I1 EMERGENCY BILL

 $\begin{array}{c} 5 lr 3567 \\ CF~SB~1026 \end{array}$ 

By: Delegate Queen

Introduced and read first time: February 17, 2025 Assigned to: Rules and Executive Nominations

## A BILL ENTITLED

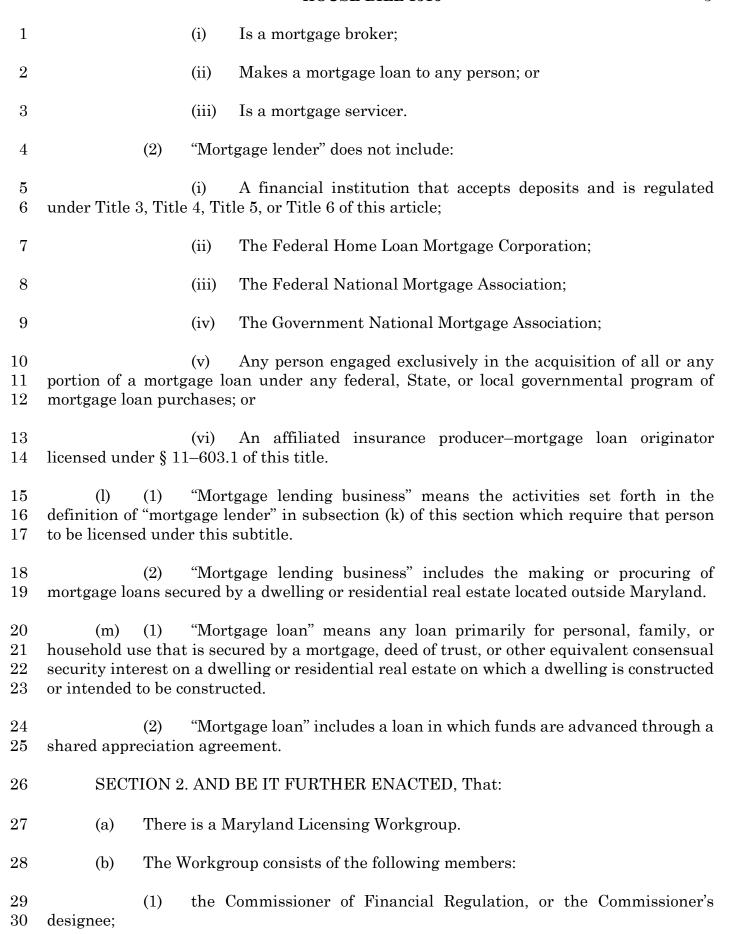
1	AN ACT concerning
2 3	Financial Institutions – Consumer Credit – Application of Licensing Requirements
4	(Maryland Secondary Market Stability Act of 2025)
5	FOR the purpose of providing that certain provisions of law governing the licensing of
6	providers of certain financial services in the State do not apply to a certain person
7	that acquires or is assigned a certain mortgage, mortgage loan, or installment loan
8	under certain circumstances; establishing the Maryland Licensing Workgroup to
9	study and make recommendations on licensing requirements for persons that
10 11	provide financial services in the State; and generally relating to consumer credit lending licensing requirements and the Maryland Licensing Workgroup.
11	lending incensing requirements and the maryland licensing workgroup.
12	BY repealing and reenacting, without amendments,
13	Article – Financial Institutions
14	Section 1–101(a) and (n), 11–301(a) and (b), and 11–501(a) and (k) through (m)
15	Annotated Code of Maryland
16	(2020 Replacement Volume and 2024 Supplement)
17	BY adding to
18	Article – Financial Institutions
19	Section 11–102
20	Annotated Code of Maryland
21	(2020 Replacement Volume and 2024 Supplement)
22	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
23	That the Laws of Maryland read as follows:
24	Article - Financial Institutions
25	1–101.

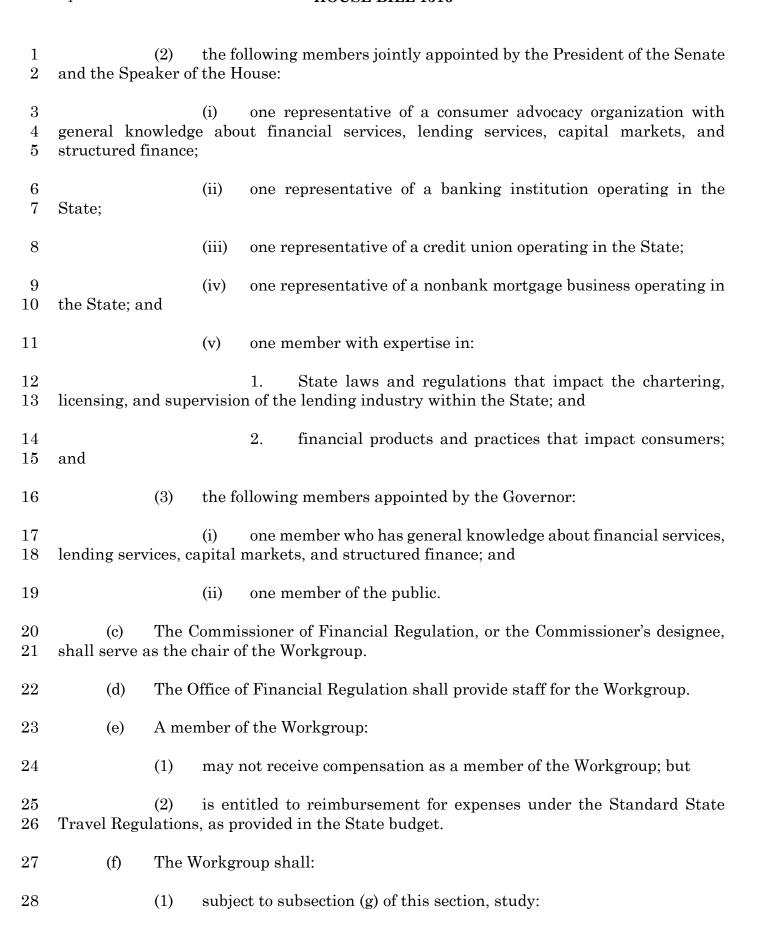
EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (a) In this article, unless the context clearly requires otherwise, the following 2 words have the meanings indicated.
- 3 (n) "Mortgage" includes a deed of trust that secures a debt or the performance of an obligation.
- 5 **11–102.**
- 6 (A) IN THIS SECTION, "INSTALLMENT LOAN" HAS THE MEANING STATED IN 7 § 11–301 OF THIS TITLE.
- 8 (B) EXCEPT FOR § 11–219 OF THIS TITLE, THIS TITLE DOES NOT APPLY TO A
  9 PERSON THAT ACQUIRES OR IS ASSIGNED IN WHOLE OR IN PART:
- 10 (1) A MORTGAGE, IF THE PERSON DOES NOT OTHERWISE MAKE 11 MORTGAGES;
- 12 (2) A MORTGAGE LOAN, AS DEFINED IN § 11–501 OF THIS TITLE, IF 13 THE PERSON DOES NOT OTHERWISE ENGAGE IN THE MORTGAGE LENDING 14 BUSINESS, AS DEFINED IN § 11–501 OF THIS TITLE; OR
- 15 (3) AN INSTALLMENT LOAN, IF THE PERSON:
- 16 (I) RELIES ON ANOTHER PERSON TO SERVICE OR COLLECT ON THE INSTALLMENT LOAN; AND
- 18 (II) DOES NOT OTHERWISE MAKE INSTALLMENT LOANS.
- 19 (C) THIS SECTION MAY NOT BE CONSTRUED TO ALTER THE DEFINITION OF 20 "STUDENT LOAN SERVICER", AS DEFINED IN § 2–104.1 OF THIS ARTICLE.
- 21 11–301.
- 22 (a) In this subtitle the following words have the meanings indicated.
- 23 (b) "Installment loan" means a loan or extension of credit made for consideration 24 under § 12–103(a)(3) or (c) or Title 12, Subtitle 9, or Subtitle 10 of the Commercial Law
- 25 Article.
- 26 11–501.
- 27 (a) In this subtitle the following words have the meanings indicated.
- 28 (k) (1) "Mortgage lender" means any person who:





1 all licensing statutes and regulations adopted under those (i) 2 statutes concerning the provision of financial services in the State: 3 the need for and the efficacy of the existing licensing and registration system for actively licensed persons who provide financial services in the State; 4 5 and 6 whether there is any benefit to expanding existing licensing or 7 registration systems to persons not already subject to those licensing requirements; and 8 (2)make recommendations regarding: 9 the licensing and registration system for actively licensed persons who provide financial services in the State; and 10 (ii) 11 the expansion of the existing licensing or registration systems to 12 persons not already subject to those licensing requirements. 13 In conducting the study required under subsection (f) of this section, the Workgroup shall, at a minimum, consider the potential impacts, costs, and benefits of its 14 recommendations on: 15 16 residents of the State; (1) 17 persons facilitating, brokering, making, servicing, or acquiring loans in (2)the State; 18 the availability of credit in the State; 19 (3) 20 **(4)** the cost of credit in the State compared to other states; and 21the capital markets, including the volume of secondary market (5)22transactions. 23On or before December 31, 2025, the Workgroup shall report its findings and recommendations to the Governor and, in accordance with § 2-1257 of the State 24Government Article, the General Assembly. 2526 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency 27 measure, is necessary for the immediate preservation of the public health or safety, has 28been passed by a yea and nay vote supported by three-fifths of all the members elected to 29each of the two Houses of the General Assembly, and shall take effect from the date it is 30 enacted. Section 2 of this Act shall remain effective through June 30, 2026, and, at the end 31 of June 30, 2026, Section 2 of this Act, with no further action required by the General

Assembly, shall be abrogated and of no further force and effect.

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