

SB0881/803427/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 881
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, before “**Commercial**” insert “**Financial Institutions and Activities – Licensing Requirements and Regulation of**”; in the same line, strike “– **Small Business Truth in Lending Act**”; in line 6, after “offers;” insert “providing that the revocation, suspension, surrender, or other termination of a certain license does not relieve a person of the obligation to pay certain assessments imposed by the Commissioner of Financial Regulation; prohibiting a person from engaging in the business of commercial financing unless that person is licensed by the Commissioner or exempt from the licensing requirement; establishing certain requirements and other provisions governing the licensing and regulation of a person engaging in the business of commercial financing, including applications, Nationwide Multistate Licensing System (NMLS) information, use of trade names, examination, and enforcement;”; in the same line, after “transactions” insert “and the licensing of financial services providers”; after line 6, insert:

“BY adding to

Article – Commercial Law

Section 12–1601 through 12–1616 to be under the new subtitle “Subtitle 16.

Commercial Financing – Credit Provisions”

Annotated Code of Maryland

(2013 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,

Article – Financial Institutions

Section 2–120

Annotated Code of Maryland

(2020 Replacement Volume and 2025 Supplement)”;

in line 9, strike “12–1301” and substitute “14–101”; in the same line, strike “12–1314” and substitute “14–213”; in the same line, strike “subtitle” and substitute “title”; and in the same line, strike “Subtitle 13.” and substitute “Title 14.”.

AMENDMENT NO. 2

On page 1, in line 15, strike “**Financial Institutions**” and substitute “**Commercial Law**”; in line 16, strike “**13.**” and substitute “**16.**”; in the same line, after “**FINANCING**” insert “– **CREDIT PROVISIONS**”; and in line 17, strike “**12–1301.**” and substitute “**12–1601.**”.

On page 2, after line 11, insert:

“(D) “COMMERCIAL FINANCING TRANSACTION” MEANS A TRANSACTION IN WHICH A PROVIDER EXTENDS COMMERCIAL FINANCING TO A RECIPIENT.

“(E) “COMMISSIONER” HAS THE MEANING STATED IN § 1–101 OF THE FINANCIAL INSTITUTIONS ARTICLE.”;

in lines 12, 20, and 30, strike “**(D)**”, “**(E)**”, and “**(F)**”, respectively, and substitute “**(F)**”, “**(G)**”, and “**(H)**”, respectively; and in line 29, after “**COMMISSIONER**” insert “**BY REGULATION**”.

On page 3, after line 12, insert:

“(I) “PERSON” HAS THE MEANING STATED IN § 1–101 OF THE FINANCIAL INSTITUTIONS ARTICLE.”;

in lines 13, 17, and 22, strike “**(G)**”, “**(H)**”, and “**(I)**”, respectively, and substitute “**(J)**”, “**(K)**”, and “**(L)**”, respectively; in line 13, strike “**(1)**”; in the same line, after “**THAT**”

SB0881/803427/01 **Finance Committee**
Amendments to SB 881
Page 3 of 26

insert “, EITHER DIRECTLY OR THROUGH A THIRD PARTY,”; and strike in their entirety lines 15 and 16.

On page 4, in line 1, strike “(J)” and substitute “(M)”; in line 6, strike “12-1302.” and substitute “12-1602.”; in line 8, strike “FEDERAL OR STATE”; and in line 9, after “ASSOCIATION” insert “INCORPORATED OR CHARTERED UNDER THE LAWS OF ANY STATE OR THE UNITED STATES”.

On page 5, in line 16, strike “12-1303.” and substitute “12-1603.”; and in line 17, strike “§ 12-1307” and substitute “§ 12-1607”.

On page 6, in line 1, strike “12-1304.” and substitute “12-1604.”; and in line 16, strike “12-1305” and substitute “12-1605”.

On page 7, in line 18, strike “12-1305.” and substitute “12-1605.”.

On page 9, in line 1, strike “EACH YEAR” and substitute “, 2028, AND EACH JANUARY 1 THEREAFTER”; and in line 23, strike “12-1306.” and substitute “12-1606.”.

On page 11, in line 14, strike “12-1307.” and substitute “12-1607.”.

On page 13, in line 18, strike “12-1308.” and substitute “12-1608.”.

On page 14, in line 29, strike “12-1309.” and substitute “12-1609.”.

On page 16, in line 22, strike “12-1310.” and substitute “12-1610.”.

On page 17, in lines 21 and 26, strike “12-1311.” and “12-1312.”, respectively, and substitute “12-1611.” and “12-1612.”, respectively.

(Over)

On page 18, in lines 10 and 19, strike “~~12-1313.~~” and “~~12-1314.~~”, respectively, and substitute “12-1613.” and “12-1614.”, respectively; in lines 11 and 15, in each instance, strike “SHALL” and substitute “MAY”; strike beginning with “(A)” in line 20 down through the second “THE” in line 28 and substitute “THE”; in line 28, strike “INVESTIGATE THE COMPLAINT AND”; in line 29, strike “ANY OF”; in line 30, strike “TITLE 2, SUBTITLE 1 OF THIS ARTICLE” and substitute “§§ 2-113 THROUGH 2-116 OF THE FINANCIAL INSTITUTIONS ARTICLE TO ENFORCE THIS SUBTITLE”; and after line 30, insert:

“12-1615.

THE STATE’S ATTORNEY FOR THE COUNTY IN WHICH THE VIOLATION OCCURS OR THE ATTORNEY GENERAL MAY PROSECUTE ANY VIOLATION OF THIS SUBTITLE.

12-1616.

ANY LICENSEE, AS DEFINED IN § 14-101 OF THE FINANCIAL INSTITUTIONS ARTICLE, THAT KNOWINGLY VIOLATES ANY PROVISION OF THIS SUBTITLE IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$500 OR IMPRISONMENT NOT EXCEEDING 6 MONTHS OR BOTH.

Article – Financial Institutions

2-120.

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

(2) “Board” means the State Collection Agency Licensing Board established under Title 7 of the Business Regulation Article.

(3) “Fund” means the Non-Depository Special Fund established under this section.

(4) “License” means any license issued by the Commissioner or the Board under applicable law.

(5) “License category” refers to all licenses issued by either the Commissioner or the Board under any of the following provisions:

(i) Title 11, Subtitle 2 of this article;

(ii) Title 11, Subtitle 3 of this article;

(iii) Title 11, Subtitle 4 of this article;

(iv) Title 11, Subtitle 5 of this article;

(v) Title 11, Subtitle 6 of this article;

(vi) Title 12, Subtitle 1 of this article;

(vii) Title 12, Subtitle 4 of this article;

(viii) Title 12, Subtitle 9 of this article; [or]

(IX) TITLE 14, SUBTITLE 2 OF THIS ARTICLE; OR

[(ix)] (X) Title 7 of the Business Regulation Article.

(6) “Licensed person” means any person required by law to be licensed by either the Commissioner or the Board, regardless of whether the person maintains the required license.

(7) “Registered person” means any person required by law to be registered by the Commissioner or the Board, regardless of whether the person maintains the required registration.

(8) “Regulated person” means:

(i) A licensed person or registered person; or

(ii) Any person otherwise engaging in activity subject to a provision of law, regulation, rule, or order over which the Commissioner has jurisdiction, other than activity subject to any of Titles 3 through 9 of this article.

(b) There is a Non-Depository Special Fund that consists of:

(1) All revenues received from licensing fees from each licensed person;

(2) All revenues received from registration fees from each registered person;

(3) All revenues received from annual assessments under subsection (h) of this section;

(4) Income from the investments that the State Treasurer makes for the Fund; and

(5) Any other fee, examination or investigation fee or assessment, or revenue received by the Commissioner or the Board with respect to any regulated person.

(c) Notwithstanding subsection (b) of this section:

(1) The Commissioner and the Board shall pay all fines and penalties collected from any regulated person into the General Fund of the State; and

(2) Revenue received by the Commissioner for use of the Foreclosed Property Registry established under Title 7 of the Real Property Article shall be paid by the Commissioner to the Foreclosed Property Registry Fund established under § 7–105.14 of the Real Property Article.

(d) The purpose of the Fund is to cover the direct and indirect costs of fulfilling the statutory and regulatory duties of the Commissioner and the Board related to regulated persons.

(e) (1) The annual State budget shall include the costs and expenses of the Commissioner and the Board relating to subsection (d) of this section.

(2) Any expenditures from the Fund to cover costs and expenses of the Commissioner and the Board relating to subsection (d) of this section may be made only:

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

(ii) By the budget amendment procedure under § 7–209 of the State Finance and Procurement Article.

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

(Over)

SB0881/803427/01 **Finance Committee**
Amendments to SB 881
Page 8 of 26

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

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

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

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

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

(i) The General Fund of the State; or

(ii) Any other special fund of the State.

(h) (1) In order to ensure the Fund contains sufficient amounts to achieve its purpose under subsection (d) of this section, the Commissioner may impose an annual assessment on any licensed person not more than once each year.

(2) In calculating an assessment with respect to any licensed person, the Commissioner may consider:

(i) The costs incurred by the Commissioner or the Board in supervising licensed persons of that license category;

(ii) The type of business conducted in the State by that licensed person;

(iii) The volume of business that licensed person conducts in the State;

(iv) Assets of the licensed person; and

(v) Any other factor the Commissioner considers appropriate.

(3) A licensed person shall pay any assessment imposed under this section to the Commissioner within 30 calendar days after the assessment is imposed.

(4) THE REVOCATION, SUSPENSION, SURRENDER, OR OTHER TERMINATION OF A LICENSE DOES NOT RELIEVE A PERSON OF THE OBLIGATION TO PAY ANY ASSESSMENT IMPOSED UNDER THIS SECTION WHEN THE LICENSE WAS VALID.

[(4)] (5) (i) Failure by a licensed person to timely pay an annual assessment under this section is a violation of this section.

(ii) The Commissioner may take action for the violation against the licensed person and the license under applicable law.

TITLE 14. COMMERCIAL FINANCING.

SUBTITLE 1. GENERAL PROVISIONS.

14-101.

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) “COMMERCIAL FINANCING” HAS THE MEANING STATED IN § 12-1601 OF THE COMMERCIAL LAW ARTICLE.

(C) “COMMERCIAL FINANCING TRANSACTION” HAS THE MEANING STATED IN § 12-1601 OF THE COMMERCIAL LAW ARTICLE.

(D) “CONTROL” MEANS:

(1) IF THE LICENSEE IS A CORPORATION:

(i) THE DIRECT OR INDIRECT OWNERSHIP OF AT LEAST 25% OF THE VOTING SHARES OF THE LICENSEE; OR

(ii) THE ABILITY TO ELECT A MAJORITY OF THE DIRECTORS OF THE LICENSEE OR OTHERWISE EFFECT A CHANGE IN POLICY OF THE LICENSEE; OR

(2) IF THE LICENSEE IS NOT A CORPORATION, THE POSSESSION, DIRECTLY OR INDIRECTLY, OF THE POWER TO DIRECT OR CAUSE THE DIRECTION OF THE MANAGEMENT AND POLICIES OF THE LICENSEE WHETHER THROUGH OWNERSHIP, BY CONTRACT, OR OTHERWISE.

(E) (1) “CONTROL PERSON” MEANS A PERSON THAT HAS THE POWER, DIRECTLY OR INDIRECTLY, TO CONTROL A LICENSEE OR AN APPLICANT FOR A LICENSE.

(2) “CONTROL PERSON” INCLUDES:

(I) A GENERAL PARTNER, AN OFFICER, A DIRECTOR, OR A MEMBER OF A LICENSEE OR AN APPLICANT FOR A LICENSE OR AN INDIVIDUAL WHO OCCUPIES A SIMILAR POSITION OR PERFORMS A SIMILAR FUNCTION;

(II) A PERSON THAT, DIRECTLY OR INDIRECTLY, HAS:

1. THE RIGHT TO VOTE AT LEAST 20% OF A CLASS OF VOTING SECURITIES OF A LICENSEE OR AN APPLICANT FOR A LICENSE; OR

2. THE POWER TO SELL OR DIRECT THE SALE OF AT LEAST 20% OF A CLASS OF VOTING SECURITIES OF A LICENSEE OR AN APPLICANT FOR A LICENSE; AND

(III) IN THE CASE OF A PARTNERSHIP, A LIMITED PARTNERSHIP, A LIMITED LIABILITY PARTNERSHIP, A LIMITED LIABILITY COMPANY, OR ANY OTHER BUSINESS ENTITY, A PERSON THAT:

1. ON LIQUIDATION OR DISSOLUTION OF A LICENSEE OR AN APPLICANT FOR A LICENSE, HAS THE RIGHT TO RECEIVE AT LEAST 20% OF THE CAPITAL OF THE LICENSEE OR APPLICANT FOR A LICENSE; OR

2. HAS CONTRIBUTED AT LEAST 20% OF THE CAPITAL OF A LICENSEE OR AN APPLICANT FOR A LICENSE.

(F) "LICENSE" MEANS A LICENSE ISSUED IN ANY FORM BY THE COMMISSIONER UNDER THIS TITLE TO DO BUSINESS AS A PROVIDER, INCLUDING AS PROVIDED THROUGH NMLS.

(G) "LICENSED LOCATION" MEANS ANY LOCATION LISTED BY THE LICENSEE IN NMLS IN ACCORDANCE WITH THIS TITLE.

(Over)

(H) “LICENSED NAME” MEANS:

(1) THE LICENSEE’S LEGAL NAME; AND

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

(I) “LICENSEE” MEANS A PERSON LICENSED BY THE COMMISSIONER UNDER THIS TITLE TO DO BUSINESS AS A PROVIDER.

(J) “PROVIDER” HAS THE MEANING STATED IN § 12-1601 OF THE COMMERCIAL LAW ARTICLE.

(K) “RECIPIENT” HAS THE MEANING STATED IN § 12-1601 OF THE COMMERCIAL LAW ARTICLE.

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

14-102.

THE COMMISSIONER MAY USE THE INVESTIGATIVE AND ENFORCEMENT POWERS PROVIDED UNDER §§ 2-113 THROUGH 2-116 OF THIS ARTICLE TO ENFORCE THIS TITLE.

SUBTITLE 2. LICENSING PROVISIONS.

14-201.

(A) ON OR AFTER JANUARY 1, 2027, A PERSON MAY NOT ENGAGE IN THE BUSINESS OF COMMERCIAL FINANCING IF THE PERSON IS LOCATED IN THE STATE UNLESS THE PERSON:

(1) IS LICENSED BY THE COMMISSIONER; OR

(2) IS EXEMPT FROM THE PROVISIONS OF TITLE 12, SUBTITLE 16 OF THE COMMERCIAL LAW ARTICLE.

(B) EACH LICENSEE OR APPLICANT FOR A LICENSE SHALL OBTAIN AND MAINTAIN A VALID UNIQUE IDENTIFIER ISSUED BY NMLS ON FORMING AN ACCOUNT WITH NMLS.

(C) AN APPLICANT FOR AN INITIAL LICENSE OR A LICENSE RENEWAL SHALL APPLY FOR THE LICENSE OR RENEWAL THROUGH NMLS.

14-202.

TO QUALIFY FOR A LICENSE, AN APPLICANT SHALL SATISFY THE COMMISSIONER THAT THE APPLICANT IS OF GOOD MORAL CHARACTER AND HAS SUFFICIENT FINANCIAL RESPONSIBILITY, BUSINESS EXPERIENCE, AND GENERAL FITNESS TO:

(1) ENGAGE IN THE BUSINESS OF COMMERCIAL FINANCING;

(2) WARRANT THE BELIEF THAT THE BUSINESS WILL BE CONDUCTED LAWFULLY, HONESTLY, FAIRLY, AND EFFICIENTLY; AND

(3) COMMAND THE CONFIDENCE OF THE PUBLIC.

(Over)

14-203.

(A) TO APPLY FOR A LICENSE UNDER THIS SUBTITLE, AN APPLICANT SHALL:

(1) COMPLETE, SIGN, AND SUBMIT TO THE COMMISSIONER AN APPLICATION MADE UNDER OATH IN THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE COMMISSIONER REQUIRES; AND

(2) PROVIDE ALL INFORMATION THAT THE COMMISSIONER REQUESTS.

(B) AN APPLICANT FOR A LICENSE UNDER THIS SUBTITLE SHALL PROVIDE:

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

(II) UNLESS THE APPLICANT IS AN INDIVIDUAL, THE NAME OF EACH CONTROL PERSON; AND

(2) (I) THE ADDRESS OF THE PRINCIPAL EXECUTIVE OFFICE OF THE APPLICANT;

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

1. THE GENERAL PUBLIC MAY REASONABLY VIEW AS A LOCATION THAT ENGAGES IN THE BUSINESS OF COMMERCIAL FINANCING, INCLUDING ANY LOCATION THAT INVESTIGATES RECIPIENT COMPLAINTS OR DIRECTLY COMMUNICATES WITH RECIPIENTS ORALLY, ELECTRONICALLY, OR IN WRITING;

2. HOUSES ANY CORE OPERATIONAL INFRASTRUCTURE OF TECHNOLOGY SYSTEMS;

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

4. IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY REGULATION ADOPTED BY THE COMMISSIONER;

(III) UNLESS THE APPLICANT IS AN INDIVIDUAL, THE ADDRESS OF EACH CONTROL PERSON; AND

(IV) ANY OTHER INFORMATION THAT THE COMMISSIONER REASONABLY REQUIRES.

(C) WITH THE APPLICATION, THE APPLICANT SHALL PAY TO THE COMMISSIONER A NONREFUNDABLE LICENSE FEE OF \$850.

(D) IN ADDITION TO THE LICENSE FEE REQUIRED UNDER SUBSECTION (C) OF THIS SECTION, AN APPLICANT FOR AN INITIAL LICENSE SHALL PAY TO NMLS THE FEE THAT NMLS IMPOSES TO PROCESS THE APPLICATION.

14-204.

(A) (1) THE REQUIREMENTS UNDER ANY FEDERAL LAW AND TITLE 4, SUBTITLES 1 THROUGH 5 OF THE GENERAL PROVISIONS ARTICLE REGARDING THE PRIVACY OR CONFIDENTIALITY OF INFORMATION OR MATERIAL PROVIDED TO NMLS AND ANY PRIVILEGE ARISING UNDER FEDERAL OR STATE LAW, INCLUDING THE RULES OF ANY FEDERAL OR STATE COURT WITH RESPECT TO THE INFORMATION OR MATERIAL, SHALL CONTINUE TO APPLY TO THE INFORMATION OR MATERIAL AFTER THE INFORMATION OR MATERIAL HAS BEEN DISCLOSED TO NMLS.

(2) THE INFORMATION AND MATERIAL MAY BE SHARED WITH ALL STATE AND FEDERAL REGULATORY OFFICIALS HAVING OVERSIGHT AUTHORITY OVER THE COMMERCIAL FINANCING INDUSTRY, INCLUDING THE FINANCIAL CRIMES ENFORCEMENT NETWORK, WITHOUT THE LOSS OF PRIVILEGE OR THE LOSS OF CONFIDENTIALITY PROTECTIONS PROVIDED BY FEDERAL LAW OR TITLE 4, SUBTITLES 1 THROUGH 5 OF THE GENERAL PROVISIONS ARTICLE.

(B) THE COMMISSIONER MAY ENTER INTO INFORMATION-SHARING AGREEMENTS WITH OTHER GOVERNMENT AGENCIES, THE CONFERENCE OF STATE BANK SUPERVISORS, AND OTHER ASSOCIATIONS REPRESENTING GOVERNMENT AGENCIES, INCLUDING THE FINANCIAL CRIMES ENFORCEMENT NETWORK.

(C) INFORMATION OR MATERIAL THAT IS SUBJECT TO A PRIVILEGE OR CONFIDENTIALITY UNDER SUBSECTION (A) OF THIS SECTION MAY NOT BE SUBJECT TO:

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

(2) SUBPOENA, DISCOVERY, OR ADMISSION INTO EVIDENCE IN ANY PRIVATE CIVIL ACTION OR ADMINISTRATIVE PROCESS, UNLESS WITH RESPECT TO ANY PRIVILEGE HELD BY NMLS THE PERSON TO WHOM THE INFORMATION OR MATERIAL PERTAINS WAIVES, IN WHOLE OR IN PART, THE PRIVILEGE.

(D) ANY PROVISIONS OF TITLE 4, SUBTITLES 1 THROUGH 5 OF THE GENERAL PROVISIONS ARTICLE RELATING TO THE DISCLOSURE OF ANY INFORMATION OR MATERIAL DESCRIBED IN SUBSECTION (A) OF THIS SECTION THAT ARE INCONSISTENT WITH SUBSECTION (A) OF THIS SECTION SHALL BE SUPERSEDED BY THE REQUIREMENTS OF THIS SECTION.

(E) THIS SECTION DOES NOT APPLY TO INFORMATION OR MATERIAL RELATING TO PUBLICLY ADJUDICATED DISCIPLINARY AND ENFORCEMENT ACTIONS AGAINST A PROVIDER THAT IS INCLUDED IN NMLS AND DESIGNATED FOR ACCESS BY THE PUBLIC.

14-205.

(A) AFTER THE FILING OF A COMPLETE APPLICATION, THE COMMISSIONER SHALL INVESTIGATE THE FINANCIAL RESPONSIBILITY, BUSINESS EXPERIENCE, CHARACTER, AND GENERAL FITNESS OF THE APPLICANT.

(Over)

(B) (1) UNLESS THE COMMISSIONER NOTIFIES THE APPLICANT THAT A DIFFERENT TIME PERIOD IS NECESSARY, THE COMMISSIONER SHALL APPROVE OR DENY EACH APPLICATION FOR A LICENSE WITHIN 60 DAYS AFTER THE DATE A COMPLETE APPLICATION IS FILED.

(2) THE APPLICANT MAY BY WRITTEN REQUEST TO THE COMMISSIONER WITHDRAW THE APPLICATION AT ANY TIME BEFORE THE ISSUANCE OF THE LICENSE.

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

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

(i) NOTIFY THE APPLICANT IMMEDIATELY OF THIS FACT;
AND

(ii) SUBJECT TO THE HEARING PROVISIONS OF § 14-211 OF THIS SUBTITLE, DENY THE APPLICATION.

(2) WITHIN 30 DAYS AFTER THE COMMISSIONER DENIES AN APPLICATION, THE COMMISSIONER SHALL STATE THE REASONS FOR THE DENIAL IN WRITING AND MAIL THEM TO THE ADDRESS LISTED IN THE APPLICATION.

14-206.

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

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

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

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

(i) THE GENERAL PUBLIC MAY REASONABLY VIEW AS A LOCATION THAT OFFERS COMMERCIAL FINANCING, INCLUDING ANY LOCATION THAT INVESTIGATES RECIPIENT COMPLAINTS OR DIRECTLY COMMUNICATES WITH RECIPIENTS ORALLY, ELECTRONICALLY, OR IN WRITING;

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

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

(iv) IS OTHERWISE REQUIRED TO BE LISTED IN NMLS BY REGULATION ADOPTED BY THE COMMISSIONER.

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

(Over)

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

(D) A LICENSE AUTHORIZES THE LICENSEE TO DO BUSINESS UNDER THE LICENSE AT ANY LICENSED LOCATION AND UNDER ANY LICENSED NAME.

(E) A LICENSE MAY NOT BE TRANSFERRED OR ASSIGNED.

(F) EACH LICENSEE SHALL CONSPICUOUSLY DISPLAY THE FOLLOWING INFORMATION ON THE LICENSEE'S WEBSITE, ANY SOFTWARE APPLICATION ACCESSIBLE TO THE PUBLIC AND USED TO PROVIDE COMMERCIAL FINANCING, AND THE PROFILE PAGE WITHIN EACH SOCIAL MEDIA PLATFORM THE LICENSEE USES:

(1) THE LICENSEE'S UNIQUE IDENTIFIER; AND

(2) A LINK TO THE NMLS CONSUMER ACCESS WEBSITE.

14-207.

(A) SUBJECT TO ANY REGULATION ADOPTED BY THE COMMISSIONER, AN INITIAL LICENSE TERM SHALL:

(1) BEGIN ON THE DAY THE LICENSE IS ISSUED; AND

(2) EXPIRE AT THE END OF DECEMBER 31 OF THE YEAR:

(I) THE LICENSE IS ISSUED, IF THE LICENSE IS ISSUED BEFORE NOVEMBER 1; OR

(II) SUCCEEDING THE YEAR THAT THE LICENSE IS ISSUED, IF THE LICENSE IS ISSUED ON OR AFTER NOVEMBER 1.

(B) ON OR AFTER NOVEMBER 1 EACH YEAR, A LICENSE MAY BE RENEWED FOR A 1-YEAR TERM IF THE LICENSEE:

(1) OTHERWISE IS ENTITLED TO BE LICENSED;

(2) PAYS TO THE COMMISSIONER A NONREFUNDABLE RENEWAL FEE OF \$850; AND

(3) SUBMITS TO THE COMMISSIONER:

(I) A RENEWAL APPLICATION IN THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE COMMISSIONER REQUIRES; AND

(II) ANY OTHER INFORMATION THAT THE COMMISSIONER REASONABLY REQUIRES TO DETERMINE THAT THE RENEWAL APPLICANT CONTINUES TO BE ELIGIBLE TO BE LICENSED.

(C) IN ADDITION TO THE LICENSE RENEWAL FEE REQUIRED UNDER SUBSECTION (B)(2) OF THIS SECTION, AN APPLICANT FOR A LICENSE RENEWAL SHALL PAY TO NMLS THE FEE THAT NMLS IMPOSES TO PROCESS THE APPLICATION.

(A) (1) A LICENSEE MAY NOT ADD, DELETE, OR MODIFY A LOCATION REQUIRED TO BE LISTED IN NMLS UNDER § 14-206 OF THIS SUBTITLE UNLESS:

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

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

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

(2) THE LICENSEE MAY NOT DO BUSINESS AT A LOCATION REQUIRED TO BE LISTED IN NMLS UNDER § 14-206 OF THIS SUBTITLE UNTIL THE LOCATION IS RECORDED WITH THE INFORMATION ASSOCIATED WITH THE LICENSEE'S LICENSE IN NMLS.

(B) A LICENSEE MAY NOT UNDERGO A CHANGE IN CONTROL UNLESS THE LICENSEE NOTIFIES THE COMMISSIONER THROUGH NMLS OF THE PROPOSED CHANGE.

14-209.

(A) (1) A LICENSEE MAY SURRENDER A LICENSE THROUGH NMLS IN ACCORDANCE WITH THE PROCESS THAT THE COMMISSIONER REQUIRES.

(2) WITH THE SURRENDER OF A LICENSE, A LICENSEE SHALL PROVIDE:

(i) THE REASON FOR THE LICENSE SURRENDER; AND

(ii) A LIST OF ALL THE LICENSEE'S OUTSTANDING COMMERCIAL FINANCING TRANSACTIONS.

(B) THE SURRENDER OF A LICENSE DOES NOT:

(1) AFFECT ANY CIVIL OR CRIMINAL LIABILITY OF THE LICENSEE FOR ACTS COMMITTED BEFORE THE LICENSE IS SURRENDERED; OR

(2) ENTITLE THE LICENSEE TO THE RETURN OF ANY PART OF ANY FEE PAID TO THE COMMISSIONER.

14-210.

SUBJECT TO THE HEARING PROVISIONS OF § 14-211 OF THIS SUBTITLE, THE COMMISSIONER MAY SUSPEND OR REVOKE THE LICENSE OF ANY LICENSEE IF THE LICENSEE OR ANY OWNER, DIRECTOR, OFFICER, MEMBER, COVENTURER, PARTNER, STOCKHOLDER, EMPLOYEE, OR AGENT OF THE LICENSEE:

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

(2) CONDUCTS THE BUSINESS OF COMMERCIAL FINANCING IN AN UNSAFE OR UNSOUND MANNER;

(Over)

(3) REFUSES TO ALLOW THE COMMISSIONER TO MAKE AN INVESTIGATION AUTHORIZED BY ANY LAW;

(4) WILLFULLY FAILS TO MAKE A REPORT REQUIRED UNDER ANY LAW;

(5) IS CONVICTED UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE OF:

(i) A FELONY; OR

(ii) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE FITNESS AND QUALIFICATION OF THE PERSON TO ENGAGE IN THE BUSINESS OF COMMERCIAL FINANCING;

(6) IN CONNECTION WITH ANY COMMERCIAL FINANCING TRANSACTION:

(i) COMMITS ANY FRAUD;

(ii) ENGAGES IN ANY ILLEGAL OR DISHONEST ACTIVITY; OR

(iii) MISREPRESENTS OR FAILS TO DISCLOSE ANY MATERIAL FACTS TO A GOVERNMENT AGENCY OR UNIT;

(7) VIOLATES ANY PROVISION OF:

(i) THIS SUBTITLE OR ANY RULE OR REGULATION ADOPTED UNDER THIS SUBTITLE;

(II) TITLE 12, SUBTITLE 16 OF THE COMMERCIAL LAW ARTICLE OR ANY RULE OR REGULATION ADOPTED UNDER TITLE 12, SUBTITLE 16 OF THE COMMERCIAL LAW ARTICLE; OR

(III) ANY OTHER LAW REGULATING THE BUSINESS OF COMMERCIAL FINANCING;

(8) BECOMES INSOLVENT;

(9) HAS SUSPENDED PAYMENT OF THE LICENSEE'S OBLIGATIONS, MADE AN ASSIGNMENT FOR THE BENEFIT OF THE LICENSEE'S CREDITORS, OR ADMITTED INABILITY TO PAY THE LICENSEE'S DEBTS AS THE DEBTS BECOME DUE; OR

(10) HAS APPLIED FOR AN ADJUDICATION OF BANKRUPTCY, REORGANIZATION, ARRANGEMENT, OR OTHER RELIEF UNDER ANY BANKRUPTCY PROCEEDING.

14-211.

(A) BEFORE THE COMMISSIONER DENIES AN APPLICATION FOR A LICENSE UNDER § 14-205 OF THIS SUBTITLE OR TAKES ANY ACTION UNDER § 14-210 OF THIS SUBTITLE, THE COMMISSIONER SHALL GIVE THE APPLICANT OR LICENSEE AN OPPORTUNITY FOR A HEARING.

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

(Over)

(C) FOR A HEARING ON THE PROPOSED SUSPENSION OR REVOCATION OF A LICENSE, THE HEARING NOTICE TO BE GIVEN TO THE LICENSEE SHALL BE SENT BY REGISTERED OR CERTIFIED MAIL AT LEAST 15 DAYS BEFORE THE HEARING TO THE PLACE OF BUSINESS STATED IN THE LICENSE.

14-212.

THE STATE'S ATTORNEY FOR THE COUNTY IN WHICH THE VIOLATION OCCURS OR THE ATTORNEY GENERAL MAY PROSECUTE ANY VIOLATION OF THIS SUBTITLE.

14-213.

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