



THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

**TESTIMONY OF DELEGATE PAM QUEEN**  
**HB 686 – Financial Regulation – Modernizing Licenses of Non-Depository**  
**Institutions & Elimination of Branch License Requirements**  
**SUPPORT**

Greetings Chair C.T. Wilson, Vice-Chair Brian Crosby, and members of the Economic Matters Committee:

Although this is a lengthy bill (72 pages to be exact), the intent and nature of the changes of this bill are simple.

Currently under Maryland statute, the Office of the Commissioner of Financial Regulations (OCFR) licenses non-depository financial service providers which includes mortgage lenders, debt collection agencies, and money transmitters, among other entities. Per statute, any potential licenses must pay a per *branch* license fee as well as provide the OCFR with information regarding branch locations.

To modernize Maryland's license fee structure and use practices like other states, HB 686 eliminates the concept of a "branch" license fee and replaces it with an updated fee structure involving the issuance of one license and fee per entity, plus a variable, annual assessment.

The new structure retains other existing requirements for licensure (such as bonding, etc.) although these requirements are modified to account for a single license and the disclosure of locations. Also, these proposed changes do not impact any consumer protections laws that these financial service providers must follow.

OCFR expects that upon the initial implementation of the bill, due to the current balance of the non-depository fund, many licensed entities will see a substantial reduction in their fees. Once the program is fully implemented, which is expected in two years after enactment, OCFR will set assessments according to the statutory factors with the intent of matching income from fees to the cost of operating the agency.

This bill is lengthy because it updates the non-depository licensing fee structure for each kind of entity OCFR licenses. There are six types found in various articles of the Maryland Code. The same provisions are being repeated for each section of the code that applies to each type of licensed entity.

I am joined today with Commissioner Salazar who supports this bill, and he can also provide this Committee with additional information. In support of efforts to streamline government processes, I request a favorable Committee Report for HB 686.