

HOUSE BILL 1471

I1, I2, C2

5lr1577

By: **Delegate Amprey**

Introduced and read first time: February 7, 2025

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Innovative Financial Product or Service Certification Program**

3 FOR the purpose of establishing the Innovative Financial Product or Service Certification
4 Program to be administered by the Commissioner of Financial Regulation; requiring
5 the Commissioner to issue a certification under the Program to a qualifying
6 peer-to-peer lending service; exempting a person who holds a certification under the
7 Program from certain laws relating to lending and the licensure of lenders and
8 collection agencies; and generally relating to financial products and services.

9 BY repealing and reenacting, with amendments,
10 Article – Business Regulation
11 Section 7–102(b)
12 Annotated Code of Maryland
13 (2024 Replacement Volume)

14 BY adding to
15 Article – Commercial Law
16 Section 12–101.2, 12–301.1, 12–901.1, and 12–1001.1
17 Annotated Code of Maryland
18 (2013 Replacement Volume and 2024 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Financial Institutions
21 Section 11–202
22 Annotated Code of Maryland
23 (2020 Replacement Volume and 2024 Supplement)

24 BY adding to
25 Article – Financial Institutions
26 Section 12–1201 and 12–1202 to be under the new subtitle “Subtitle 12. Innovative
27 Financial Product or Service Certification Program”

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2020 Replacement Volume and 2024 Supplement)

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

5 **Article – Business Regulation**

6 7–102.

7 (b) This title does not apply to:

8 (1) a bank;

9 (2) a federal or State credit union;

10 (3) a mortgage lender;

11 (4) a person acting under an order of a court of competent jurisdiction;

12 (5) a licensed real estate broker, or an individual acting on behalf of the
13 real estate broker, in the collection of rent or allied charges for property;

14 (6) a savings and loan association;

15 (7) a title company as to its escrow business;

16 (8) a trust company;

17 (9) a lawyer who is collecting a debt for a client, unless the lawyer has an
18 employee who:

19 (i) is not a lawyer; and

20 (ii) is engaged primarily to solicit debts for collection or primarily
21 makes contact with a debtor to collect or adjust a debt through a procedure identified with
22 the operation of a collection agency; [or]

23 (10) a person who is collecting a debt for another person if:

24 (i) both persons are related by common ownership;

25 (ii) the person who is collecting a debt does so only for those persons
26 to whom it is related by common ownership;

27 (iii) the principal business of the person who is collecting a debt is not
28 the collection of debts; and

1 (iv) before collecting a debt, the person files with the Board:

2 1. the correct name of the person;

3 2. an address and telephone number of a contact person; and

4 3. the name of the person's resident agent; OR

5 (11) A PERSON WHO HOLDS A CERTIFICATION UNDER THE INNOVATIVE
6 FINANCIAL PRODUCT OR SERVICE CERTIFICATION PROGRAM ESTABLISHED
7 UNDER TITLE 12, SUBTITLE 12 OF THE FINANCIAL INSTITUTIONS ARTICLE.

8 Article – Commercial Law

9 12-101.2.

10 THIS SUBTITLE DOES NOT APPLY TO A PERSON WHO HOLDS A CERTIFICATION
11 UNDER THE INNOVATIVE FINANCIAL PRODUCT OR SERVICE CERTIFICATION
12 PROGRAM ESTABLISHED UNDER TITLE 12, SUBTITLE 12 OF THE FINANCIAL
13 INSTITUTIONS ARTICLE OR ANY LOAN PROVIDED BY OR THROUGH A PRODUCT OR
14 SERVICE PROVIDED BY A PERSON CERTIFIED UNDER THE INNOVATIVE FINANCIAL
15 PRODUCT OR SERVICE CERTIFICATION PROGRAM.

16 12-301.1.

17 THIS SUBTITLE DOES NOT APPLY TO A PERSON WHO HOLDS A CERTIFICATION
18 UNDER THE INNOVATIVE FINANCIAL PRODUCT OR SERVICE CERTIFICATION
19 PROGRAM ESTABLISHED UNDER TITLE 12, SUBTITLE 12 OF THE FINANCIAL
20 INSTITUTIONS ARTICLE OR ANY LOAN PROVIDED BY OR THROUGH A PRODUCT OR
21 SERVICE PROVIDED BY A PERSON CERTIFIED UNDER THE INNOVATIVE FINANCIAL
22 PRODUCT OR SERVICE CERTIFICATION PROGRAM.

23 12-901.1.

24 THIS SUBTITLE DOES NOT APPLY TO A PERSON WHO HOLDS A CERTIFICATION
25 UNDER THE INNOVATIVE FINANCIAL PRODUCT OR SERVICE CERTIFICATION
26 PROGRAM ESTABLISHED UNDER TITLE 12, SUBTITLE 12 OF THE FINANCIAL
27 INSTITUTIONS ARTICLE OR ANY LOAN PROVIDED BY OR THROUGH A PRODUCT OR
28 SERVICE PROVIDED BY A PERSON CERTIFIED UNDER THE INNOVATIVE FINANCIAL
29 PRODUCT OR SERVICE CERTIFICATION PROGRAM.

30 12-1001.1.

1 TECHNOLOGY TO ENHANCE LENDING AND ACCESS TO CREDIT FOR CONSUMERS IN
2 THE STATE.

3 (D) "INNOVATIVE FINANCIAL PRODUCT OR SERVICE" MEANS A FINANCIAL
4 PRODUCT OR SERVICE THAT INCLUDES AN INNOVATION.

5 (E) "PEER-TO-PEER LENDING SERVICE" MEANS A LENDING PLATFORM
6 THAT:

7 (1) ASSISTS CONSUMERS IN RECEIVING SMALL LOANS FOR
8 PERSONAL, FAMILY, OR HOUSEHOLD USE FROM INDIVIDUAL LENDERS, INCLUDING
9 LOANS RANGING FROM \$50 TO \$500;

10 (2) ASSIGNS SCORES TO BORROWERS TO ASSIST INDIVIDUAL
11 LENDERS IN DETERMINING THE CREDITWORTHINESS OF BORROWERS;

12 (3) ALLOWS BORROWERS TO SET THEIR OWN TERMS, INCLUDING THE
13 LOAN AMOUNT AND PAYBACK DATE, AND PROVIDE APPRECIATION TIPS TO LENDERS
14 WHO AGREE TO FUND A LOAN;

15 (4) PROVIDES FOR THE ESTABLISHMENT OF ACCOUNTS THAT
16 INDIVIDUALS MUST USE TO LEND AND BORROW THROUGH THE PLATFORM;

17 (5) IF THE PROPOSED TERMS OF A LOAN REQUEST ARE
18 SATISFACTORY TO A LENDER, FACILITATES THE EXECUTION OF A PROMISSORY
19 NOTE BETWEEN THE BORROWER AND LENDER; AND

20 (6) IF A BORROWER FAILS TO PAY BACK A LOAN WITHIN A REQUIRED
21 TERM, ASSISTS WITH THE COLLECTION OF LOAN PAYMENTS OWED ON AN ACCOUNT.

22 (F) "PROGRAM" MEANS THE INNOVATIVE FINANCIAL PRODUCT OR
23 SERVICE CERTIFICATION PROGRAM.

24 12-1202.

25 (A) THERE IS AN INNOVATIVE FINANCIAL PRODUCT OR SERVICE
26 CERTIFICATION PROGRAM.

27 (B) THE COMMISSIONER SHALL ADMINISTER THE PROGRAM.

28 (C) THE PURPOSE OF THE PROGRAM IS TO PROVIDE FOR AND ENCOURAGE
29 THE INTRODUCTION AND IMPLEMENTATION OF INNOVATIVE FINANCIAL SERVICES
30 OR PRODUCTS IN THE STATE BY REMOVING LICENSURE AND OTHER REGULATORY

1 REQUIREMENTS THAT MAY IMPOSE COSTS AND LIMITATIONS IMPACTING THE
2 FEASIBILITY OF LENDING AND PROVIDING ACCESS TO CREDIT THROUGH THE
3 INNOVATIVE FINANCIAL SERVICES AND PRODUCTS.

4 (D) THE COMMISSIONER:

5 (1) SHALL ISSUE A CERTIFICATION UNDER THE PROGRAM FOR A
6 PROVIDER OF A QUALIFYING PEER-TO-PEER LENDING SERVICE; AND

7 (2) MAY ISSUE A CERTIFICATION UNDER THE PROGRAM TO
8 PROVIDERS OF OTHER TYPES OF INNOVATIVE PRODUCTS OR SERVICES THAT ARE
9 DETERMINED BY THE COMMISSIONER TO ENHANCE LENDING AND ACCESS TO
10 CREDIT FOR CONSUMERS IN THE STATE.

11 (E) THE COMMISSIONER MAY SUSPEND OR REVOKE A CERTIFICATION
12 ISSUED UNDER THE PROGRAM IF THE COMMISSIONER DETERMINES THAT A
13 CERTIFICATE HOLDER HAS ENGAGED IN AN UNFAIR, ABUSIVE, DECEPTIVE, OR
14 FRAUDULENT PRACTICE IN PROVIDING THE INNOVATIVE FINANCIAL PRODUCT OR
15 SERVICE UNDER THE PROGRAM.

16 (F) THE COMMISSIONER SHALL ADOPT REGULATIONS TO IMPLEMENT THE
17 PROGRAM.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
19 October 1, 2025.