQUIRED**
14 **TO BE LISTED IN NMLS UNDER § 11-505(F)(2) OR (3) OF THIS SUBTITLE UNLESS:**

15 **(1) THE LICENSEE PROVIDES TO THE COMMISSIONER, THROUGH**
16 **NMLS AND IN ACCORDANCE WITH ANY REGULATIONS THE COMMISSIONER ADOPTS,**
17 **NOTICE OF THE ADDITION, DELETION, OR MODIFICATION;**

18 **(2) THE ADDITION, DELETION, OR MODIFICATION OF THE LOCATION**
19 **IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE LICENSEE'S LICENSE**
20 **IN NMLS; AND**

21 **(3) THE ADDITION, DELETION, OR MODIFICATION OF THE LOCATION**
22 **OTHERWISE COMPLIES WITH THIS SUBTITLE.**

23 **(B) THE LICENSEE MAY NOT DO BUSINESS AT A LOCATION REQUIRED TO BE**
24 **LISTED IN NMLS BY § 11-505(F)(2) OR (3) OF THIS SUBTITLE UNTIL THE LOCATION**
25 **IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE LICENSEE'S LICENSE**
26 **IN NMLS.**

27 [(b)] (C) (1) A licensee may not undergo a change in control unless the
28 licensee:

29 (i) Notifies the Commissioner through NMLS of the proposed
30 change;

31 (ii) Makes a request through NMLS that the Commissioner approve

1 the proposed change;

2 (iii) Provides any information the Commissioner may require under
3 paragraph (3) of this subsection; and

4 (iv) Receives the approval of the Commissioner through NMLS.

5 (2) For purposes of this subsection:

6 (i) If the licensee is a corporation, “control” means direct or indirect
7 ownership of, or the right to control, 25% or more of the voting shares of the licensee, or the
8 ability to elect a majority of the directors or otherwise effect a change in policy; and

9 (ii) If the licensee is an entity other than a corporation, “control”
10 means the possession, directly or indirectly, of the power to direct or cause the direction of
11 the management and policies of the licensee, whether through the ownership of voting
12 securities, by contract, or otherwise.

13 (3) Within 60 days after receiving a request for approval of a proposed
14 change in control, the Commissioner may require the licensee to provide any information
15 deemed necessary to determine whether a new application is required because of the
16 proposed change in control.

17 (4) The Commissioner shall approve or deny a request for approval of a
18 proposed change in control:

19 (i) Within 60 days after the date the Commissioner receives the
20 request; or

21 (ii) If the Commissioner requests information from the licensee
22 under paragraph (3) of this subsection, within 60 days after the date the information is
23 received by the Commissioner.

24 (5) If the Commissioner does not approve or deny a request for approval of
25 a proposed change in control as provided under paragraph (4) of this subsection, the request
26 shall be deemed approved.

27 **[(c) (D)]** In addition to any sanctions which may be imposed under this subtitle
28 by the Commissioner, a licensee who fails to provide in a timely manner the notice required
29 under subsection (a)(1) or **[(b)(1)] (C)(1)** of this section shall:

30 (1) For each such failure pay to the Commissioner a surcharge in the
31 amount of \$500; and

32 (2) For a licensee who fails to provide in a timely manner the notice
33 required under subsection **[(b)(1)] (C)(1)** of this section, file with the Commissioner an
34 application for a new license, together with all applicable application and investigation fees.

1 11-512.1.

2 (a) Each licensee shall conspicuously post, in 48 point or larger type, at [the
3 licensee's] **EACH** licensed location the following information:

4 (1) The licensee's unique identifier; and

5 (2) A statement advising consumers of the availability of the NMLS
6 Consumer Access website to verify the licensing status of the licensee.

7 (c) A licensee is not required to post the information required in subsection (a) of
8 this section **AT A LICENSED LOCATION** if the licensee does not regularly grant access to
9 [the] **THAT** licensed location to members of the general public.

10 11-513.

11 (a) Each licensee shall keep and make available to the Commissioner at the
12 licensee's [place of business] **LICENSED LOCATION** any books and records that the
13 Commissioner, by rule or regulation, requires to enable the Commissioner to enforce:

14 (1) This subtitle;

15 (2) Any rule or regulation adopted under this subtitle; and

16 (3) Any other provision regulating the application, making, brokering, or
17 servicing of mortgage loans under Titles 12 through 14 of the Commercial Law Article.

18 (b) Subject to approval by the Commissioner, nothing in this section is to be
19 construed to prohibit a licensee from maintaining duplicate records or electronic
20 equivalents at the licensee's [place of business] **LICENSED LOCATION**.

21 (c) Notwithstanding subsection (a) of this section, on approval of the
22 Commissioner, a licensee need not keep at the licensee's [place of business] **LICENSED**
23 **LOCATION** any books and records otherwise required by the Commissioner under
24 subsection (a) of this section if the licensee:

25 (1) Makes the books and records available to the Commissioner at the
26 licensee's [place of business] **LICENSED LOCATION** within 5 business days [of] **AFTER** the
27 Commissioner's official request; and

28 (2) Retains the records for at least 61 months in a storage facility disclosed
29 to the Commissioner.

30 11-601.

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

2 (f) "Fund" means the [Nondepository] **NON-DEPOSITORY** Special Fund
3 established under [§ 11-610] **§ 2-120** of this [subtitle] **ARTICLE**.

4 11-602.

5 (c) Each licensee shall obtain and maintain a valid unique identifier issued by
6 [the Nationwide Mortgage Licensing System and Registry] **NMLS**:

7 (1) On obtaining an initial or renewal license on or after July 1, 2009; or

8 (2) If the Commissioner has not joined [the Nationwide Mortgage
9 Licensing System and Registry] **NMLS** as of July 1, 2009, on or after the date that the
10 Commissioner joins, as instructed by the Commissioner by notice to the licensee.

11 [11-610.

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

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

14 (2) Revenue received for the licensing of persons under Subtitle 2 of this
15 title;

16 (3) Revenue received for the licensing of persons under Subtitle 3 of this
17 title;

18 (4) Revenue received for the licensing of persons under Subtitle 4 of this
19 title;

20 (5) Revenue received for the licensing of persons under Subtitle 5 of this
21 title;

22 (6) Revenue received for the licensing of persons under Title 12, Subtitle 1
23 of this article;

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

26 (8) Revenue received for the licensing of persons under Title 12, Subtitle 9
27 of this article;

28 (9) Revenue received for the registration of persons under Title 12, Subtitle
29 10 of this article;

1 (10) Revenue received for the licensing of persons under Title 7 of the
2 Business Regulation Article;

3 (11) Revenue received for the licensing of persons under Title 14, Subtitle
4 19 of the Commercial Law Article;

5 (12) Income from the investments that the State Treasurer makes for the
6 Fund; and

7 (13) (i) Any other fee, examination or investigation fee or assessment, or
8 revenue received by the Commissioner under this subtitle, Subtitles 2, 3, 4, and 5 of this
9 title, Title 12, Subtitles 1, 4, 9, and 10 of this article, Title 12, Subtitle 14 of the Commercial
10 Law Article, and Title 14, Subtitles 12 and 19 of the Commercial Law Article; and

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

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

14 (1) The Commissioner shall pay all fines and penalties collected by the
15 Commissioner under Title 2, Subtitle 1 of this article, this subtitle, Subtitles 2, 3, 4, and 5
16 of this title, Title 12, Subtitles 1, 4, 9, and 10 of this article, Title 12, Subtitle 14 of the
17 Commercial Law Article, and Title 14, Subtitles 12 and 19 of the Commercial Law Article
18 into the General Fund of the State; and

19 (2) The State Collection Agency Licensing Board shall pay all fines and
20 penalties collected by the Board under Title 7 of the Business Regulation Article into the
21 General Fund of the State.

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

25 (1) Title 2, Subtitle 1 of this article;

26 (2) This subtitle;

27 (3) Subtitle 2 of this title;

28 (4) Subtitle 3 of this title;

29 (5) Subtitle 4 of this title;

30 (6) Subtitle 5 of this title;

31 (7) Title 12, Subtitle 1 of this article;

- 1 (8) Title 12, Subtitle 4 of this article;
- 2 (9) Title 12, Subtitle 9 of this article;
- 3 (10) Title 12, Subtitle 10 of this article;
- 4 (11) Title 7 of the Business Regulation Article;
- 5 (12) Title 12 of the Commercial Law Article;
- 6 (13) Title 14, Subtitles 12, 19, and 42 of the Commercial Law Article;
- 7 (14) Title 7, Subtitles 1, 3, 4, and 5 of the Real Property Article;
- 8 (15) Title 26, Subtitle 6 of the Education Article; and
- 9 (16) Any other expense authorized in the State budget.

10 (d) (1) The annual State budget shall include the costs and expenses of the
11 Commissioner and the State Collection Agency Licensing Board relating to subsection (c)
12 of this section.

13 (2) Any expenditures from the Fund to cover costs and expenses of the
14 Commissioner and the State Collection Agency Licensing Board relating to subsection (c)
15 of this section may be made only:

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

18 (ii) By the budget amendment procedure provided for in § 7-209 of
19 the State Finance and Procurement Article.

20 (3) If, in any fiscal year, the amount of the revenue collected by the
21 Commissioner and the State Collection Agency Licensing Board and deposited into the
22 Fund exceeds the actual appropriation for the Commissioner and the State Collection
23 Agency Licensing Board under paragraph (2)(i) of this subsection, the excess amount shall
24 be carried forward within the Fund.

25 (e) (1) The State Treasurer is the custodian of the Fund.

26 (2) The State Treasurer shall deposit payments received from the
27 Commissioner into the Fund.

28 (f) (1) (i) The Fund is a special, nonlapsing fund that is not subject to §
29 7-302 of the State Finance and Procurement Article.

30 (ii) The Fund may not be deemed a part of the General Fund of the

1 State.

2 (2) Unless otherwise provided by law, no part of the Fund may revert or be
3 credited to:

4 (i) The General Fund of the State; or

5 (ii) Any other special fund of the State.]

6 11-612.1.

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

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

11 (c) The Commissioner shall publish the fee schedule set by the Commissioner.

12 **(D) ALL REVENUE RECEIVED FOR THE LICENSING AND ASSESSMENT OF**
13 **PERSONS UNDER THIS SUBTITLE AND ANY OTHER FEE OR REVENUE THE**
14 **COMMISSIONER RECEIVES UNDER THIS SUBTITLE SHALL BE:**

15 **(1) CREDITED TO THE FUND; AND**

16 **(2) USED IN ACCORDANCE WITH § 2-120(D) OF THIS ARTICLE.**

17 **(E) SUBJECT TO § 2-120(H) OF THIS ARTICLE, THE COMMISSIONER MAY**
18 **IMPOSE AN ANNUAL ASSESSMENT ON ANY LICENSEE UNDER THIS SUBTITLE.**

19 12-101.

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

21 (b) [“Branch location” means any location other than the principal executive office
22 of a licensee or license applicant at which the licensee conducts, or the license applicant, on
23 licensure, will conduct, activities required to be licensed under this subtitle.

24 (c)] (1) “Control person” means a person who has the power, directly or
25 indirectly, to direct the management or policies of a licensee or license applicant, whether
26 through ownership of securities, by contract, or otherwise.

27 (2) “Control person” includes a person who:

28 (i) Is a general partner, an officer, a director, or a member, or
29 occupies a similar position or performs a similar function;

1 (ii) Directly or indirectly has the right to vote 5% or more of a class
2 of voting securities, or has the power to sell or direct the sale of 5% or more of a class of
3 voting securities, of a licensee or license applicant; or

4 (iii) In the case of a partnership, a limited partnership, a limited
5 liability partnership, a limited liability company, or any other business entity:

6 1. Has the right to receive on liquidation or dissolution of a
7 licensee or license applicant 5% or more of the capital of the licensee or license applicant;
8 or

9 2. Has contributed 5% or more of the capital of a licensee or
10 license applicant.

11 **[(d)] (C)** “Exempt entity” means an entity that is exempt from all requirements
12 of licensing as provided under § 12–103(b) and (c) of this subtitle.

13 **[(e)] (D)** “License” means a license issued in any form by the Commissioner
14 under this subtitle to provide check cashing services, including as provided for through
15 NMLS.

16 **(E) (1) “LICENSED LOCATION” MEANS ANY LOCATION LISTED BY THE**
17 **LICENSEE IN NMLS IN ACCORDANCE WITH THIS SUBTITLE.**

18 **(2) “LICENSED LOCATION” INCLUDES A MOBILE UNIT.**

19 **(F) “LICENSED NAME” MEANS:**

20 **(1) THE LICENSEE’S LEGAL NAME; AND**

21 **(2) ANY TRADE NAME USED BY THE LICENSEE IN ACCORDANCE WITH**
22 **§ 2–121 OF THIS ARTICLE.**

23 **[(f)] (G)** “Licensee” means a person licensed under this subtitle to provide check
24 cashing services.

25 **[(g)] (H)** “Mobile unit” means a motor vehicle or other movable means from
26 which check cashing services are provided.

27 **[(h)] (I) (1)** “Payment instrument” means a check or a draft ordering a
28 person to pay money.

29 **(2)** “Payment instrument” includes a money order.

30 **[(i)] (J)** “Provide check cashing services” means to accept or cash, for

1 compensation, a payment instrument regardless of the date of the payment instrument.

2 **[(j)] (K)** “Unique identifier” means a number or another identifier assigned by
3 NMLS.

4 12-104.1.

5 (a) All revenue received for the licensing **AND ASSESSMENT** of persons under this
6 subtitle and any other fee or revenue received by the Commissioner under this subtitle
7 shall be:

8 (1) Credited to the **[Nondepository] NON-DEPOSITORY** Special Fund
9 established under **[§ 11-610] § 2-120** of this article; and

10 (2) Used in accordance with **[§ 11-610(c)] § 2-120(D)** of this article.

11 **(C) SUBJECT TO § 2-120(H) OF THIS ARTICLE, THE COMMISSIONER MAY**
12 **IMPOSE AN ANNUAL ASSESSMENT ON ANY LICENSEE UNDER THIS SUBTITLE.**

13 12-105.

14 (b) A **[separate license is required for the principal executive office of the license**
15 **applicant or licensee at which, each branch location at which, and each mobile unit from**
16 **which, a person provides check cashing services] LICENSEE MAY PROVIDE CHECK**
17 **CASHING SERVICES ONLY AT A LICENSED LOCATION OR AS OTHERWISE AUTHORIZED**
18 **BY THE COMMISSIONER THROUGH REGULATION.**

19 12-106.

20 To qualify for a license, an applicant shall satisfy the Commissioner that:

21 (1) The applicant’s business will promote the convenience and advantage
22 of the **[community in which] COMMUNITIES WHERE** the **[applicant’s place of business, or**
23 **mobile unit, will be located] APPLICANT WILL OPERATE A LICENSED LOCATION**
24 **OFFERING CHECK CASHING SERVICES;** and

25 (2) The applicant or, if the applicant is not an individual, each of the
26 owners, officers, directors, or principals of the entity:

27 (i) Has sufficient experience, character, financial responsibility, and
28 general fitness to:

29 1. Command the confidence of the public; and

30 2. Warrant the belief that the business will be operated
31 lawfully, honestly, fairly, and efficiently; and

1 (ii) Has not committed any act that would be a ground for suspension
2 or revocation of a license under this subtitle.

3 12–108.

4 (a) (2) The application shall include:

5 (i) The applicant's LEGAL name[, the] AND ANY TRADE NAME
6 USED BY THE APPLICANT IN ACCORDANCE WITH § 2–121 OF THIS ARTICLE;

7 (ii) THE applicant's principal executive office address[, and, if];

8 (iii) IF the applicant is not an individual, the name and residence
9 address of each control person;

10 [(ii)] (iv) The address of each [branch] ADDITIONAL location, if
11 any, THAT:

12 1. THE GENERAL PUBLIC MAY REASONABLY VIEW AS A
13 LOCATION THAT PROVIDES CHECK CASHING SERVICES, INCLUDING ANY LOCATION
14 THAT INVESTIGATES CUSTOMER COMPLAINTS OR DIRECTLY COMMUNICATES WITH
15 CUSTOMERS VERBALLY, ELECTRONICALLY, OR IN WRITING;

16 2. HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE
17 OR TECHNOLOGY SYSTEMS;

18 3. CONDUCTS ANY CORE MANAGEMENT, INFORMATION
19 SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR

20 4. IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY
21 REGULATION THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE;

22 [(iii)] (v) If the [license is for] LICENSEE OPERATES a mobile unit,
23 the vehicle identification number of [the] EACH mobile unit and the geographic area [in
24 which the] WHERE EACH mobile unit will be operating; and

25 [(iv)] (vi) Any other information that the Commissioner requires for
26 an investigation and findings under § 12–109 of this subtitle.

27 [(c) For the principal executive office, each branch location, and each mobile unit
28 license for which an applicant applies, the applicant shall:

29 (1) Submit a separate application; and

1 (2) Pay a separate investigation fee and license fee.]

2 [12–110.

3 (a) (1) Each license provided for through NMLS shall include the following
4 information:

5 (i) The name of the licensee;

6 (ii) 1. The address of the location at which check cashing services
7 will be provided; or

8 2. If the license is for a mobile unit, the vehicle identification
9 number of the mobile unit and the geographic area in which check cashing services will be
10 provided; and

11 (iii) The unique identifier of the licensee.

12 (2) The unique identifier of the licensee shall constitute the license number
13 for the license.

14 (b) (1) A license authorizes the licensee to provide check cashing services
15 under the name stated on the license and at the location at which, or if the license is for a
16 mobile unit the geographic area in which, check cashing services will be provided.

17 (2) Only one location, or one mobile unit, may be maintained under any one
18 license.

19 (c) Subject to § 12–105(b) of this subtitle, the Commissioner may issue more than
20 one license to an applicant who:

21 (1) Conducts activities for which a license is required at more than one
22 location;

23 (2) Complies with § 12–108 of this subtitle; and

24 (3) Otherwise meets the requirements of this subtitle.]

25 **12–110.**

26 **(A) INFORMATION IN NMLS ASSOCIATED WITH A LICENSE APPROVED BY**
27 **THE COMMISSIONER UNDER THIS SUBTITLE SHALL INCLUDE THE FOLLOWING:**

28 **(1) THE LICENSEE’S LEGAL NAME AND ANY TRADE NAME USED BY**
29 **THE LICENSEE IN ACCORDANCE WITH § 2–121 OF THIS ARTICLE;**

1 **(2) THE ADDRESS OF THE LICENSEE'S PRINCIPAL EXECUTIVE**
2 **OFFICE;**

3 **(3) THE ADDRESS OF EACH ADDITIONAL LOCATION, IF ANY, WHERE**
4 **THE LICENSEE DOES BUSINESS AND THAT:**

5 **(I) THE GENERAL PUBLIC MAY REASONABLY VIEW AS A**
6 **LOCATION THAT OFFERS CHECK CASHING SERVICES, INCLUDING ANY LOCATION**
7 **THAT INVESTIGATES CUSTOMER COMPLAINTS OR DIRECTLY COMMUNICATES WITH**
8 **CUSTOMERS VERBALLY, ELECTRONICALLY, OR IN WRITING;**

9 **(II) HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE OR**
10 **TECHNOLOGY SYSTEMS;**

11 **(III) CONDUCTS ANY CORE MANAGEMENT, INFORMATION**
12 **SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR**

13 **(IV) IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY**
14 **REGULATION THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE; AND**

15 **(4) THE INFORMATION REQUIRED BY § 12-108(A)(2)(V) OF THIS**
16 **SUBTITLE FOR EACH MOBILE UNIT, IF ANY, OF THE LICENSEE.**

17 **(B) A LICENSEE SHALL MAINTAIN AND UPDATE THE INFORMATION IN**
18 **NMLS ASSOCIATED WITH THE LICENSEE'S LICENSE TO REFLECT ACCURATELY AT**
19 **ALL TIMES THE INFORMATION REQUIRED BY SUBSECTION (A) OF THIS SECTION.**

20 **(C) THE UNIQUE IDENTIFIER ASSIGNED BY NMLS TO A LICENSEE SHALL**
21 **CONSTITUTE THE LICENSEE'S LICENSE NUMBER.**

22 **(D) A LICENSE AUTHORIZES THE LICENSEE TO DO BUSINESS UNDER THE**
23 **LICENSE AT ANY LICENSED LOCATION, UNDER ANY LICENSED NAME AND, FOR EACH**
24 **MOBILE UNIT, IN THE GEOGRAPHIC AREA LISTED FOR THE MOBILE UNIT IN NMLS,**
25 **OR AS OTHERWISE AUTHORIZED BY THE COMMISSIONER THROUGH REGULATION.**

26 12-112.

27 (b) (1) Each licensee shall conspicuously post, in 48 point or larger type, at
28 [the licensee's] EACH licensed location [or mobile unit] the following information:

29 (i) The licensee's unique identifier; and

30 (ii) A statement advising consumers of the availability of the NMLS
31 Consumer Access website to verify the licensing status of the licensee.

1 (c) A licensee is not required to post the information required in subsection (b)(1)
2 of this section **AT A LICENSED LOCATION** if **THE LICENSED LOCATION IS NOT A MOBILE**
3 **UNIT AND** the licensee does not regularly grant access to **[the] THAT** licensed location to
4 members of the general public.

5 **[12-113.**

6 A licensee may not change the location for which a license is issued unless the
7 licensee:

8 (1) Provides to the Commissioner, in the form and in accordance with the
9 process that the Commissioner requires, notice of the proposed change; and

10 (2) Receives the consent of the Commissioner through NMLS prior to the
11 change.]

12 **12-113.**

13 (A) **A LICENSEE MAY NOT ADD, DELETE, OR MODIFY A LOCATION REQUIRED**
14 **TO BE LISTED IN NMLS UNDER § 12-110(A)(2), (3), OR (4) OF THIS SUBTITLE**
15 **UNLESS:**

16 (1) **THE LICENSEE PROVIDES TO THE COMMISSIONER, THROUGH**
17 **NMLS AND IN ACCORDANCE WITH ANY REGULATIONS THE COMMISSIONER ADOPTS,**
18 **NOTICE OF THE ADDITION, DELETION, OR MODIFICATION;**

19 (2) **THE ADDITION, DELETION, OR MODIFICATION OF THE LOCATION**
20 **IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE LICENSEE'S LICENSE**
21 **IN NMLS; AND**

22 (3) **THE ADDITION, DELETION, OR MODIFICATION OF THE LOCATION**
23 **OTHERWISE COMPLIES WITH THIS SUBTITLE.**

24 (B) **THE LICENSEE MAY NOT DO BUSINESS AT A LOCATION OR IN A**
25 **GEOGRAPHIC AREA REQUIRED TO BE LISTED IN NMLS BY § 12-110(A)(2), (3), OR**
26 **(4) OF THIS SUBTITLE UNTIL THE LOCATION OR GEOGRAPHIC AREA IS RECORDED**
27 **WITH THE INFORMATION ASSOCIATED WITH THE LICENSEE'S LICENSE IN NMLS.**

28 **12-114.**

29 (c) A licensee may retain the records required under this subtitle at any location,
30 **[provided that] IF** the licensee:

31 (1) Notifies the Commissioner in writing of the location of the records; and

1 (2) Makes the records available at [a place of business for which a license
2 has been issued or at the licensee’s principal place of business] **THE LICENSED LOCATION**,
3 as agreed by the Commissioner and the licensee, within 7 days [of] **AFTER** a written
4 request for examination by the Commissioner.

5 12–118.

6 A licensee shall conspicuously post, in 48 point or larger type, at each [place of
7 business at which, or mobile unit from which,] **LICENSED LOCATION WHERE** the licensee
8 provides check cashing services:

9 (1) A notice of the fees for check cashing services; and

10 (2) The phone number of the Commissioner for customers to file
11 complaints.

12 12–401.

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

14 (c) [(1)] “Authorized delegate” means a person who is authorized by a licensee
15 to engage in the business of money transmission under [the name of the licensee] **A**
16 **LICENSED NAME** at any location other than [the place of business specified in the license]
17 **A LICENSED LOCATION**.

18 [(2)] “Authorized delegate” does not include a branch location of a licensee.]

19 [(e) (1)] “Branch location” means any location other than the principal executive
20 office of a licensee or license applicant at which money transmission services are, or will be
21 on licensure, conducted in the State or with a person in the State.

22 (2) “Branch location” does not include an authorized delegate.]

23 **(K) (1) “LICENSED LOCATION” MEANS ANY LOCATION LISTED BY THE**
24 **LICENSEE IN NMLS IN ACCORDANCE WITH THIS SUBTITLE.**

25 **(2) “LICENSED LOCATION” INCLUDES A SELF-SERVICE FINANCIAL**
26 **KIOSK.**

27 **(3) “LICENSED LOCATION” DOES NOT INCLUDE AN AUTHORIZED**
28 **DELEGATE.**

29 **(L) “LICENSED NAME” MEANS:**

1 **(1) THE LICENSEE’S LEGAL NAME; AND**

2 **(2) ANY TRADE NAME USED BY THE LICENSEE IN ACCORDANCE WITH**
3 **§ 2–121 OF THIS ARTICLE.**

4 **[(k–1)] (M)** “Licensee” means a person licensed under this subtitle to engage in the
5 business of money transmission.

6 12–404.

7 (a) All revenue received for the licensing **AND ASSESSMENT** of money
8 transmitters under this subtitle and any other fee, examination assessment, or revenue
9 received by the Commissioner under this subtitle shall be:

10 (1) Credited to the **[Nondepository] NON–DEPOSITORY** Special Fund
11 established under **[§ 11–610] § 2–120** of this article; and

12 (2) Used in accordance with **[§ 11–610(c)] § 2–120(D)** of this article.

13 **(C) SUBJECT TO § 2–120(H) OF THIS ARTICLE, THE COMMISSIONER MAY**
14 **IMPOSE AN ANNUAL ASSESSMENT ON ANY LICENSEE UNDER THIS SUBTITLE.**

15 12–406.

16 (a) To qualify for a license, an applicant shall satisfy the Commissioner that the
17 applicant:

18 (3) Has a tangible net worth computed according to generally accepted
19 accounting principles of at least \$150,000, plus an additional net worth of \$10,000 for each
20 **[additional branch] LICENSED** location or authorized delegate, up to a maximum of
21 \$500,000 as provided in subsection (b) of this section; and

22 12–407.

23 (b) An applicant shall provide:

24 **[(1) The trade name of the applicant, as filed with the State Department of**
25 **Assessments and Taxation under § 1–406 of the Corporations and Associations Article, and**
26 **any fictitious or other name used by the applicant in the conduct of the applicant’s**
27 **business;]**

28 **(1) THE APPLICANT’S LEGAL NAME AND ANY TRADE NAME USED BY**
29 **THE APPLICANT IN ACCORDANCE WITH § 2–121 OF THIS ARTICLE;**

30 (2) **(I)** The address of the principal executive office of the applicant[,

1 each branch location, and each self-service financial kiosk];

2 **(II) THE ADDRESS OF EACH ADDITIONAL LOCATION, IF ANY,**
3 **THAT:**

4 **1. THE GENERAL PUBLIC MAY REASONABLY VIEW AS A**
5 **LOCATION THAT ENGAGES IN THE BUSINESS OF MONEY TRANSMISSION, INCLUDING**
6 **ANY LOCATION THAT INVESTIGATES CUSTOMER COMPLAINTS OR DIRECTLY**
7 **COMMUNICATES WITH CUSTOMERS VERBALLY, ELECTRONICALLY, OR IN WRITING;**

8 **2. HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE**
9 **OR TECHNOLOGY SYSTEMS;**

10 **3. CONDUCTS ANY CORE MANAGEMENT, INFORMATION**
11 **SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR**

12 **4. IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY**
13 **REGULATION THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE; AND**

14 **(III) IF THE LICENSEE OPERATES A SELF-SERVICE FINANCIAL**
15 **KIOSK, THE FOLLOWING INFORMATION FOR EACH SELF-SERVICE FINANCIAL KIOSK:**

16 **1. UNIQUE IDENTIFYING INFORMATION FOR THE**
17 **SELF-SERVICE FINANCIAL KIOSK, SUCH AS THE MANUFACTURER NAME, MODEL**
18 **NUMBER, SERIAL NUMBER, OR ASSET TAG;**

19 **2. IF THE LICENSEE INTENDS TO OPERATE THE**
20 **SELF-SERVICE FINANCIAL KIOSK FROM ANY FIXED LOCATION FOR MORE THAN 30**
21 **DAYS IN A CALENDAR YEAR, EACH PHYSICAL ADDRESS WHERE THE SELF-SERVICE**
22 **FINANCIAL KIOSK WILL BE OPERATED; AND**

23 **3. IF THE LICENSEE INTENDS TO OPERATE THE**
24 **SELF-SERVICE FINANCIAL KIOSK AT ANY LOCATION FOR 30 DAYS OR LESS IN A**
25 **CALENDAR YEAR, THE GEOGRAPHIC AREA WHERE THE LICENSEE INTENDS TO**
26 **OPERATE THE SELF-SERVICE FINANCIAL KIOSK;**

27 **[(h) (1)** In addition to any license required under §§ 12-405 and 12-410 of this
28 subtitle, each money transmitter shall obtain and maintain a license for its principal
29 executive office.

30 **(2)** For each branch location license for which an applicant applies, the
31 applicant shall:

32 **(i)** Submit a separate application;

1 (ii) Pay a separate nonrefundable license fee of \$1,000; and

2 (iii) Pay the application processing fee that NMLS imposes in
3 connection with processing the application for the branch location.

4 (3) For each self-service financial kiosk license for which an applicant
5 applies, the applicant shall:

6 (i) Submit a separate application;

7 (ii) Pay a separate nonrefundable license fee of \$500; and

8 (iii) Pay the application processing fee that NMLS imposes in
9 connection with processing the application for the self-service financial kiosk.

10 (4) If an applicant has or is applying for more than one license, the
11 applicant may comply with subsection (g) of this section by filing evidence of only one surety
12 device.

13 (5) If an applicant has or is applying for more than one license, the
14 applicant is not required to pay a separate investigation fee.]

15 12-410.

16 [(a) (1) Each license provided for through NMLS shall include the following
17 information:

18 (i) The name of the licensee;

19 (ii) The trade name of the licensee;

20 (iii) The address at which the business is to be conducted; and

21 (iv) The unique identifier of the licensee.

22 (2) The unique identifier of the licensee shall constitute the license number
23 for the license.

24 (b) (1) A license authorizes the licensee to do business under the license, at the
25 licensed place of business.

26 (2) A license does not authorize the licensee to accept deposits or engage
27 otherwise in a banking business except as authorized in this subtitle.

28 (3) Only one place of business may be maintained under any one license.

1 (c) The Commissioner may issue more than one license to an applicant who:

2 (1) Complies with § 12-407 of this subtitle; and

3 (2) Otherwise meets the requirements of this subtitle.]

4 (A) INFORMATION IN NMLS ASSOCIATED WITH A LICENSE APPROVED BY
5 THE COMMISSIONER UNDER THIS SUBTITLE SHALL INCLUDE THE FOLLOWING:

6 (1) THE LICENSEE'S LEGAL NAME AND ANY TRADE NAME USED BY
7 THE LICENSEE IN ACCORDANCE WITH § 2-121 OF THIS ARTICLE;

8 (2) THE ADDRESS OF THE LICENSEE'S PRINCIPAL EXECUTIVE
9 OFFICE;

10 (3) THE ADDRESS OF EACH ADDITIONAL LOCATION, IF ANY, WHERE
11 THE LICENSEE DOES BUSINESS AND THAT:

12 (i) THE GENERAL PUBLIC MAY REASONABLY VIEW AS A
13 LOCATION THAT OFFERS MONEY TRANSMISSION SERVICES, INCLUDING ANY
14 LOCATION THAT INVESTIGATES CUSTOMER COMPLAINTS OR DIRECTLY
15 COMMUNICATES WITH CUSTOMERS VERBALLY, ELECTRONICALLY, OR IN WRITING;

16 (ii) HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE OR
17 TECHNOLOGY SYSTEMS;

18 (iii) CONDUCTS ANY CORE MANAGEMENT, INFORMATION
19 SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR

20 (iv) IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY
21 REGULATION THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE; AND

22 (4) THE INFORMATION REQUIRED BY § 12-407(B)(2)(III) OF THIS
23 SUBTITLE FOR EACH SELF-SERVICE FINANCIAL KIOSK, IF ANY, OF THE LICENSEE.

24 (B) A LICENSEE SHALL MAINTAIN AND UPDATE THE INFORMATION IN
25 NMLS ASSOCIATED WITH THE LICENSEE'S LICENSE TO REFLECT ACCURATELY AT
26 ALL TIMES THE INFORMATION REQUIRED BY SUBSECTION (A) OF THIS SECTION.

27 (C) THE UNIQUE IDENTIFIER ASSIGNED BY NMLS TO A LICENSEE SHALL
28 CONSTITUTE THE LICENSEE'S LICENSE NUMBER.

29 (D) A LICENSE AUTHORIZES THE LICENSEE TO DO BUSINESS UNDER THE
30 LICENSE AT ANY LICENSED LOCATION, UNDER ANY LICENSED NAME AND, FOR EACH

1 SELF-SERVICE FINANCIAL KIOSK, THE ADDRESS OR GEOGRAPHIC AREA LISTED FOR
2 THE SELF-SERVICE FINANCIAL KIOSK IN NMLS, OR AS OTHERWISE AUTHORIZED BY
3 THE COMMISSIONER THROUGH REGULATION.

4 [(d)] (E) A license may not be transferred or assigned.

5 [(e)] (F) (1) Each licensee shall conspicuously post, in 48 point or larger type,
6 at [the licensee's] EACH licensed location the following information:

7 (i) The licensee's unique identifier; and

8 (ii) A statement advising consumers of the availability of the NMLS
9 Consumer Access website to verify the licensing status of the licensee.

10 (2) Each authorized delegate, at each location open to the public, shall
11 conspicuously post, in at least [48-point] 48 POINT type, the following information:

12 (i) A notice stating, "the Commissioner of Financial Regulation for
13 the State of Maryland will accept all questions or complaints regarding this authorized
14 delegate of (name of licensee and unique identifier) at (address of Commissioner), phone
15 (toll-free phone number of the Commissioner)"; and

16 (ii) A statement advising consumers of the availability of the NMLS
17 Consumer Access website to verify the licensing status of the licensee.

18 (3) Each licensee shall conspicuously display the following information on
19 the licensee's website, any mobile application through which the services are offered, the
20 outside of the self-service financial kiosk, any software application accessible to the public
21 and used for money transmission services, and profile page within each social media
22 platform the licensee uses:

23 (i) The licensee's unique identifier;

24 (ii) A link to the NMLS Consumer Access website; and

25 (iii) A notice stating, "The Commissioner of Financial Regulation for
26 the State of Maryland will accept all questions or complaints from Maryland residents
27 regarding (name of licensee and unique identifier) at (address of Commissioner), phone
28 (toll-free phone number of the Commissioner)".

29 [(f)] (G) A licensee is not required to post the information required in subsection
30 [(e)(1)] (F)(1) of this section AT A LICENSED LOCATION if the LICENSED LOCATION IS
31 NOT A SELF-SERVICE FINANCIAL KIOSK AND THE licensee does not regularly grant
32 access to [the] THAT licensed location to members of the general public.

1 (a) (1) In this section[, “trust] **THE FOLLOWING WORDS HAVE THE**
2 **MEANINGS INDICATED.**

3 (2) **“AVERAGE DAILY MONEY TRANSMISSION LIABILITY” MEANS THE**
4 **AMOUNT OF THE APPLICANT’S OR LICENSEE’S OUTSTANDING MONEY TRANSMISSION**
5 **OBLIGATIONS IN THE STATE AT THE END OF EACH DAY IN A GIVEN QUARTER, ADDED**
6 **TOGETHER AND DIVIDED BY THE TOTAL NUMBER OF DAYS IN THAT QUARTER.**

7 (3) **“TRUST company”** has the meaning stated in § 1–101 of the Estates
8 and Trusts Article.

9 (d) (1) The amount of the surety bond under subsection (b) of this section or
10 the deposit in lieu of a surety bond under subsection (c) of this section shall be [in an
11 amount of not less than] **THE GREATER OF:**

12 (I) \$150,000 [and not more than \$1,000,000, as determined by the
13 Commissioner]; **OR**

14 (II) **100% OF THE APPLICANT’S AVERAGE DAILY MONEY**
15 **TRANSMISSION LIABILITY IN THE STATE CALCULATED FOR THE MOST RECENTLY**
16 **COMPLETED QUARTER, UP TO A MAXIMUM OF \$2,000,000.**

17 [(2) In setting the amount of the surety bond or the deposit in lieu of a surety
18 bond, the Commissioner shall consider:

19 (i) The financial condition of the licensee or applicant;

20 (ii) For a licensee, the average monthly outstanding money
21 transmission liability for the previous 12 months;

22 (iii) For an applicant, the projected monthly money transmissions
23 volume in the State, the business experience, and any other factor deemed appropriate; and

24 (iv) The potential loss of money transmissions by persons for whom
25 or to whom money is transmitted if the applicant or licensee becomes financially impaired.]

26 (2) **THE QUARTERS FOR CALCULATING THE AVERAGE DAILY MONEY**
27 **TRANSMISSION LIABILITY UNDER PARAGRAPH (1) OF THIS SUBSECTION FOR ANY**
28 **LICENSEE REQUIRED TO DO SO SHALL BE THE QUARTERS ENDING MARCH 31, JUNE**
29 **30, SEPTEMBER 30, AND DECEMBER 31.**

30 12–415.

31 [(a) (1) A licensee may not change the place of business for which a license is

1 issued unless the licensee:

2 (i) Notifies the Commissioner through NMLS of the proposed
3 change; and

4 (ii) Receives the approval of the Commissioner through NMLS.

5 (2) Within 60 days after receiving a request for approval of a proposed
6 change in the place of business for a licensee, the Commissioner shall approve or deny the
7 request.

8 (3) If the Commissioner does not deny a request for approval of a proposed
9 change in the place of business for a licensee as provided under paragraph (2) of this
10 subsection, the request shall be deemed approved.]

11 **(A) (1) A LICENSEE MAY NOT ADD, DELETE, OR MODIFY A LOCATION**
12 **REQUIRED TO BE LISTED IN NMLS UNDER § 12-410(A)(2), (3), OR (4) OF THIS**
13 **SUBTITLE UNLESS:**

14 **(I) THE LICENSEE PROVIDES TO THE COMMISSIONER,**
15 **THROUGH NMLS AND IN ACCORDANCE WITH ANY REGULATIONS ADOPTED BY THE**
16 **COMMISSIONER, NOTICE OF THE ADDITION, DELETION, OR MODIFICATION;**

17 **(II) THE ADDITION, DELETION, OR MODIFICATION OF THE**
18 **LOCATION IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE**
19 **LICENSEE'S LICENSE IN NMLS; AND**

20 **(III) THE ADDITION, DELETION, OR MODIFICATION OF THE**
21 **LOCATION OTHERWISE COMPLIES WITH THIS SUBTITLE.**

22 **(2) THE LICENSEE MAY NOT DO BUSINESS AT A LOCATION OR IN A**
23 **GEOGRAPHIC AREA REQUIRED TO BE LISTED IN NMLS BY § 12-410(A)(2), (3), OR**
24 **(4) OF THIS SUBTITLE UNTIL THE LOCATION OR GEOGRAPHIC AREA IS RECORDED**
25 **WITH THE INFORMATION ASSOCIATED WITH THE LICENSEE'S LICENSE IN NMLS.**

26 12-424.

27 (a) The Commissioner may conduct an [on-site] examination of a licensee or AN
28 authorized delegate with not less than 7 business [days] DAYS' prior notice.

29 (b) With good cause, the Commissioner may conduct an [on-site] examination of
30 a licensee or AN authorized delegate with no prior notice.

31 (c) The licensee shall pay all reasonably incurred costs of an examination
32 conducted under this section, including a per-day fee set by the Commissioner for each of

1 the Commissioner's employees engaged in the examination.

2 (d) [The on-site] ANY examination may be conducted in conjunction with an
3 examination performed by a representative of a responsible supervisory agency of another
4 state.

5 (e) (1) The Commissioner, in lieu of an [on-site] examination, may accept the
6 examination report of a responsible supervisory agency of another state, or a report
7 prepared by an independent accounting firm.

8 (2) A report accepted under paragraph (1) of this subsection is considered
9 for all purposes as an official report of the Commissioner.

10 (f) The Commissioner may:

11 (1) Examine all books, accounts, and records the Commissioner determines
12 are necessary to conduct a complete examination; and

13 (2) Examine under oath any officer, director, or employee of the licensee,
14 or any other individual who may provide information on behalf of the licensee.

15 12-901.

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

17 (b) "Annual gross revenue" means income or revenue from all sources, before any
18 expenses or taxes, computed according to generally accepted accounting principles for the
19 preceding fiscal year.

20 (c) ["Branch location" means any location other than the principal executive office
21 of a licensee or license applicant at which the licensee conducts, or the license applicant, on
22 licensure, will conduct, activities required to be licensed under this subtitle.

23 (d)] "Consultation fee" means a fee paid by a consumer to a debt management
24 services provider in connection with the processing of any application that the consumer
25 makes for debt management services.

26 [(e)] (D) "Consumer" means an individual who:

27 (1) Resides in the State; and

28 (2) Is seeking debt management services or has entered into a debt
29 management services agreement.

30 [(f)] (E) "Consumer education program" means a program or plan that:

1 (1) Seeks to improve the financial literacy of consumers regarding personal
2 finance, budgeting, and credit and debt management; and

3 (2) Provides counseling tailored to the needs and circumstances of the
4 consumer with regard to options and strategies for addressing the consumer's debt
5 problems, including:

6 (i) Creating and maintaining a budget;

7 (ii) Establishing debt management payment plans with creditors;

8 (iii) Negotiating directly with creditors on payment or interest rate
9 relief; and

10 (iv) Filing for bankruptcy.

11 **[(g)] (F)** (1) “Control person” means a person who has the power, directly or
12 indirectly, to direct the management or policies of a licensee or license applicant, whether
13 through ownership of securities, by contract, or otherwise.

14 (2) “Control person” includes a person who:

15 (i) Is a general partner, an officer, or a director of a licensee or
16 license applicant, or a member that occupies a similar position or performs a similar
17 function;

18 (ii) Directly or indirectly has the right to vote 10% or more of a class
19 of voting securities, or has the power to sell or direct the sale of 10% or more of a class of
20 voting securities, of a licensee or license applicant; or

21 (iii) In the case of a partnership, a limited partnership, a limited
22 liability partnership, a limited liability company, or any other business entity:

23 1. Has the right to receive on liquidation or dissolution of a
24 licensee or license applicant 10% or more of the capital of the licensee or license applicant;
25 or

26 2. Has contributed 10% or more of the capital of a licensee or
27 license applicant.

28 **[(h)] (G)** “Debt management counselor” means a permanent, temporary, or
29 contractual employee of a debt management services provider or its agent who provides
30 counseling to consumers on behalf of the debt management services provider.

31 **[(i)] (H)** “Debt management services” means receiving funds periodically from a
32 consumer under an agreement with the consumer for the purpose of distributing the funds
33 among the consumer's creditors in full or partial payment of the consumer's debts.

1 [(j)] (I) “Debt management services agreement” means a written contract, plan,
2 or agreement between a debt management services provider and a consumer for the
3 performance of debt management services.

4 [(k)] (J) “Debt management services provider” means a person that provides or
5 offers to provide debt management services to a consumer.

6 [(k-1)] (K) “License” means a license issued in any form by the Commissioner
7 under this subtitle to provide debt management services, including as provided for through
8 NMLS.

9 (L) “**LICENSED LOCATION**” MEANS ANY LOCATION LISTED BY THE LICENSEE
10 **IN NMLS IN ACCORDANCE WITH THIS SUBTITLE.**

11 (M) “**LICENSED NAME**” MEANS:

12 (1) **THE LICENSEE’S LEGAL NAME; AND**

13 (2) **ANY TRADE NAME USED BY THE LICENSEE IN ACCORDANCE WITH**
14 **§ 2-121 OF THIS ARTICLE.**

15 [(l)] (N) “Licensee” means a person licensed under this subtitle to provide debt
16 management services.

17 [(m)] (O) “Maintenance fee” means a fee paid by a consumer to a debt
18 management services provider for the maintenance or servicing of the consumer’s accounts
19 with the consumer’s creditors in accordance with a debt management services agreement.

20 [(n)] (P) “Relative” means any of the following who are related to an individual
21 by blood, marriage, or adoption:

22 (1) A spouse;

23 (2) A child;

24 (3) A sibling;

25 (4) A parent;

26 (5) A grandparent;

27 (6) A grandchild;

28 (7) A stepparent;

1 (8) A stepchild;

2 (9) A stepsibling;

3 (10) An aunt; or

4 (11) An uncle.

5 [(o)] (Q) “Resident agent” means an individual residing in the State or a
6 Maryland corporation whose name, address, and designation as a resident agent are filed
7 or recorded with the State Department of Assessments and Taxation in accordance with
8 [the provisions of] the Corporations and Associations Article.

9 [(p)] (R) “Trust account” means an account that is:

10 (1) Established in a financial institution that is federally insured;

11 (2) Separate from the debt management services provider’s operating
12 account;

13 (3) Designated as a “trust account” or by another appropriate designation
14 indicating that the funds in the account are not the funds of the licensee or its officers,
15 employees, or agents;

16 (4) Unavailable to creditors of the debt management services provider; and

17 (5) Used to hold funds paid by consumers to a debt management services
18 provider for disbursement to creditors of the consumers.

19 [(q)] (S) “Unique identifier” means a number or another identifier assigned by
20 NMLS.

21 12–904.

22 [(a)] An applicant shall submit separate applications for the applicant’s principal
23 executive office and each branch location.

24 [(b)] With the license application [for the principal executive office of an applicant],
25 the applicant shall pay to the Commissioner:

26 (1) A nonrefundable investigation fee of \$1,000 for an initial license; and

27 (2) A license fee for an initial license or a license renewal for an additional
28 1–year term, as follows:

29 (i) \$500, if the applicant’s annual gross revenue is not more than

1 \$3,000,000;

2 (ii) \$1,000, if the applicant's annual gross revenue is more than
3 \$3,000,000 but not more than \$6,000,000;

4 (iii) \$2,000, if the applicant's annual gross revenue is more than
5 \$6,000,000 but not more than \$15,000,000;

6 (iv) \$3,000, if the applicant's annual gross revenue is more than
7 \$15,000,000 but not more than \$30,000,000; or

8 (v) \$4,000, if the applicant's annual gross revenue is more than
9 \$30,000,000.

10 [(c) With the license application for each branch location of an applicant, the
11 applicant shall pay to the Commissioner a \$100 license fee for an initial license or a license
12 renewal for an additional 1-year term.]

13 12-905.

14 (a) All revenue received for the licensing **AND ASSESSMENT** of persons under this
15 subtitle and, except as provided in subsection (b) of this section, any other fee, examination
16 assessment, or revenue received by the Commissioner under this subtitle shall be:

17 (1) Credited to the [Nondepository] **NON-DEPOSITORY** Special Fund
18 established under [§ 11-610] **§ 2-120** of this article; and

19 (2) Used in accordance with [§ 11-610(c)] **§ 2-120(D)** of this article.

20 **(C) SUBJECT TO § 2-120(H) OF THIS ARTICLE, THE COMMISSIONER MAY**
21 **IMPOSE AN ANNUAL ASSESSMENT ON ANY LICENSEE UNDER THIS SUBTITLE.**

22 12-906.

23 (b) A [separate license is required for the principal executive office of the license
24 applicant or licensee and each branch location] **LICENSEE MAY DO BUSINESS AS A DEBT**
25 **MANAGEMENT SERVICES PROVIDER ONLY AT A LICENSED LOCATION OR AS**
26 **OTHERWISE AUTHORIZED BY THE COMMISSIONER THROUGH REGULATION.**

27 12-908.

28 (b) The application shall include:

29 (1) The applicant's **LEGAL** name **AND ANY TRADE NAME USED BY THE**
30 **APPLICANT IN ACCORDANCE WITH § 2-121 OF THIS ARTICLE, THE APPLICANT'S**
31 principal executive office address, and website address, if any, and, if the applicant is not

1 an individual, the name and residence address of each control person, if any;

2 (2) The address of each [branch] **ADDITIONAL** location, if any, [at which
3 the applicant will provide debt management services;] **THAT:**

4 (I) **THE GENERAL PUBLIC MAY REASONABLY VIEW AS A**
5 **LOCATION THAT DOES BUSINESS AS A DEBT MANAGEMENT SERVICES PROVIDER,**
6 **INCLUDING ANY LOCATION THAT INVESTIGATES CUSTOMER COMPLAINTS OR**
7 **DIRECTLY COMMUNICATES WITH CUSTOMERS VERBALLY, ELECTRONICALLY, OR IN**
8 **WRITING;**

9 (II) **HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE OR**
10 **TECHNOLOGY SYSTEMS;**

11 (III) **CONDUCTS ANY CORE MANAGEMENT, INFORMATION**
12 **SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR**

13 (IV) **IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY**
14 **REGULATION THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE;**

15 12-911.

16 [(a) (1) Each license provided for through NMLS shall include the following
17 information:

18 (i) The name of the licensee;

19 (ii) The address of the location at which the business is to be
20 conducted; and

21 (iii) The unique identifier of the licensee.

22 (2) The unique identifier of the licensee shall constitute the license number
23 for the license.

24 (b) A license authorizes the licensee to provide debt management services.]

25 (A) **INFORMATION IN NMLS ASSOCIATED WITH A LICENSE APPROVED BY**
26 **THE COMMISSIONER UNDER THIS SUBTITLE SHALL INCLUDE THE FOLLOWING:**

27 (1) **THE LICENSEE'S LEGAL NAME AND ANY TRADE NAME USED BY**
28 **THE LICENSEE IN ACCORDANCE WITH § 2-121 OF THIS ARTICLE;**

29 (2) **THE ADDRESS OF THE LICENSEE'S PRINCIPAL EXECUTIVE**
30 **OFFICE; AND**

1 **(3) THE ADDRESS OF EACH ADDITIONAL LOCATION, IF ANY, WHERE**
2 **THE LICENSEE DOES BUSINESS AND THAT:**

3 **(I) THE GENERAL PUBLIC MAY REASONABLY VIEW AS A**
4 **LOCATION THAT DOES BUSINESS AS A DEBT MANAGEMENT SERVICES PROVIDER,**
5 **INCLUDING ANY LOCATION THAT INVESTIGATES CUSTOMER COMPLAINTS OR**
6 **DIRECTLY COMMUNICATES WITH CUSTOMERS VERBALLY, ELECTRONICALLY, OR IN**
7 **WRITING;**

8 **(II) HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE OR**
9 **TECHNOLOGY SYSTEMS;**

10 **(III) CONDUCTS ANY CORE MANAGEMENT, INFORMATION**
11 **SECURITY AND TECHNOLOGY, RISK AND COMPLIANCE, OR FINANCE FUNCTIONS; OR**

12 **(IV) IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY**
13 **REGULATION THE COMMISSIONER ADOPTS UNDER THIS SUBTITLE.**

14 **(B) A LICENSEE SHALL MAINTAIN AND UPDATE THE INFORMATION IN**
15 **NMLS ASSOCIATED WITH THE LICENSEE'S LICENSE TO REFLECT ACCURATELY AT**
16 **ALL TIMES THE INFORMATION REQUIRED BY SUBSECTION (A) OF THIS SECTION.**

17 **(C) THE UNIQUE IDENTIFIER ASSIGNED BY NMLS TO A LICENSEE SHALL**
18 **CONSTITUTE THE LICENSEE'S LICENSE NUMBER.**

19 **(D) A LICENSE AUTHORIZES THE LICENSEE TO DO BUSINESS UNDER THE**
20 **LICENSE AT ANY LICENSED LOCATION AND UNDER ANY LICENSED NAME, OR AS**
21 **OTHERWISE AUTHORIZED BY THE COMMISSIONER THROUGH REGULATION.**

22 **[(c)] (E) A license may not be transferred, assigned, or pledged.**

23 **[(d)] (F) Each licensee shall conspicuously post, in 48 point or larger type, at**
24 **[the licensee's] EACH licensed location the following information:**

25 (1) The licensee's unique identifier; and

26 (2) A statement advising consumers of the availability of the NMLS
27 Consumer Access website to verify the licensing status of the licensee.

28 **[(e)] (G) Each licensee shall conspicuously display the following information on**
29 **the licensee's website, any software application accessible to the public and used to provide**
30 **debt management services, and profile page within each social media platform the licensee**
31 **uses:**

- 1 (1) The licensee’s unique identifier;
- 2 (2) A link to the NMLS Consumer Access website; and
- 3 (3) A notice stating, “The Commissioner of Financial Regulation for the
4 State of Maryland will accept any questions and complaints from Maryland residents
5 regarding (name and unique identifier of the debt management services provider) at
6 (address of Commissioner), phone (toll-free number of the Commissioner).

7 [(f) Only one location may be maintained under any one license.]

8 [(g)] (H) A licensee is not required to post the information required in subsection
9 [(d)] (F) of this section **AT A LICENSED LOCATION** if the licensee does not regularly grant
10 access to [the] **THAT** licensed location to members of the general public.

11 12–914.

12 (b) (2) The bond shall be:

13 (i) In an amount [not less than \$10,000 and not more than
14 \$1,000,000, as set] **DETERMINED** by the Commissioner **UNDER SUBSECTION (F) OF THIS**
15 **SECTION**;

16 [(8) In setting the amount of the surety bond, the Commissioner shall
17 consider:

18 (i) The financial condition and business experience of the applicant
19 or licensee and the agent of the applicant or licensee;

20 (ii) For an applicant, the projected monthly and annual volume of
21 debt management services to be provided in the State;

22 (iii) For a licensee, the average monthly and annual volume of debt
23 management services provided in the State during the previous 12-month period;

24 (iv) The potential loss to consumers who remit funds to the applicant
25 or licensee if the applicant or licensee becomes financially impaired; and

26 (v) Any other factor the Commissioner considers appropriate.]

27 **(F) (1) THE AMOUNT OF THE SURETY BOND UNDER SUBSECTION (B) OF**
28 **THIS SECTION SHALL BE IN AN AMOUNT OF NOT LESS THAN \$10,000 AND NOT MORE**
29 **THAN \$1,000,000, AS DETERMINED BY THE COMMISSIONER FOR EACH LICENSEE.**

30 **(2) IN SETTING THE AMOUNT OF THE SURETY BOND, THE**

1 COMMISSIONER MAY CONSIDER:

2 (I) THE NATURE AND VOLUME OF THE BUSINESS OR PROPOSED
3 BUSINESS OF THE LICENSEE OR APPLICANT;

4 (II) THE FINANCIAL CONDITION OF THE LICENSEE OR
5 APPLICANT, INCLUDING:

6 1. THE AMOUNT, NATURE, QUALITY, AND LIQUIDITY OF
7 THE ASSETS OF THE LICENSEE OR APPLICANT;

8 2. THE AMOUNT AND NATURE OF THE LIABILITIES,
9 INCLUDING CONTINGENT LIABILITIES, OF THE LICENSEE OR APPLICANT;

10 3. THE HISTORY OF AND PROSPECTS FOR THE LICENSEE
11 OR APPLICANT TO EARN AND RETAIN INCOME; AND

12 4. THE POTENTIAL HARM TO CONSUMERS IF THE
13 APPLICANT OR LICENSEE BECOMES FINANCIALLY IMPAIRED;

14 (III) THE QUALITY OF THE OPERATIONS OF THE LICENSEE OR
15 APPLICANT;

16 (IV) THE QUALITY OF THE MANAGEMENT OF THE LICENSEE OR
17 APPLICANT;

18 (V) THE NATURE AND QUALITY OF THE PERSON THAT HAS
19 CONTROL OF THE LICENSEE OR APPLICANT; AND

20 (VI) ANY OTHER FACTOR THAT THE COMMISSIONER CONSIDERS
21 RELEVANT.

22 12-915.

23 (a) (1) [A] EXCEPT FOR A CHANGE OF A LICENSED LOCATION MADE IN
24 COMPLIANCE WITH SUBSECTION (D) OF THIS SECTION, A licensee shall update through
25 NMLS any change in the information required to be included in the licensee's application
26 under § 12-908(b)(1) [and (2)] of this subtitle at least 30 days before the change is effective.

27 (2) The licensee shall ensure that, after the change described in this
28 subsection, the licensee will continue to satisfy the surety bond requirement under §
29 12-914 of this subtitle.

30 (b) Unless approved by the Commissioner through NMLS, a licensee may not

1 change a control person of the licensee, or an agent who is acting on behalf of the licensee
2 to manage a trust account, listed on the licensee's application under § 12-908(b)(3) and (6)
3 of this subtitle.

4 (c) (1) To request approval of a proposed change described in subsection (b) of
5 this section, the licensee shall notify the Commissioner through NMLS of the proposed
6 change and submit any information that the Commissioner requires.

7 (2) For a proposed change in owner or agent acting on behalf of the licensee
8 to manage a trust account, the Commissioner may determine that the filing of a new
9 application for the issuance of a license is warranted.

10 (3) Unless the Commissioner notifies the licensee that a different time
11 period is necessary, the Commissioner shall approve or deny a request for a change
12 described in subsection (b) of this section within 60 days after the date the Commissioner
13 receives all information required under paragraph (1) of this subsection.

14 **(D) (1) A LICENSEE MAY NOT ADD, DELETE, OR MODIFY A LOCATION**
15 **REQUIRED TO BE LISTED IN NMLS UNDER § 12-911(A)(2) OR (3) OF THIS SUBTITLE**
16 **UNLESS:**

17 **(I) THE LICENSEE PROVIDES TO THE COMMISSIONER,**
18 **THROUGH NMLS AND IN ACCORDANCE WITH ANY REGULATIONS THE**
19 **COMMISSIONER ADOPTS, NOTICE OF THE ADDITION, DELETION, OR MODIFICATION;**

20 **(II) THE ADDITION, DELETION, OR MODIFICATION OF THE**
21 **LOCATION IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE**
22 **LICENSEE'S LICENSE IN NMLS; AND**

23 **(III) THE ADDITION, DELETION, OR MODIFICATION OF THE**
24 **LOCATION OTHERWISE COMPLIES WITH THIS SUBTITLE.**

25 **(2) THE LICENSEE MAY NOT DO BUSINESS AT A LOCATION REQUIRED**
26 **TO BE LISTED IN NMLS BY § 12-911(A)(2) OR (3) OF THIS SUBTITLE UNTIL THE**
27 **LOCATION IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE**
28 **LICENSEE'S LICENSE IN NMLS.**

29 12-923.

30 (b) For the purposes of this section, the Commissioner:

31 (1) Shall be given access to [the] **ANY LICENSED LOCATION OR OTHER**
32 **place of business AND ALL** books, papers, records, safes, and vaults of the person under
33 investigation; and

1 12-924.

2 (a) The Commissioner may conduct an [on-site] examination of a licensee with
3 or without prior notice.

4 (c) [An on-site] ANY examination may be conducted in conjunction with an
5 examination performed by a representative of a responsible supervisory agency of another
6 state.

7 (d) (1) The Commissioner, in lieu of an [on-site] examination, may accept the
8 examination report of a responsible supervisory agency of another state.

9 (2) A report accepted under paragraph (1) of this subsection is considered
10 for all purposes as an official report of the Commissioner.

11 12-1007.

12 (a) All revenue received for the registration of persons under this subtitle and,
13 except as provided in subsection (b) of this section, any other fee, examination assessment,
14 or revenue received by the Commissioner under this subtitle shall be:

15 (1) Credited to the [Nondepository] **NON-DEPOSITORY** Special Fund
16 established under [§ 11-610] **§ 2-120** of this article; and

17 (2) Used in accordance with [§ 11-610(c)] **§ 2-120(D)** of this article.

18 **Article – State Finance and Procurement**

19 6-226.

20 (a) (2) (i) Notwithstanding any other provision of law, and unless
21 inconsistent with a federal law, grant agreement, or other federal requirement or with the
22 terms of a gift or settlement agreement, net interest on all State money allocated by the
23 State Treasurer under this section to special funds or accounts, and otherwise entitled to
24 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
25 Fund of the State.

26 (ii) The provisions of subparagraph (i) of this paragraph do not apply
27 to the following funds:

28 170. the Cannabis Public Health Fund; [and]

29 171. the Community Reinvestment and Repair Fund; **AND**

30 **172. THE NON-DEPOSITORY SPECIAL FUND.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 12–401(f) through
2 (k) and (l) through (v) of Article – Financial Institutions of the Annotated Code of Maryland
3 be renumbered to be Section(s) 12–401(e) through (j) and (n) through (x), respectively.

4 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
5 1, 2023.