

Chapter 253

(House Bill 182)

AN ACT concerning

**Commissioner of Financial Regulation and State Collection Agency Licensing
Board – Licensees – Revisions**

FOR the purpose of requiring certain licensees to obtain and maintain a certain unique identifier and transfer licensing information to the Nationwide Mortgage Licensing System and Registry (NMLS) during a certain time period established by the Commissioner of Financial Regulation; requiring the Commissioner to notify certain licensees of a certain transfer period and provide instructions for the transfer of licensing information to NMLS at least a certain number of days before the transfer period begins; requiring, on or after a certain date, applicants for certain initial licenses and license renewals to apply for an initial license or license renewal through NMLS; altering the requirements an applicant for certain licenses must meet; altering the contents of applications for certain licenses; providing that a separate license is required for certain locations of a person who does business as a collection agency, engages in business as a sales finance company, or provides check cashing services; altering certain fees for certain licenses; requiring the State Collection Agency Licensing Board to issue a license to a certain applicant; requiring certain applicants to submit a separate application, pay separate fees, and file a separate bond for certain locations; altering the circumstances under which the Board is required to approve or deny a certain application; requiring the Board to take certain actions if an applicant for a certain license does not meet certain requirements; authorizing certain licensees to hold more than one license under certain circumstances; altering the term of certain licenses; establishing and altering certain requirements for the renewal of certain licenses; altering the circumstances under which certain licenses may be required to expire on a staggered basis; altering the process by which certain licensees may surrender a license; prohibiting the Board from refunding any part of a license fee under certain circumstances; authorizing the Board to enter into certain information-sharing agreements with certain agencies under certain circumstances; authorizing the Board to exchange certain information about collection agencies with certain agencies; providing that the requirements under certain federal and State laws regarding the confidentiality of information or material provided to NMLS, and any privilege arising out of federal or state law, shall continue to apply after the information or material has been disclosed to NMLS; authorizing the sharing of certain information and material with certain officials without the loss of privilege or confidentiality protections provided by federal or certain State laws; prohibiting certain information or material from being subject to disclosure, subpoena, discovery, or admission into evidence under certain circumstances; authorizing the Commissioner to participate in NMLS for certain persons; authorizing the Commissioner to adopt regulations that waive or modify the requirements of certain provisions of law to facilitate participation in NMLS; extending the term of certain licenses until a certain date, under certain

circumstances; altering the circumstances under which the Commissioner is required to approve or deny certain applications; altering the actions the Commissioner must take after denying certain applications; altering the information that the Commissioner must include on certain licenses; altering the circumstances under which the Commissioner may issue more than one license to certain applicants; prohibiting the Commissioner from refunding any part of the fee for certain licenses under certain circumstances; altering the manner in which certain licensees may change the location for which a license is issued; requiring the Commissioner to send the licensee an amended license if the Commissioner approves the proposed change of location; requiring the Commissioner to investigate certain facts for a certain purpose under certain circumstances; repealing a requirement that certain applicants or licensees provide fingerprints for certain purposes; repealing a provision of law that exempts a certain licensee that applies for more than one license from providing fingerprints for a certain purpose for more than one application; requiring certain applicants, licensees, and agents to provide fingerprints to NMLS for a certain purpose, under certain circumstances; requiring the Commissioner to refund the license fee of a certain applicant if the applicant does not meet certain requirements; providing that only one location may be maintained under a certain license; defining certain terms; altering certain definitions; repealing a certain definition; making certain conforming, clarifying, and stylistic changes; providing for the construction of certain provisions of this Act; and generally relating to licensing requirements for persons licensed by the Commissioner of Financial Regulation and the State Collection Agency Licensing Board.

BY repealing and reenacting, with amendments,

Article – Business Regulation

Section 7–101, 7–301, 7–302, 7–302.1(a), and 7–303 through 7–306

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing

Article – Business Regulation

Section 7–307

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY adding to

Article – Business Regulation

Section 7–307 and 7–307.1

Annotated Code of Maryland

(2015 Replacement Volume and 2016 Supplement)

BY repealing and reenacting, with amendments,

Article – Financial Institutions

Section 1–101(q), 2–105.1, 11–201, 11–204, 11–206 through 11–209, 11–210, 11–211, 11–401, 11–403, 11–404, 11–407 through 11–412, 11–501(o), 11–506.1,

11-601(s), 12-101, 12-105, 12-107(a), 12-108 through 12-110, 12-111 through 12-113, 12-408, 12-901, 12-904, 12-906, 12-908 through 12-913, and 12-915

Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

BY adding to

Article – Financial Institutions

Section 11-203.1, 11-203.2, 11-209.1, 11-412.1, 12-107.1, and 12-110.1

Annotated Code of Maryland
(2011 Replacement Volume and 2016 Supplement)

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

Article – Business Regulation

7-101.

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

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

(C) “BRANCH LOCATION” MEANS ANY LOCATION OTHER THAN THE PRINCIPAL EXECUTIVE OFFICE OF A LICENSEE OR LICENSE APPLICANT AT WHICH A PERSON DOES BUSINESS AS A COLLECTION AGENCY OR, ON LICENSURE, WILL DO BUSINESS AS A COLLECTION AGENCY, IN THE STATE OR WITH A PERSON IN THE STATE.

[(c)] (D) “Collection agency” means a person who engages directly or indirectly in the business of:

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

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

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

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

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

[(d)] (E) “Commissioner” means the Commissioner of Financial Regulation.

[(e)] (F) “Consumer claim” means a claim that:

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

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

(G) (1) “CONTROL PERSON” MEANS A PERSON WHO HAS THE POWER, DIRECTLY OR INDIRECTLY, TO DIRECT THE MANAGEMENT OR POLICIES OF A COLLECTION AGENCY, WHETHER THROUGH OWNERSHIP OF SECURITIES, BY CONTRACT, OR OTHERWISE.

(2) “CONTROL PERSON” INCLUDES A PERSON WHO:

(I) IS A GENERAL PARTNER, AN OFFICER, A DIRECTOR, OR A MEMBER OF A COLLECTION AGENCY, OR OCCUPIES A SIMILAR POSITION OR PERFORMS A SIMILAR FUNCTION;

(II) DIRECTLY OR INDIRECTLY HAS THE RIGHT TO VOTE 10% OR MORE OF A CLASS OF VOTING SECURITIES, OR HAS THE POWER TO SELL OR DIRECT THE SALE OF 10% OR MORE OF A CLASS OF VOTING SECURITIES OF A COLLECTION AGENCY; OR

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

1. HAS THE RIGHT TO RECEIVE ON LIQUIDATION OR DISSOLUTION OF A COLLECTION AGENCY 10% OR MORE OF THE CAPITAL OF THE COLLECTION AGENCY; OR

2. HAS CONTRIBUTED 10% OR MORE OF THE CAPITAL OF A COLLECTION AGENCY.

[(f)] (H) “License” means a license issued by the Board to do business as a collection agency.

[(g)] (I) “Licensed collection agency” means a person who is licensed by the Board to do business as a collection agency.

(J) “NMLS” MEANS A MULTISTATE UNIFORM LICENSING SYSTEM DEVELOPED AND MAINTAINED BY THE CONFERENCE OF STATE BANK SUPERVISORS, OR BY A SUBSIDIARY OR AN AFFILIATE OF THE CONFERENCE OF STATE BANK SUPERVISORS, THAT MAY BE USED FOR THE LICENSING OF PERSONS REQUIRED TO BE LICENSED BY THE BOARD.

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

7-301.

(a) Except as otherwise provided in this title, a person must have a license whenever the person does business as a collection agency in the State.

(b) This section does not apply to:

(1) a regular employee of a creditor while the employee is acting under the general direction and control of the creditor to collect a consumer claim that the creditor owns; or

(2) a regular employee of a licensed collection agency while the employee is acting within the scope of employment.

(C) A SEPARATE LICENSE IS REQUIRED FOR THE PRINCIPAL EXECUTIVE OFFICE AND EACH BRANCH LOCATION OF A PERSON WHO DOES BUSINESS AS A COLLECTION AGENCY.

(D) DURING THE TIME PERIOD ESTABLISHED BY THE COMMISSIONER UNDER SUBSECTION (E) OF THIS SECTION, EACH LICENSEE SHALL:

(1) OBTAIN AND MAINTAIN A VALID UNIQUE IDENTIFIER ISSUED BY NMLS WHEN AN ACCOUNT IS CREATED WITH NMLS; AND

(2) TRANSFER LICENSING INFORMATION TO NMLS.

(E) (1) THE COMMISSIONER SHALL ESTABLISH A TIME PERIOD THAT IS NOT LESS THAN 2 MONTHS WITHIN WHICH A LICENSEE MUST TRANSFER LICENSING INFORMATION TO NMLS.

(2) THE TIME PERIOD THAT THE COMMISSIONER ESTABLISHES UNDER THIS SUBSECTION SHALL BEGIN ON OR AFTER JULY 1, 2017.

(3) AT LEAST 30 DAYS BEFORE THE TRANSFER PERIOD BEGINS, THE COMMISSIONER SHALL:

(I) NOTIFY ALL LICENSEES OF THE TRANSFER PERIOD; AND

(II) PROVIDE INSTRUCTIONS FOR THE TRANSFER OF LICENSING INFORMATION TO NMLS.

(F) SUBJECT TO SUBSECTION (D) OF THIS SECTION, AN APPLICANT FOR AN INITIAL LICENSE OR A LICENSE RENEWAL SHALL APPLY FOR THE INITIAL LICENSE OR LICENSE RENEWAL THROUGH NMLS:

(1) ON OR AFTER JULY 1, 2017; OR

(2) IF THE COMMISSIONER HAS NOT JOINED NMLS WITH RESPECT TO COLLECTION AGENCIES AS OF JULY 1, 2017, ON OR AFTER THE DATE THAT THE COMMISSIONER JOINS, AS SPECIFIED BY THE COMMISSIONER BY PUBLIC NOTICE.

7-302.

(a) [(1)] An applicant for a license shall:

[(i)] (1) submit [to the Board an] A COMPLETED application [on] IN the form, AND IN ACCORDANCE WITH THE PROCESS, that the Board [provides] REQUIRES; [and]

[(ii)] (2) pay to the Board:

[1.] (I) [an] A NONREFUNDABLE application fee in the amount set by the Board; and

[2.] (II) [an] A NONREFUNDABLE investigation fee in the amount set by the Board; AND

(3) PROVIDE ALL THE INFORMATION THAT THE BOARD REQUESTS.

[(2) The fees authorized under this subsection may not exceed a total of \$900 for a 2-year term.]

(b) An application shall be made under oath AND SHALL INCLUDE:

(1) THE APPLICANT'S NAME, PRINCIPAL EXECUTIVE OFFICE ADDRESS, TELEPHONE NUMBER, E-MAIL ADDRESS, AND WEB SITE ADDRESSES, IF ANY;

(2) THE ADDRESS OF EACH BRANCH LOCATION, IF ANY;

(3) THE FEDERAL EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER OF THE APPLICANT, AS APPLICABLE;

(4) THE STATE OF FORMATION AND THE DATE OF FORMATION OF THE APPLICANT IF THE APPLICANT IS A BUSINESS ENTITY;

(5) THE NAME AND RESIDENCE ADDRESS OF EACH CONTROL PERSON;

(6) THE NAME AND ADDRESS OF THE PRINCIPAL CONTACT FOR CONSUMER COMPLAINTS;

(7) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF THE APPLICANT'S RESIDENT AGENT; AND

(8) ANY OTHER INFORMATION THAT THE BOARD REQUESTS.

(c) If an applicant wishes to do business as a collection agency at [more than 1 place] **A BRANCH LOCATION**, the applicant shall submit a separate application and pay a separate application fee **AND INVESTIGATION FEE** for each [place] **BRANCH LOCATION**.

[(d) An application fee is nonrefundable.

(e) Before a license expires, the licensee periodically may renew the license for additional 2-year terms, if the licensee:

(1) otherwise is entitled to be licensed;

(2) pays to the Board a renewal fee in an amount, not exceeding \$900, set by the Board;

(3) submits to the Board a renewal application on a form required by the Board; and

(4) files with the Board a bond or bond continuation certificate as required under § 7-304 of this subtitle.]

(D) IN ADDITION TO ANY OTHER REQUIREMENT FOR LICENSURE UNDER THIS SUBTITLE, AN APPLICANT FOR A LICENSE SHALL FILE WITH THE BOARD A SURETY BOND AS REQUIRED UNDER § 7-304 OF THIS SUBTITLE.

(E) THE BOARD SHALL ISSUE A LICENSE TO EACH APPLICANT WHO MEETS THE REQUIREMENTS OF THIS SUBTITLE.

7-302.1.

(a) [Subject to § 7–302(a)(2) and (e)(2) of this subtitle, the] **THE** Board shall set by regulation the fees provided for in this subtitle.

7–303.

(a) Within 60 days after an applicant submits [an] **A COMPLETE** application for a license and pays the [application fee] **FEES REQUIRED BY § 7–302 OF THIS SUBTITLE**, the Board shall approve or deny the application.

(b) To qualify for a license, an applicant shall satisfy the Board that the applicant is of good moral character and has sufficient financial responsibility, business experience, and general fitness to:

(1) engage in business as a collection agency;

(2) warrant the belief that the business will be conducted lawfully, honestly, fairly, and efficiently; and

(3) command the confidence of the public.

(c) The Board may deny an application for a license to any person who:

(1) has committed any act that would be a ground for reprimand, suspension, or revocation of a license under this subtitle; or

(2) otherwise fails to meet the requirements for licensure.

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

(1) DENY THE APPLICATION; AND

(2) IMMEDIATELY NOTIFY THE APPLICANT OF THE DENIAL.

[(d)] (E) (1) The denial of an application under this section is subject to the hearing provisions of § 7–309 of this subtitle.

(2) An applicant who seeks a hearing on a license application denial shall file a written request for a hearing within 45 days following receipt of the notice to the applicant of the applicant's right to a hearing.

7–304.

(a) **[(1)]** An applicant for a license shall execute a surety bond for the benefit of any member of the public who has a loss or other damage as a result of a violation of this

title or the Maryland Consumer Debt Collection Act by the applicant or an agent or employee of the applicant.

[(2)] (B) The surety bond shall be:

[(i)] (1) in a form that the Board approves;

[(ii)] (2) with a surety that the Board approves; and

[(iii)] (3) in the amount of \$5,000.

[(3)] (C) The total liability of a surety on a bond under this section may not exceed the amount of the bond, regardless of the number or amount of claims against the bond.

[(4)] (D) If the amount of claims against a bond exceeds the amount of the bond, the surety:

[(i)] (1) shall pay the amount of the bond to the Board for distribution to claimants; and

[(ii)] (2) then is relieved of liability under the bond.

[(b) The Board shall issue a license to each applicant who meets the requirements of this subtitle.]

7-305.

(a) A license authorizes the licensee to do business as a collection agency at only [1 place of business] **THE LICENSED LOCATION.**

(b) **[A SUBJECT TO § 7-301(C) OF THIS SUBTITLE,** A licensee may hold more than 1 license under this title.

7-306.

[(a) (1) A license issued on or before September 30, 1997, expires on December 31 of the year in which it was issued.

(2) A license issued on or after October 1, 1997, expires on December 31 in each odd-numbered year after December 31, 1997.]

(A) AN INITIAL LICENSE TERM SHALL:

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

(2) EXPIRE ON DECEMBER 31 OF THE YEAR:

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

(II) IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE LICENSE IS ISSUED, IF THE LICENSE IS ISSUED ON OR AFTER NOVEMBER 1.

(B) ON OR AFTER NOVEMBER 1 OF THE YEAR IN WHICH A LICENSE EXPIRES, THE LICENSE MAY BE RENEWED FOR AN ADDITIONAL 1-YEAR TERM, IF THE LICENSEE:

(1) IS OTHERWISE IS ENTITLED TO BE LICENSED;

(2) PAYS TO THE BOARD A NONREFUNDABLE RENEWAL FEE SET BY THE BOARD;

(3) SUBMITS A RENEWAL APPLICATION IN THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE BOARD REQUIRES; AND

(4) FILES AS PART OF THE APPLICATION A SURETY BOND AS REQUIRED UNDER § 7-304 OF THIS SUBTITLE.

[(b)] (C) [The Secretary] TO THE EXTENT REQUIRED OR PERMITTED BY NMLS, THE BOARD may determine that licenses issued under this subtitle shall expire on a staggered basis.

(D) A LICENSEE MAY NOT RENEW A LICENSE UNLESS, BEFORE THE SUBMISSION OF THE LICENSE RENEWAL APPLICATION, THE LICENSEE HAS TRANSFERRED THE LICENSEE'S LICENSING INFORMATION TO NMLS IN ACCORDANCE WITH § 7-301(D) OF THIS SUBTITLE.

[7-307.

(a) A licensee may surrender a license by giving the Board written notice that the license is surrendered.

(b) Surrender of a license does not affect:

(1) the civil or criminal liability of the licensee for an act committed before surrender of the license; or

(2) the obligation of a claim that the licensee lawfully acquired before the surrender.]

7-307.

(A) A LICENSEE MAY SURRENDER A LICENSE BY SENDING TO THE BOARD IN THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE BOARD REQUIRES A STATEMENT THAT THE LICENSE IS SURRENDERED.

(B) IF A LICENSE IS SURRENDERED VOLUNTARILY, OR IS SUSPENDED OR REVOKED, THE BOARD MAY NOT REFUND ANY PART OF THE LICENSE FEE REGARDLESS OF THE TIME REMAINING IN THE LICENSE TERM.

(C) THE SURRENDER OF A LICENSE DOES NOT AFFECT ANY CIVIL OR CRIMINAL LIABILITY OF THE LICENSEE FOR ACTS COMMITTED BEFORE THE LICENSE WAS SURRENDERED.

7-307.1.

(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 THAT INFORMATION OR MATERIAL, SHALL CONTINUE TO APPLY TO THAT 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 AUTHORITY OVER THE DEBT COLLECTION INDUSTRY, INCLUDING THE FINANCIAL CRIMES ENFORCEMENT NETWORK AND THE OFFICE OF FOREIGN ASSETS CONTROL, AND ANY SUCCESSOR TO THESE AGENCIES, 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 BOARD MAY:

(1) ENTER INTO INFORMATION SHARING AGREEMENTS WITH ANY FEDERAL OR STATE REGULATORY AGENCY HAVING AUTHORITY OVER COLLECTION AGENCIES OR WITH ANY FEDERAL OR STATE LAW ENFORCEMENT AGENCY, INCLUDING THE FINANCIAL CRIMES ENFORCEMENT NETWORK AND THE OFFICE OF FOREIGN ASSETS CONTROL, AND ANY SUCCESSOR TO THESE AGENCIES, PROVIDED THAT THE AGREEMENTS PROHIBIT THE AGENCIES FROM DISCLOSING ANY SHARED

INFORMATION WITHOUT THE PRIOR WRITTEN CONSENT FROM THE BOARD REGARDING DISCLOSURE OF THE PARTICULAR INFORMATION; AND

(2) EXCHANGE INFORMATION ABOUT COLLECTION AGENCIES WITH ANY FEDERAL OR STATE REGULATORY AGENCY HAVING AUTHORITY OVER COLLECTION AGENCIES OR WITH ANY FEDERAL OR STATE LAW ENFORCEMENT AGENCY.

(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 LITIGATION 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, THAT 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 DEBT COLLECTION AGENCY THAT IS INCLUDED IN NMLS AND DESIGNATED FOR ACCESS BY THE PUBLIC.

Article – Financial Institutions

1–101.

(q) “Nationwide Mortgage Licensing System and Registry” OR “NMLS” means a multistate uniform licensing system developed and maintained by the Conference of State Bank Supervisors, or by a subsidiary or an affiliate of the Conference of State Bank Supervisors, that may be used for the licensing of persons required to be licensed under this article.

2–105.1.

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

(2) **“COLLECTION AGENCY” HAS THE MEANING STATED IN § 7–101 OF THE BUSINESS REGULATION ARTICLE.**

(3) **“CREDIT SERVICES BUSINESS” HAS THE MEANING STATED IN § 14–1901 OF THE COMMERCIAL LAW ARTICLE.**

(4) **“DEBT MANAGEMENT SERVICES PROVIDER” HAS THE MEANING STATED IN § 12–901 OF THIS ARTICLE.**

[(2)] (5) “Money transmission” has the meaning stated in § 12–401 of this article.

[(3)] (6) “Mortgage lender” has the meaning stated in § 11–501 of this article.

[(4)] (7) “Mortgage originator” has the meaning stated in § 11–601 of this article.

(8) **“PROVIDE CHECK CASHING SERVICES” HAS THE MEANING STATED IN § 12–101 OF THIS ARTICLE.**

(9) **“SALES FINANCE COMPANY” HAS THE MEANING STATED IN § 11–401 OF THIS ARTICLE.**

(b) The Commissioner may adopt and enforce regulations reasonably necessary to carry out the authority and responsibility of the office of Commissioner.

(c) (1) The Commissioner may participate in [the establishment and implementation of a multistate automated licensing system] **NMLS** for:

(I) **COLLECTION AGENCIES;**

(II) **DEBT MANAGEMENT SERVICES PROVIDERS;**

[(i)] (III) Mortgage lenders;

[(ii)] (IV) Mortgage originators; [and]

[(iii)] (V) Persons who engage in money transmission;

(VI) **PERSONS WHO ARE REQUIRED TO BE LICENSED UNDER TITLE 11, SUBTITLE 2 OF THIS ARTICLE;**

(VII) PERSONS WHO ARE REQUIRED TO BE LICENSED UNDER TITLE 11, SUBTITLE 3 OF THIS ARTICLE;

(VIII) PERSONS WHO ARE REQUIRED TO BE LICENSED UNDER TITLE 12, SUBTITLE 1 OF THIS ARTICLE;

(IX) PERSONS WHO ARE REQUIRED TO BE LICENSED UNDER TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE; AND

(X) SALES FINANCE COMPANIES.

(2) To facilitate [implementation of a multistate automated licensing system] **PARTICIPATION IN NMLS**, the Commissioner may adopt regulations that waive or modify the requirements of:

(i) Title 11, Subtitles **4, 5, and 6** of this article with respect to **SALES FINANCE COMPANIES**, mortgage lenders, and mortgage originators; [and]

(ii) Title 12, [Subtitle] **SUBTITLES 1, 4, AND 9** of this article with respect to **PROVIDERS OF CHECK CASHING SERVICES**, persons who engage in money transmission, **AND PROVIDERS OF DEBT MANAGEMENT SERVICES;**

(III) TITLE 11, SUBTITLE 2 OF THIS ARTICLE;

(IV) TITLE 11, SUBTITLE 3 OF THIS ARTICLE;

(V) TITLE 7 OF THE BUSINESS REGULATION ARTICLE WITH RESPECT TO COLLECTION AGENCIES; AND

(VI) TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE.

11-201.

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

(B) “BRANCH LOCATION” MEANS ANY LOCATION OTHER THAN THE PRINCIPAL EXECUTIVE OFFICE OF A LICENSEE OR LICENSE APPLICANT AT WHICH THE LICENSEE CONDUCTS, OR THE LICENSE APPLICANT, ON LICENSURE, WILL CONDUCT, ACTIVITIES REQUIRED TO BE LICENSED UNDER THIS SUBTITLE.

(C) (1) “CONTROL PERSON” MEANS A PERSON WHO HAS THE POWER, DIRECTLY OR INDIRECTLY, TO DIRECT THE MANAGEMENT OR POLICIES OF A

LICENSEE OR LICENSE APPLICANT, WHETHER THROUGH OWNERSHIP OF SECURITIES, BY CONTRACT, OR OTHERWISE.

(2) “CONTROL PERSON” INCLUDES A PERSON WHO:

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

(II) DIRECTLY OR INDIRECTLY HAS THE RIGHT TO VOTE 10% OR MORE OF A CLASS OF VOTING SECURITIES, OR HAS THE POWER TO SELL OR DIRECT THE SALE OF 10% OR MORE OF A CLASS OF VOTING SECURITIES OF A LICENSEE OR LICENSE APPLICANT; OR

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

1. HAS THE RIGHT TO RECEIVE ON LIQUIDATION OR DISSOLUTION OF A LICENSEE OR LICENSE APPLICANT 10% OR MORE OF THE CAPITAL OF THE LICENSEE OR LICENSE APPLICANT; OR

2. HAS CONTRIBUTED 10% OR MORE OF THE CAPITAL OF A LICENSEE OR LICENSE APPLICANT.

[(b)] (D) “License” means a license issued by the Commissioner under this subtitle to make loans under the Maryland Consumer Loan Law.

[(c)] (E) “Loan” means any loan or advance of money or credit made under Title 12, Subtitle 3 of the Commercial Law Article, the Maryland Consumer Loan Law – Credit Provisions.

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

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

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

11-203.1.

(A) UNLESS A PERSON IS LICENSED BY THE COMMISSIONER, THE PERSON MAY NOT:

(1) MAKE A LOAN; OR

(2) IN ANY WAY USE ANY ADVANTAGE PROVIDED BY THE MARYLAND CONSUMER LOAN LAW.

(B) A SEPARATE LICENSE IS REQUIRED FOR THE PRINCIPAL EXECUTIVE OFFICE OF THE LICENSE APPLICANT OR LICENSEE AND EACH BRANCH LOCATION.

(C) DURING THE TIME PERIOD ESTABLISHED BY THE COMMISSIONER UNDER SUBSECTION (D) OF THIS SECTION, EACH LICENSEE SHALL:

(1) OBTAIN AND MAINTAIN A VALID UNIQUE IDENTIFIER ISSUED BY NMLS WHEN AN ACCOUNT IS CREATED WITH NMLS;

(2) TRANSFER LICENSING INFORMATION TO NMLS; AND

(3) PAY TO THE COMMISSIONER A LICENSE EXTENSION FEE CALCULATED IN ACCORDANCE WITH SUBSECTION (D)(5) OF THIS SECTION.

(D) (1) THE COMMISSIONER SHALL ESTABLISH A TIME PERIOD THAT IS NOT LESS THAN 2 MONTHS WITHIN WHICH A LICENSEE MUST TRANSFER LICENSING INFORMATION TO NMLS.

(2) THE TIME PERIOD THAT THE COMMISSIONER ESTABLISHES UNDER THIS SUBSECTION SHALL BEGIN ON OR AFTER JULY 1, 2017.

(3) AT LEAST 30 DAYS BEFORE THE TRANSFER PERIOD BEGINS, THE COMMISSIONER SHALL:

(I) NOTIFY ALL LICENSEES OF THE TRANSFER PERIOD; AND

(II) PROVIDE INSTRUCTIONS FOR THE TRANSFER OF LICENSING INFORMATION TO NMLS.

(4) FOR EACH LICENSEE THAT COMPLIES WITH SUBSECTION (C) OF THIS SECTION, THE TERM OF THE LICENSEE'S LICENSE SHALL EXTEND TO DECEMBER 31 OF THE YEAR IN WHICH THE LICENSE OTHERWISE WOULD HAVE EXPIRED.

(5) THE LICENSE EXTENSION FEE REQUIRED UNDER SUBSECTION (C)(3) OF THIS SECTION IS NONREFUNDABLE AND, BASED ON THE ANNUAL LICENSE

FEE, SHALL BE PRORATED TO THE NUMBER OF DAYS BETWEEN THE DATE THE LICENSE OTHERWISE WOULD HAVE EXPIRED AND DECEMBER 31 OF THE SAME YEAR.

(E) SUBJECT TO SUBSECTION (C) OF THIS SECTION, AN APPLICANT FOR AN INITIAL LICENSE OR A LICENSE RENEWAL SHALL APPLY FOR THE INITIAL LICENSE OR LICENSE RENEWAL THROUGH NMLS:

(1) ON OR AFTER JULY 1, 2017; OR

(2) IF THE COMMISSIONER HAS NOT JOINED NMLS WITH RESPECT TO PERSONS REQUIRED TO BE LICENSED UNDER THIS SUBTITLE AS OF JULY 1, 2017, ON OR AFTER THE DATE THAT THE COMMISSIONER JOINS, AS SPECIFIED BY THE COMMISSIONER BY PUBLIC NOTICE.

11-203.2.

(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 THAT INFORMATION OR MATERIAL, SHALL CONTINUE TO APPLY TO THAT 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 PERSONS REQUIRED TO BE LICENSED UNDER THIS SUBTITLE, INCLUDING THE FINANCIAL CRIMES ENFORCEMENT NETWORK AND THE OFFICE OF FOREIGN ASSETS CONTROL, AND ANY SUCCESSOR TO THESE AGENCIES, 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) 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 LITIGATION 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, THAT PRIVILEGE.

(C) 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.

(D) THIS SECTION DOES NOT APPLY TO INFORMATION OR MATERIAL RELATING TO PUBLICLY ADJUDICATED DISCIPLINARY AND ENFORCEMENT ACTIONS AGAINST A PERSON REQUIRED TO BE LICENSED UNDER THIS SUBTITLE THAT IS INCLUDED IN NMLS AND DESIGNATED FOR ACCESS BY THE PUBLIC.

11-204.

(a) [Unless a person is licensed by the Commissioner, the person may not:

(1) Make a loan; or

(2) In any way use any advantage provided by the Maryland Consumer Loan Law.

(b) (1) A separate license is required for each place of business where a person makes a loan or transacts any business under the Maryland Consumer Loan Law.

(2)] A person may not:

[(i)] (1) Receive any application for a loan or allow any note or contract for a loan to be signed at any place of business for which the person does not have a license;

[(ii)] (2) Conduct any business under the Maryland Consumer Loan Law under a name different from the name that appears on the person's license; or

[(iii)] (3) Evade the application of this section by any device, subterfuge, or pretense of any kind.

[(3)] (B) This [subsection] SECTION does not prohibit a licensee from accommodating a borrower, at the borrower's request, by making a loan by mail because of the borrower's sickness or hours of employment or for similar reasons.

[(4)] (C) Notwithstanding [paragraphs (2) and (3) of this subsection] **SUBSECTIONS (A) AND (B) OF THIS SECTION**, for a loan that is to be secured by residential real property:

[(i)] (1) A licensee may solicit and accept an application for a loan:

[1.] (I) By mail;

[2.] (II) By telephone or other electronic means; or

[3.] (III) At any location requested by the prospective borrower;

[(ii)] (2) Except as provided in [subparagraph (iii) of this paragraph] **ITEM (3) OF THIS SUBSECTION**, the loan closing shall be conducted at:

[1.] (I) The lender's licensed location;

[2.] (II) The office of an attorney representing the licensee, the borrower, the title company, or title insurer in connection with the loan; or

[3.] (III) The office of the title insurer or title agency performing closing services in connection with the loan; and

[(iii)] (3) A licensee may conduct the loan closing at another location at the written request of the borrower or the borrower's designee to accommodate the borrower because of the borrower's sickness.

11-206.

(a) (1) To apply for a license, an applicant shall **[sign and]**:

(I) COMPLETE, SIGN, AND submit to the Commissioner **[a verified] AN application [on] MADE UNDER OATH IN the form, AND IN ACCORDANCE WITH THE PROCESS, that the Commissioner requires; AND**

(II) PROVIDE ALL THE INFORMATION THAT THE COMMISSIONER REQUESTS.

(2) The application shall include:

(i) The applicant's name **[and address]**, **THE APPLICANT'S PRINCIPAL EXECUTIVE OFFICE ADDRESS**, and, if the applicant is not an individual, the **[names] NAME and [addresses] RESIDENCE ADDRESS** of each **[of its principal owners and each of its officers, directors, or members] CONTROL PERSON;**

(ii) The address [at which the business is to be conducted] **OF EACH BRANCH LOCATION, IF ANY**; and

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

(b) With the application, the applicant shall pay to the Commissioner:

(1) An investigation fee of \$100; and

(2) A license fee of[:

(i) \$1,700 if the applicant applies for a license to be issued on or after January 1 and on or before December 31 of an even-numbered year;

(ii) Effective January 1, 1999, \$850 if the applicant applies for a license to be issued on or after January 1 and on or before December 31 of an odd-numbered year; or

(iii) \$1,700 if the applicant applies for a license to be issued on or after October 1, 1997 and on or before December 31, 1997] **\$850**.

(c) (1) With the application, the applicant shall file [with the Commissioner] a surety bond.

(2) The surety bond filed under this subsection shall run to this State for the benefit of this State and of any person who has a cause of action against the applicant under the Maryland Consumer Loan Law.

(3) The surety bond shall be:

(i) In an amount equal to twice the amount of the largest loan that may be made under the Maryland Consumer Loan Law;

(ii) With sureties that the Commissioner approves; and

(iii) Conditioned that the applicant will comply with the Maryland Consumer Loan Law and will pay to this State or to any person any money that the applicant may owe to this State or to that person under the Maryland Consumer Loan Law.

(d) For **THE PRINCIPAL EXECUTIVE OFFICE AND** each **BRANCH LOCATION** license for which an applicant applies, the applicant shall:

(1) Submit a separate application;

- (2) Pay a separate investigation fee and license fee; and
- (3) File a separate bond.

11–207.

(a) When an applicant for a license files the application and bond and pays the fees required by § 11–206 of this subtitle, the Commissioner shall investigate the facts relevant to the application to determine if the applicant meets the requirements of this subtitle.

(b) Unless the Commissioner and an applicant agree in writing to extend the time, the Commissioner shall approve or deny each application for a license within 60 days after the date [when the application and bond are filed and the fees are paid] **ON WHICH THE COMPLETE APPLICATION IS FILED, THE FEES ARE PAID, AND THE SURETY BOND IS FILED.**

(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) Deny the application;
- (ii) Notify the applicant immediately of this fact;
- (iii) Return the bond filed under § 11–206 of this subtitle;
- (iv) Refund the license fee; and
- (v) Keep the investigation fee.

[(2) Within 10 days after the Commissioner denies an application, the Commissioner shall:

- (i) File in the Commissioner’s office written findings and a summary of the evidence supporting them; and
- (ii) Send a copy of the findings and summary to the applicant.]

(2) (1) WITHIN 10 DAYS AFTER THE COMMISSIONER DENIES AN APPLICATION, THE COMMISSIONER SHALL SEND A WRITTEN NOTICE TO THE APPLICANT STATING THE REASONS FOR THE DENIAL.

(II) THE NOTICE SHALL BE SENT BY UNITED STATES MAIL, E-MAIL, OR ANY MEANS PROVIDED THROUGH NMLS TO THE ADDRESS LISTED IN THE APPLICATION.

11-208.

(a) The Commissioner shall include on each license:

(1) The name of the licensee; [and]

(2) The address **OF THE LOCATION** at which the business is to be conducted; **AND**

(3) THE LICENSE NUMBER AND UNIQUE IDENTIFIER OF THE LICENSEE.

(b) (1) A license authorizes the licensee to do business under the license, at the licensed [place of business] **LOCATION** and under the name stated on the license.

(2) Only one [place of business] **LOCATION** may be maintained under any one license.

(c) [The] **SUBJECT TO § 11-203.1(B) OF THIS SUBTITLE, THE** Commissioner may issue more than one license to an applicant who:

(1) **CONDUCTS ACTIVITIES FOR WHICH A LICENSE IS REQUIRED AT MORE THAN ONE LOCATION;**

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

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

11-209.

[(a) A license issued before September 30, 1997 expires on the June 30 after its effective date, unless it is renewed on or before June 1 of the year of expiration for an additional term as provided in this section.

(b) A license issued on or after October 1, 1997 expires on December 31 in each odd-numbered year after December 31, 1997, unless it is renewed for a 2-year term as provided in this section.]

(A) AN INITIAL LICENSE TERM SHALL:

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

(2) EXPIRE ON DECEMBER 31 OF THE YEAR:

(i) IN WHICH THE LICENSE IS ISSUED, IF THE LICENSE IS ISSUED BEFORE NOVEMBER 1; OR

(ii) IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE LICENSE IS ISSUED, IF THE LICENSE IS ISSUED ON OR AFTER NOVEMBER 1.

[(c)] (B) On or **[before December]** **AFTER NOVEMBER 1** of the year **[of expiration,]** **IN WHICH** a license **EXPIRES, THE LICENSE** may be renewed for an additional **[2-year]** **1-YEAR** term, if the licensee:

(1) Otherwise is entitled to be licensed;

(2) Pays to the Commissioner a renewal fee of **[\$1,700]** **\$850**; and

(3) Submits to the Commissioner a renewal application **[on]** **IN** the form, **AND IN ACCORDANCE WITH THE PROCESS,** that the Commissioner requires.

[(d)] (C) The Commissioner may waive the requirements of § 11-205(1) and (2) of this subtitle for the renewal of a license.

[(e)] (D) **[The Secretary]** **TO THE EXTENT REQUIRED OR PERMITTED BY NMLS, THE COMMISSIONER** may determine that licenses issued under this subtitle shall expire on a staggered basis.

(E) A LICENSEE MAY NOT RENEW A LICENSE UNLESS, BEFORE THE SUBMISSION OF THE LICENSE RENEWAL APPLICATION, THE LICENSEE HAS TRANSFERRED THE LICENSEE'S LICENSING INFORMATION TO NMLS IN ACCORDANCE WITH § 11-203.1(C) OF THIS SUBTITLE.

11-209.1.

(A) A LICENSEE MAY SURRENDER A LICENSE BY SENDING TO THE COMMISSIONER, IN THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE COMMISSIONER REQUIRES, A STATEMENT THAT THE LICENSE IS SURRENDERED.

(B) IF A LICENSE IS SURRENDERED VOLUNTARILY, OR IS SUSPENDED OR REVOKED, THE COMMISSIONER MAY NOT REFUND ANY PART OF THE LICENSE FEE REGARDLESS OF THE TIME REMAINING IN THE LICENSE TERM.

(C) THE SURRENDER OF A LICENSE DOES NOT AFFECT ANY CIVIL OR CRIMINAL LIABILITY OF THE LICENSEE FOR ACTS COMMITTED BEFORE THE LICENSE WAS SURRENDERED.

11-210.

(a) A license is not transferable.

(b) Each licensee shall display the license conspicuously at the licensee's [place of business] **LICENSED LOCATION**.

11-211.

(a) A licensee may not change the [place of business] **LOCATION** for which a license is issued unless the licensee:

(1) [Notifies] **PROVIDES TO** the Commissioner, in [writing] **THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE COMMISSIONER REQUIRES, NOTICE** of the proposed change; and

(2) Receives the written consent of the Commissioner **BY UNITED STATES MAIL, E-MAIL, OR ANY MEANS PROVIDED THROUGH NMLS**.

(b) If the Commissioner consents to a proposed change of [place of business] **LOCATION, THE COMMISSIONER SHALL SEND** the licensee [shall attach the written consent to the] **AN AMENDED** license.

11-401.

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

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

(C) "BRANCH LOCATION" MEANS ANY LOCATION OTHER THAN THE PRINCIPAL EXECUTIVE OFFICE OF A LICENSEE OR LICENSE APPLICANT AT WHICH THE LICENSEE CONDUCTS, OR THE LICENSE APPLICANT, ON LICENSURE, WILL CONDUCT, ACTIVITIES REQUIRED TO BE LICENSED UNDER THIS SUBTITLE.

[(c)] (D) (1) "Buyer" means a person who buys or leases goods under an installment sale agreement, even though the person has entered into one or more renewal, extension, or refund agreements.

(2) “Buyer” includes a prospective buyer.

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

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

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

(F) (1) “CONTROL PERSON” MEANS A PERSON WHO HAS THE POWER, DIRECTLY OR INDIRECTLY, TO DIRECT THE MANAGEMENT OR POLICIES OF A LICENSEE OR LICENSE APPLICANT, WHETHER THROUGH OWNERSHIP OF SECURITIES, BY CONTRACT, OR OTHERWISE.

(2) “CONTROL PERSON” INCLUDES A PERSON WHO:

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

(II) DIRECTLY OR INDIRECTLY HAS THE RIGHT TO VOTE 20% OR MORE OF A CLASS OF VOTING SECURITIES, OR HAS THE POWER TO SELL OR DIRECT THE SALE OF 20% OR MORE OF A CLASS OF VOTING SECURITIES, OF A LICENSEE OR LICENSE APPLICANT; OR

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

1. HAS THE RIGHT TO RECEIVE ON LIQUIDATION OR DISSOLUTION OF A LICENSEE OR LICENSE APPLICANT 20% OR MORE OF THE CAPITAL OF THE LICENSEE OR LICENSE APPLICANT; OR

2. HAS CONTRIBUTED 20% OR MORE OF THE CAPITAL OF A LICENSEE OR LICENSE APPLICANT.

[(e)] (G) (1) “Goods” means all tangible personal property that has a cash price of \$25,000 or less.

(2) “Goods” does not include money or things in action.

[(f)] (H) (1) “Installment sale agreement” means a contract for the retail sale of consumer goods, negotiated or entered into in this State, under which:

(i) Part or all of the price is payable in one or more payments after the making of the contract; and

(ii) The seller takes collateral security or keeps a security interest in the goods sold.

(2) “Installment sale agreement” includes:

(i) A prospective installment sale agreement;

(ii) A purchase money security agreement; and

(iii) A contract for the bailment or leasing of consumer goods under which the bailee or lessee contracts to pay as compensation a sum that is substantially equal to or is more than the value of the goods.

(3) “Installment sale agreement” does not include:

(i) A bona fide C.O.D. transaction or a layaway agreement as defined in § 14-1101(g) of the Commercial Law Article; or

(ii) A lease for industrial, commercial, or agricultural purposes.

[(g)] (I) “License” means a license issued by the Commissioner under this subtitle to engage in business as a sales finance company.

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

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

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

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

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

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

~~[(k)]~~ **(M)** “Security interest” has the meaning stated in § 1–201(37) of the Commercial Law Article.

~~[(l)]~~ **(N)** “Seller” means a person who sells or leases or agrees to sell or lease goods under an installment sale agreement.

~~[(m)]~~ **(O)** (1) “Surety” includes a guarantor.

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

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

11–403.

(a) Except as otherwise provided in this subtitle, a person may not engage in business as a sales finance company unless the person is licensed by the Commissioner.

(b) A separate license is required for **THE PRINCIPAL EXECUTIVE OFFICE AND** each ~~[place of business]~~ **BRANCH LOCATION** where a person engages in business as a sales finance company.

(c) A political subdivision may not require a licensee to have a local license or pay a local fee for permission to engage in business as a sales finance company.

(D) DURING THE TIME PERIOD ESTABLISHED BY THE COMMISSIONER UNDER SUBSECTION (E) OF THIS SECTION, EACH LICENSEE SHALL:

(1) OBTAIN AND MAINTAIN A VALID UNIQUE IDENTIFIER ISSUED BY NMLS WHEN AN ACCOUNT IS CREATED WITH NMLS;

(2) TRANSFER LICENSING INFORMATION TO NMLS; AND

(3) PAY TO THE COMMISSIONER A LICENSE EXTENSION FEE CALCULATED IN ACCORDANCE WITH SUBSECTION (E)(5) OF THIS SECTION.

(E) (1) THE COMMISSIONER SHALL ESTABLISH A TIME PERIOD THAT IS NOT LESS THAN 2 MONTHS WITHIN WHICH A LICENSEE MUST TRANSFER LICENSING INFORMATION TO NMLS.

(2) THE TIME PERIOD THAT THE COMMISSIONER ESTABLISHES UNDER THIS SUBSECTION SHALL BEGIN ON OR AFTER JULY 1, 2017.

(3) AT LEAST 30 DAYS BEFORE THE TRANSFER PERIOD BEGINS, THE COMMISSIONER SHALL:

(I) NOTIFY ALL LICENSEES OF THE TRANSFER PERIOD; AND

(II) PROVIDE INSTRUCTIONS FOR THE TRANSFER OF LICENSING INFORMATION TO NMLS.

(4) FOR EACH LICENSEE THAT COMPLIES WITH SUBSECTION (D) OF THIS SECTION, THE TERM OF THE LICENSEE'S LICENSE SHALL BE EXTENDED TO DECEMBER 31 OF THE YEAR IN WHICH THE LICENSE OTHERWISE WOULD HAVE EXPIRED.

(5) THE LICENSE EXTENSION FEE REQUIRED UNDER SUBSECTION (D)(3) OF THIS SECTION IS NONREFUNDABLE AND, BASED ON THE ANNUAL LICENSE FEE, SHALL BE PRORATED TO THE NUMBER OF DAYS BETWEEN THE DATE THE LICENSE OTHERWISE WOULD HAVE EXPIRED AND DECEMBER 31 OF THE SAME YEAR.

(F) SUBJECT TO SUBSECTION (D) OF THIS SECTION, AN APPLICANT FOR AN INITIAL LICENSE OR A LICENSE RENEWAL SHALL APPLY FOR THE INITIAL LICENSE OR LICENSE RENEWAL THROUGH NMLS:

(1) ON OR AFTER JULY 1, 2017; OR

(2) IF THE COMMISSIONER HAS NOT JOINED NMLS WITH RESPECT TO PERSONS REQUIRED TO BE LICENSED UNDER THIS SUBTITLE AS OF JULY 1, 2017, ON OR AFTER THE DATE THAT THE COMMISSIONER JOINS, AS SPECIFIED BY THE COMMISSIONER BY PUBLIC NOTICE.

11-404.

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

(I) COMPLETE, sign, and submit to the Commissioner [a verified] A COMPLETED application [on] MADE UNDER OATH IN the form, AND IN ACCORDANCE WITH THE PROCESS, that the Commissioner requires; AND

(II) PROVIDE ALL THE INFORMATION THAT THE COMMISSIONER REQUESTS.

(2) The application shall include:

(i) The [name of the applicant] **APPLICANT'S NAME, THE APPLICANT'S PRINCIPAL EXECUTIVE OFFICE ADDRESS, AND, IF THE APPLICANT IS NOT AN INDIVIDUAL, THE NAME AND RESIDENCE ADDRESS OF EACH CONTROL PERSON;**

(ii) The address [at which the business is to be conducted, including, if applicable, the office building and room number] **OF EACH BRANCH LOCATION, IF ANY; AND**

(iii) [The address of each branch, subsidiary, or affiliate that the applicant operates in this State;

(iv) If the applicant is a corporation, the date of its incorporation;

(v) The name and residence address of each owner of or partner in the applicant or, if the applicant is a corporation or association, the name and residence address of each of its directors or trustees, its principal officers, and each person who owns an interest of 20 percent or more in the applicant; and

(vi)] Any other pertinent information that the Commissioner requires.

(b) With the application, the applicant shall pay to the Commissioner:

(1) An investigation fee of \$100; and

(2) A license fee of ~~\$250~~ **\$125**.

(c) [(1)] For **THE PRINCIPAL EXECUTIVE OFFICE AND** each **BRANCH LOCATION** license for which an applicant applies, the applicant shall:

[(i)] **(1)** Submit a separate application; and

[(ii)] **(2)** Pay a separate investigation fee and license fee.

[(2) If an applicant applies for three or more licenses at the same time, the total investigation fee is \$300.]

11-407.

(a) [The] **WHEN AN APPLICANT FOR A LICENSE FILES THE APPLICATION AND PAYS THE FEES REQUIRED BY § 11-404 OF THIS SUBTITLE, THE** Commissioner shall [approve or deny each application for a license within 60 days after the date when the application is made and the fees are paid] **INVESTIGATE THE FACTS RELEVANT TO THE**

APPLICATION TO DETERMINE IF THE APPLICANT MEETS THE REQUIREMENTS OF THIS SUBTITLE.

(B) THE COMMISSIONER SHALL APPROVE OR DENY EACH APPLICATION FOR A LICENSE WITHIN 60 DAYS AFTER THE DATE ON WHICH THE COMPLETE APPLICATION IS FILED AND THE FEES ARE PAID.

[(b)] (C) The Commissioner shall issue a license to any applicant who meets the requirements of this subtitle.

[(c)] (D) (1) If the Commissioner denies an application, the Commissioner shall:

- (i) Notify the applicant of the denial;
- (ii) Refund the license fee to the applicant; and
- (iii) Keep the investigation fee and any charges collected under § 11-406 of this subtitle.

[(2)] Within 20 days after the Commissioner denies an application, the Commissioner shall:

- (i) File in the Commissioner's office a written decision and statement of the reasons for denying the application; and
- (ii) Send a copy of the decision and statement to the applicant.]

(2) (I) WITHIN 20 DAYS AFTER THE COMMISSIONER DENIES AN APPLICATION, THE COMMISSIONER SHALL SEND A WRITTEN NOTICE TO THE APPLICANT STATING THE REASONS FOR THE DENIAL.

(II) THE NOTICE SHALL BE SENT BY UNITED STATES MAIL, E-MAIL, OR ANY MEANS PROVIDED THROUGH NMLS TO THE ADDRESS LISTED ON THE APPLICATION.

11-408.

(a) The Commissioner shall include on each license that the Commissioner issues:

- (1) The name of the licensee; [and]
- (2) The address [where] **OF THE LOCATION AT WHICH** the business will be conducted; **AND**

(3) THE LICENSE NUMBER AND THE UNIQUE IDENTIFIER OF THE LICENSEE.

(b) (1) A license authorizes the licensee to do business under the license, at the licensed [place of business] **LOCATION** and under the name stated on the license.

(2) Only one [place of business] **LOCATION** may be maintained under any one license.

(c) [The] **SUBJECT TO § 11-403(B) OF THIS SUBTITLE, THE** Commissioner may issue more than one license to an applicant who:

(1) **CONDUCTS ACTIVITIES FOR WHICH A LICENSE IS REQUIRED AT MORE THAN ONE BRANCH LOCATION;**

(2) Complies with [§] **§§ 11-404 AND 11-406** of this subtitle; and

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

11-409.

[(a) (1) A license issued on or before September 30, 1997 expires on December 31 of the year in which it was issued.

(2) A license issued on or after October 1, 1997 expires on December 31 in each odd-numbered year after December 31, 1997.]

(A) AN INITIAL LICENSE TERM SHALL:

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

(2) EXPIRE ON DECEMBER 31 OF THE YEAR:

(i) IN WHICH THE LICENSE IS ISSUED, IF THE LICENSE IS ISSUED BEFORE NOVEMBER 1; OR

(ii) IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE LICENSE IS ISSUED, IF THE LICENSE IS ISSUED ON OR AFTER NOVEMBER 1.

(b) [Before] **ON OR AFTER NOVEMBER 1 OF THE YEAR IN WHICH** a license expires, the **LICENSE MAY BE RENEWED FOR AN ADDITIONAL 1-YEAR TERM IF THE** licensee [may apply for a new license]:

(1) OTHERWISE IS ENTITLED TO BE LICENSED;

(2) PAYS TO THE COMMISSIONER A RENEWAL FEE OF ~~\$175~~ \$125; AND

(3) SUBMITS TO THE COMMISSIONER A RENEWAL APPLICATION IN THE FORM, AND IN ACCORDANCE WITH THE PROCESS, THAT THE COMMISSIONER REQUIRES.

(c) [The Secretary] **TO THE EXTENT REQUIRED OR PERMITTED BY NMLS, THE COMMISSIONER** may determine that licenses issued under this subtitle shall expire on a staggered basis.

(D) A LICENSEE MAY NOT RENEW A LICENSE UNLESS, BEFORE THE SUBMISSION OF THE LICENSE RENEWAL APPLICATION, THE LICENSEE HAS TRANSFERRED THE LICENSEE'S LICENSING INFORMATION TO NMLS IN ACCORDANCE WITH § 11-403(D) OF THIS SUBTITLE.

11-410.

(a) A license is not transferable.

(b) Each licensee shall display the license conspicuously at the licensee's [place of business] **LICENSED LOCATION.**

11-411.

(a) If a licensee changes the [place of business] **LOCATION FOR WHICH A LICENSE IS ISSUED**, the licensee immediately shall [notify] **PROVIDE TO** the Commissioner, in [writing] **THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE COMMISSIONER REQUIRES, NOTICE** of the change.

(b) [(1)] On receiving notice under this section, the Commissioner, without charge, shall send the licensee an [endorsement] **AMENDED LICENSE** stating the change and its date.

[(2)] The licensee shall attach the endorsement to the license.]

11-412.

(a) A licensee may surrender the license by [delivering] **SENDING** to the Commissioner, **IN THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE COMMISSIONER REQUIRES**, a [written] statement that the license is surrendered.

(b) **IF A LICENSE IS SURRENDERED VOLUNTARILY, OR IS SUSPENDED OR REVOKED, THE COMMISSIONER MAY NOT REFUND ANY PART OF THE LICENSE FEE REGARDLESS OF THE TIME REMAINING IN THE LICENSE TERM.**

(C) The surrender of a license does not affect any civil or criminal liability of the licensee for acts committed before the license was surrendered.

11-412.1.

(A) (1) THE REQUIREMENTS UNDER ANY FEDERAL LAW AND TITLE 4, SUBTITLES 1 THROUGH 4 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 THAT INFORMATION OR MATERIAL, SHALL CONTINUE TO APPLY TO THAT 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 PERSONS REQUIRED TO BE LICENSED UNDER THIS SUBTITLE, INCLUDING THE FINANCIAL CRIMES ENFORCEMENT NETWORK AND THE OFFICE OF FOREIGN ASSETS CONTROL, AND ANY SUCCESSOR TO THESE AGENCIES, WITHOUT THE LOSS OF PRIVILEGE OR THE LOSS OF CONFIDENTIALITY PROTECTIONS PROVIDED BY FEDERAL LAW OR TITLE 4, SUBTITLES 1 THROUGH 4 OF THE GENERAL PROVISIONS ARTICLE.

(B) 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 LITIGATION 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, THAT PRIVILEGE.

(C) ANY PROVISION 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 IS INCONSISTENT WITH SUBSECTION (A) OF THIS SECTION SHALL BE SUPERSEDED BY THE REQUIREMENTS OF THIS SECTION.

(D) THIS SECTION DOES NOT APPLY TO INFORMATION OR MATERIAL RELATING TO PUBLICLY ADJUDICATED DISCIPLINARY AND ENFORCEMENT ACTIONS AGAINST A PERSON REQUIRED TO BE LICENSED UNDER THIS SUBTITLE THAT IS INCLUDED IN NMLS AND DESIGNATED FOR ACCESS BY THE PUBLIC.

11-501.

(o) “Nationwide Mortgage Licensing System and Registry” **OR “NMLS”** has the meaning stated in § 1-101 of this article.

11-506.1.

(a) [In this section, “Central Repository” means the Criminal Justice Information System Central Repository of the Department of Public Safety and Correctional Services.

(b)] This section does not apply to any corporation the securities of which are exempt from registration under § 11-601(8) or (12) of the Corporations and Associations Article.

[(c)] (B) In connection with an initial application **FOR A LICENSE UNDER § 11-507 OF THIS SUBTITLE**, and at any other time the Commissioner requests, [each applicant or licensee shall provide fingerprints for:

(1) Use by the Central Repository to conduct State criminal history records checks; and

(2) Submission to the Federal Bureau of Investigation, and any other governmental agency or entity authorized to receive this information, for a state, national, or international criminal history background check.

(d) In addition to the requirement under subsection (c) of this section, if the Commissioner requires in connection with an initial application, and at any other time the Commissioner requests,] an applicant or licensee shall provide to the Nationwide Mortgage Licensing System and Registry information concerning the applicant’s identity, including:

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

(2) Personal history and experience in a form prescribed by the Nationwide Mortgage Licensing System and Registry, including the submission of authorization for the Nationwide Mortgage Licensing System and Registry and the Commissioner to obtain:

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

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

[(e)] (C) The Commissioner may request from **[the Central Repository,]** the Federal Bureau of Investigation**[,]** or the Nationwide Mortgage Licensing System and Registry, as applicable, for each applicant or licensee who is required to provide fingerprints under subsection **[(c) or (d)] (B)** of this section:

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

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

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

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

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

[(f)] (D) An applicant or licensee who is required to provide fingerprints under subsection **[(c) or (d)] (B)** of this section shall pay any processing or other fees required by **[the Central Repository,]** the Federal Bureau of Investigation**[,]** and the Nationwide Mortgage Licensing System and Registry.

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

11-601.

(s) “Nationwide Mortgage Licensing System and Registry” **OR “NMLS”** has the meaning stated in § 1-101 of this article.

12-101.

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

(B) “BRANCH LOCATION” MEANS ANY LOCATION OTHER THAN THE PRINCIPAL EXECUTIVE OFFICE OF A LICENSEE OR LICENSE APPLICANT AT WHICH THE LICENSEE CONDUCTS, OR THE LICENSE APPLICANT, ON LICENSURE, WILL CONDUCT, ACTIVITIES REQUIRED TO BE LICENSED UNDER THIS SUBTITLE.

(C) (1) “CONTROL PERSON” MEANS A PERSON WHO HAS THE POWER, DIRECTLY OR INDIRECTLY, TO DIRECT THE MANAGEMENT OR POLICIES OF A LICENSEE OR LICENSE APPLICANT, WHETHER THROUGH OWNERSHIP OF SECURITIES, BY CONTRACT, OR OTHERWISE.

(2) “CONTROL PERSON” INCLUDES A PERSON WHO:

(I) IS A GENERAL PARTNER, AN OFFICER, A DIRECTOR, OR A MEMBER, OR OCCUPIES A SIMILAR POSITION OR PERFORMS A SIMILAR FUNCTION;

(II) DIRECTLY OR INDIRECTLY HAS THE RIGHT TO VOTE 5% OR MORE OF A CLASS OF VOTING SECURITIES, OR HAS THE POWER TO SELL OR DIRECT THE SALE OF 5% OR MORE OF A CLASS OF VOTING SECURITIES, OF A LICENSEE OR LICENSE APPLICANT; OR

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

1. HAS THE RIGHT TO RECEIVE ON LIQUIDATION OR DISSOLUTION OF A LICENSEE OR LICENSE APPLICANT 5% OR MORE OF THE CAPITAL OF THE LICENSEE OR LICENSE APPLICANT; OR

2. HAS CONTRIBUTED 5% OR MORE OF THE CAPITAL OF A LICENSEE OR LICENSE APPLICANT.

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

[(c)] (E) “License” means, unless the context requires otherwise, a license issued by the Commissioner under this subtitle to provide check cashing services.

[(d)] (F) “Licensee” means, unless the context requires otherwise, a person that is licensed by the Commissioner under this subtitle to provide check cashing services.

[(e)] (G) “Mobile unit” means a motor vehicle or other movable means from which check cashing services are provided.

[(f)] (H) (1) “Payment instrument” means a check or a draft ordering a person to pay money.

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

[(g)] (I) “Provide check cashing services” means to accept or cash, for compensation, a payment instrument regardless of the date of the payment instrument.

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

12–105.

(a) Except as provided in § 12–102(a) of this subtitle, a person may not provide check cashing services unless the person is licensed under this subtitle or is an exempt entity.

(b) A separate license is required for **THE PRINCIPAL EXECUTIVE OFFICE OF THE LICENSE APPLICANT OR LICENSEE AT WHICH**, each [place of business] **BRANCH LOCATION** at which, [or] **AND EACH** mobile unit from which, a person provides check cashing services.

(C) DURING THE TIME PERIOD ESTABLISHED BY THE COMMISSIONER UNDER SUBSECTION (D) OF THIS SECTION, EACH LICENSEE SHALL:

(1) OBTAIN AND MAINTAIN A VALID UNIQUE IDENTIFIER ISSUED BY NMLS WHEN AN ACCOUNT IS CREATED WITH NMLS;

(2) TRANSFER LICENSING INFORMATION TO NMLS; AND

(3) PAY TO THE COMMISSIONER A LICENSE EXTENSION FEE CALCULATED IN ACCORDANCE WITH SUBSECTION (D)(5) OF THIS SECTION.

(D) (1) THE COMMISSIONER SHALL ESTABLISH A TIME PERIOD THAT IS NO LESS THAN 2 MONTHS WITHIN WHICH A LICENSEE MUST TRANSFER LICENSING INFORMATION TO NMLS.

(2) THE TIME PERIOD THAT THE COMMISSIONER ESTABLISHES UNDER THIS SUBSECTION SHALL BEGIN ON OR AFTER JULY 1, 2017.

(3) AT LEAST 30 DAYS BEFORE THE TRANSFER PERIOD BEGINS, THE COMMISSIONER SHALL:

(I) NOTIFY ALL LICENSEES OF THE TRANSFER PERIOD; AND

(II) PROVIDE INSTRUCTIONS FOR THE TRANSFER OF LICENSING INFORMATION TO NMLS.

(4) FOR EACH LICENSEE THAT COMPLIES WITH SUBSECTION (C) OF THIS SECTION, THE TERM OF THE LICENSEE'S LICENSE SHALL EXTEND TO DECEMBER 31 OF THE YEAR IN WHICH THE LICENSE OTHERWISE WOULD HAVE EXPIRED.

(5) THE LICENSE EXTENSION FEE REQUIRED UNDER SUBSECTION (C)(3) OF THIS SECTION IS NONREFUNDABLE AND, BASED ON THE ANNUAL LICENSE FEE, SHALL BE PRORATED TO THE NUMBER OF DAYS BETWEEN THE DATE THE LICENSE OTHERWISE WOULD HAVE EXPIRED AND DECEMBER 31 OF THE SAME YEAR.

(E) SUBJECT TO SUBSECTION (C) OF THIS SECTION, AN APPLICANT FOR AN INITIAL LICENSE OR A LICENSE RENEWAL SHALL APPLY FOR THE INITIAL LICENSE OR LICENSE RENEWAL THROUGH NMLS:

(1) ON OR AFTER JULY 1, 2017; OR

(2) IF THE COMMISSIONER HAS NOT JOINED NMLS WITH RESPECT TO PERSONS REQUIRED TO BE LICENSED UNDER THIS SUBTITLE AS OF JULY 1, 2017, ON OR AFTER THE DATE THAT THE COMMISSIONER JOINS, AS SPECIFIED BY THE COMMISSIONER BY PUBLIC NOTICE.

12-107.

(a) [With] IN CONNECTION WITH an INITIAL application FOR A LICENSE UNDER THIS SUBTITLE, and at any other time the Commissioner requires, an applicant or licensee shall provide fingerprints, AS DIRECTED BY THE COMMISSIONER, TO NMLS for use by the Federal Bureau of Investigation [and the Criminal Justice Information System Central Repository of the Department of Public Safety and Correctional Services] to conduct a criminal history records check.

12-107.1.

(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 THAT INFORMATION OR MATERIAL, SHALL CONTINUE TO APPLY TO THAT 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 PERSONS REQUIRED TO BE LICENSED UNDER THIS SUBTITLE, INCLUDING THE FINANCIAL CRIMES ENFORCEMENT NETWORK AND THE OFFICE OF FOREIGN ASSETS CONTROL, AND ANY SUCCESSOR TO THESE AGENCIES, 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) 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 LITIGATION 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, THAT PRIVILEGE.

(C) 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.

(D) THIS SECTION DOES NOT APPLY TO INFORMATION OR MATERIAL RELATING TO PUBLICLY ADJUDICATED DISCIPLINARY AND ENFORCEMENT ACTIONS AGAINST A PERSON REQUIRED TO BE LICENSED UNDER THIS SUBTITLE THAT IS INCLUDED IN NMLS AND DESIGNATED FOR ACCESS BY THE PUBLIC.

12-108.

(a) (1) To apply for a license, an applicant shall [submit to the Commissioner an application on the form that the Commissioner requires]:

(I) 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

(II) PROVIDE ALL THE INFORMATION THAT THE COMMISSIONER REQUESTS.

(2) The application shall include:

(i) The applicant's name [and address], **THE APPLICANT'S PRINCIPAL EXECUTIVE OFFICE ADDRESS**, and, if the applicant is not an individual, the [names] **NAME** and [addresses] **RESIDENCE ADDRESS** of each **CONTROL PERSON**[:];

[1. Owner who owns 5% or more of the entity; and

2. Officer, director, or principal of the entity;]

(ii) [1.] The address [at which check cashing services will be provided] **OF EACH BRANCH LOCATION, IF ANY; [or]**

[2.] **(III)** If the license is for a mobile unit, the vehicle identification number of the mobile unit and the geographic area in which the mobile unit will be operating; and

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

(b) With the application, the applicant shall pay to the Commissioner:

(1) An investigation fee of \$100; and

(2) A license fee of[:

(i) \$1,000 if the applicant applies for a license to be issued on or after January 1 and on or before December 31 of an even-numbered year; or

(ii) \$500 if the applicant applies for a license to be issued on or after January 1 and on or before December 31 of an odd-numbered year] **\$500**.

(c) [(1) Subject to the provisions of paragraph (2) of this subsection, if an applicant applies for more than one license, as to each license] **FOR THE PRINCIPAL EXECUTIVE OFFICE, EACH BRANCH LOCATION, AND EACH MOBILE UNIT LICENSE FOR WHICH AN APPLICANT APPLIES**, the applicant shall:

[(i)] (1) Submit a separate application; and

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

[(2) An applicant that applies for more than one license is not required to provide fingerprints for a criminal history records check for more than one application.]

12-109.

(a) When an applicant for a license files the application and pays the fees required by § 12-108 of this subtitle, the Commissioner shall investigate the facts relevant to the application to determine if the applicant meets the requirements of this subtitle.

(b) Unless the Commissioner and an applicant agree in writing to extend the time, the Commissioner shall approve or deny each application for a license within 60 days after the date [when] **ON WHICH** the complete application is filed and the fees are paid.

(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) Deny the application;
- (ii) Notify the applicant immediately of the denial;
- (iii) Refund the license fee; and
- (iv) Retain the investigation fee.

[(2) Within 10 days after the Commissioner denies an application, the Commissioner shall:

- (i) File in the Commissioner's office written findings and a summary of the evidence supporting them; and
- (ii) Send a copy of the findings and summary to the applicant.]

(2) (I) WITHIN 10 DAYS AFTER THE COMMISSIONER DENIES AN APPLICATION, THE COMMISSIONER SHALL SEND A WRITTEN NOTICE TO THE APPLICANT STATING THE REASONS FOR THE DENIAL.

(II) THE NOTICE SHALL BE SENT BY UNITED STATES MAIL, E-MAIL, OR ANY MEANS PROVIDED THROUGH NMLS TO THE ADDRESS LISTED IN THE APPLICATION.

12-110.

(a) The Commissioner shall include on each license:

(1) The name of the licensee; [and]

(2) (i) The address **OF THE LOCATION** at which check cashing services will be provided; or

(ii) If the license is for a mobile unit, the vehicle identification number of the mobile unit and the geographic area in which check cashing services will be provided; **AND**

(3) THE LICENSE NUMBER AND UNIQUE IDENTIFIER OF THE LICENSEE.

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

(2) Only one [place of business] **LOCATION**, or one mobile unit, may be maintained under [a] **ANY ONE** license.

(c) [The] **SUBJECT TO § 12-105(B) OF THIS SUBTITLE, THE** Commissioner may issue more than one license to an applicant who:

(1) CONDUCTS ACTIVITIES FOR WHICH A LICENSE IS REQUIRED AT MORE THAN ONE LOCATION;

[(1)] **(2)** Complies with § 12-108 of this subtitle; and

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

12-110.1.

(A) A LICENSEE MAY SURRENDER A LICENSE BY SENDING TO THE COMMISSIONER, IN THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE COMMISSIONER REQUIRES, A STATEMENT THAT THE LICENSE IS SURRENDERED.

(B) IF A LICENSE IS SURRENDERED VOLUNTARILY, OR IS SUSPENDED OR REVOKED, THE COMMISSIONER MAY NOT REFUND ANY PART OF THE LICENSE FEE REGARDLESS OF THE TIME REMAINING IN THE LICENSE TERM.

(C) THE SURRENDER OF A LICENSE DOES NOT AFFECT ANY CIVIL OR CRIMINAL LIABILITY OF THE LICENSEE FOR ACTS COMMITTED BEFORE THE LICENSE WAS SURRENDERED.

12-111.

[(a) A license expires on December 31 in each odd-numbered year unless it is renewed for a 2-year term as provided in this section.]

(A) AN INITIAL LICENSE TERM SHALL:

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

(2) EXPIRE ON DECEMBER 31 OF THE YEAR:

(i) IN WHICH THE LICENSE IS ISSUED, IF THE LICENSE IS ISSUED BEFORE NOVEMBER 1; OR

(ii) IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE LICENSE IS ISSUED, IF THE LICENSE IS ISSUED ON OR AFTER NOVEMBER 1.

(b) On or [before December 1] **AFTER NOVEMBER 1** of the year [of expiration,] a license **EXPIRES, THE LICENSE** may be renewed for an additional [2-year] **1-YEAR** term, if the licensee:

(1) Otherwise is entitled to be licensed;

(2) Pays to the Commissioner a renewal fee of [\$1,000] **\$500**; and

(3) Submits to the Commissioner a renewal application [on] **IN** the form, **AND IN ACCORDANCE WITH THE PROCESS**, that the Commissioner requires.

(c) The Commissioner shall determine if the requirements of § 12-106 of this subtitle to qualify for a license continue to apply.

(d) [The] **TO THE EXTENT REQUIRED OR PERMITTED BY NMLS, THE** Commissioner may determine that licenses issued under this subtitle shall expire on a staggered basis.

(E) A LICENSEE MAY NOT RENEW A LICENSE UNLESS, BEFORE THE SUBMISSION OF THE LICENSE RENEWAL APPLICATION, THE LICENSEE HAS TRANSFERRED THE LICENSEE'S LICENSING INFORMATION TO NMLS IN ACCORDANCE WITH § 12-105(C) OF THIS SUBTITLE.

12-112.

(a) A license is not transferable.

(b) A licensee shall display the license conspicuously at the licensee's [place of business] **LICENSED LOCATION** or mobile unit.

12-113.

(a) A licensee may not change the [place of business] **LOCATION** for which a license is issued unless the licensee:

(1) [Notifies] **PROVIDES TO** the Commissioner, in [writing] **THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE COMMISSIONER REQUIRES, NOTICE** of the proposed change; and

(2) Receives the written consent of the Commissioner **BY UNITED STATES MAIL, E-MAIL, OR ANY MEANS PROVIDED THROUGH NMLS** prior to the change.

(b) If the Commissioner consents to a proposed change of [place of business] **LOCATION, THE COMMISSIONER SHALL SEND** the licensee [shall attach the written consent to the] **AN AMENDED** license.

12-408.

(a) [In this section, "Central Repository" means the Criminal Justice Information System Central Repository of the Department of Public Safety and Correctional Services.

(b)] This section does not apply to any corporation the securities of which are exempt from registration under § 11-601(8) or (12) of the Corporations and Associations Article or any wholly owned subsidiary of the corporation.

[(c)] **(B)** In connection with an initial application for a license under § 12-407 of this subtitle, and at any other time that the Commissioner requests, an applicant or licensee shall provide to [the nationwide licensing system] **NMLS** information concerning the applicant's identity, including:

(1) Fingerprints for submission to the Federal Bureau of Investigation, and any other governmental agency or entity[, including the Central Repository,] authorized to receive this information for a state, a national, or an international criminal history background check;

(2) In the case of a sole proprietorship, personal history and experience in a form prescribed by [the nationwide licensing system] **NMLS**, including the submission of authorization for [the nationwide licensing system] **NMLS** and the Commissioner to obtain:

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

(ii) Information related to any administrative, civil, or criminal findings by any governmental jurisdiction; and

(3) In the case of a corporation or another business entity:

(i) Business history in a form prescribed by [the nationwide licensing system] **NMLS**, including:

1. The submission of a business credit report for the applicant that is no older than 3 months before the date of the application; and

2. Information related to any administrative, civil, or criminal findings by any governmental jurisdiction; and

(ii) For each control person, personal history in a form prescribed by [the nationwide licensing system] **NMLS**.

[(d)] **(C)** Subject to § 12–408.1 of this subtitle, to implement this subtitle, the Commissioner may use [the nationwide licensing system] **NMLS** as a channeling agent to request information from and distribute information to the Department of Justice, any other governmental agency with subject matter jurisdiction, and any other state licensing entity that has money transmitters licensed or registered with [the nationwide licensing system] **NMLS**.

[(e)] In addition to the requirements under subsection (c) of this section, in connection with an initial application for a license under § 12–407 of this subtitle, and at any other time that the Commissioner requests, an applicant or a licensee shall provide fingerprints for use by the Central Repository to conduct criminal history records checks.]

[(f)] **(D)** An applicant or a licensee who is required to provide fingerprints under subsection [(c) or (e)] **(B)** of this section shall pay the processing or other fees required by [the Central Repository,] the Federal Bureau of Investigation[,] and [the nationwide licensing system] **NMLS**.

[(g)] **(E)** The Commissioner may request from [the Central Repository,] the Federal Bureau of Investigation[,] or [the nationwide licensing system] **NMLS**, as applicable, for each person who is required to provide fingerprints under subsection [(c) or (e)] **(B)** of this section:

(1) (i) The state, national, or international criminal history records of the person; and

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

(2) (i) An update of the initial criminal history records check or criminal history background check of the person; and

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

(3) An acknowledged receipt of the application for a criminal history records check or criminal history background check of the person.

[(h)] (F) If the applicant or licensee is a corporation or another business entity, the fingerprinting and criminal history records check requirements under subsection **[(c) or (e)] (B)** of this section shall apply to an executive officer, a general partner, or a managing member of, or an individual serving in a similar capacity with respect to, the corporation or other business entity, as requested by the Commissioner.

12-901.

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

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

(C) “BRANCH LOCATION” MEANS ANY LOCATION OTHER THAN THE PRINCIPAL EXECUTIVE OFFICE OF A LICENSEE OR LICENSE APPLICANT AT WHICH THE LICENSEE CONDUCTS, OR THE LICENSE APPLICANT, ON LICENSURE, WILL CONDUCT, ACTIVITIES REQUIRED TO BE LICENSED UNDER THIS SUBTITLE.

[(c)] (D) “Consultation fee” means a fee paid by a consumer to a debt management services provider in connection with the processing of any application that the consumer makes for debt management services.

[(d)] (E) “Consumer” means an individual who:

(1) Resides in the State; and

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

[(e)] (F) “Consumer education program” means a program or plan that:

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

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

- (i) Creating and maintaining a budget;
- (ii) Establishing debt management payment plans with creditors;
- (iii) Negotiating directly with creditors on payment or interest rate relief; and
- (iv) Filing for bankruptcy.

(G) (1) "CONTROL PERSON" MEANS A PERSON WHO HAS THE POWER, DIRECTLY OR INDIRECTLY, TO DIRECT THE MANAGEMENT OR POLICIES OF A LICENSEE OR LICENSE APPLICANT, WHETHER THROUGH OWNERSHIP OF SECURITIES, BY CONTRACT, OR OTHERWISE.

(2) "CONTROL PERSON" INCLUDES A PERSON WHO:

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

(II) DIRECTLY OR INDIRECTLY HAS THE RIGHT TO VOTE 10% OR MORE OF A CLASS OF VOTING SECURITIES, OR HAS THE POWER TO SELL OR DIRECT THE SALE OF 10% OR MORE OF A CLASS OF VOTING SECURITIES, OF A LICENSEE OR LICENSE APPLICANT; OR

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

1. HAS THE RIGHT TO RECEIVE ON LIQUIDATION OR DISSOLUTION OF A LICENSEE OR LICENSE APPLICANT 10% OR MORE OF THE CAPITAL OF THE LICENSEE OR LICENSE APPLICANT; OR

2. HAS CONTRIBUTED 10% OR MORE OF THE CAPITAL OF A LICENSEE OR LICENSE APPLICANT.

[(f)] (H) "Debt management counselor" means a permanent, temporary, or contractual employee of a debt management services provider or its agent who provides counseling to consumers on behalf of the debt management services provider.

[(g)] (I) “Debt management services” means receiving funds periodically from a consumer under an agreement with the consumer for the purpose of distributing the funds among the consumer’s creditors in full or partial payment of the consumer’s debts.

[(h)] (J) “Debt management services agreement” means a written contract, plan, or agreement between a debt management services provider and a consumer for the performance of debt management services.

[(i)] (K) “Debt management services provider” means a person that provides or offers to provide debt management services to a consumer.

[(j)] (L) “Licensee” means a person licensed under this subtitle to provide debt management services.

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

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

- (1) A spouse;
- (2) A child;
- (3) A sibling;
- (4) A parent;
- (5) A grandparent;
- (6) A grandchild;
- (7) A stepparent;
- (8) A stepchild;
- (9) A stepsibling;
- (10) An aunt; or
- (11) An uncle.

[(m)] (O) “Resident agent” means an individual residing in the State or a Maryland corporation whose name, address, and designation as a resident agent are filed

or recorded with the State Department of Assessments and Taxation in accordance with the provisions of the Corporations and Associations Article.

[(n)] (P) “Trust account” means an account that is:

- (1) Established in a financial institution that is federally insured;
- (2) Separate from the debt management services provider’s operating account;
- (3) Designated as a “trust account” or by another appropriate designation indicating that the funds in the account are not the funds of the licensee or its officers, employees, or agents;
- (4) Unavailable to creditors of the debt management services provider; and
- (5) Used to hold funds paid by consumers to a debt management services provider for disbursement to creditors of the consumers.

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

12–904.

[The Commissioner shall charge:

(1) (i) A fee for the issuance of an initial license under this subtitle in an even-numbered year as follows:]

(A) AN APPLICANT SHALL SUBMIT SEPARATE APPLICATIONS FOR THE APPLICANT’S PRINCIPAL EXECUTIVE OFFICE AND EACH BRANCH LOCATION.

(B) WITH THE LICENSE APPLICATION FOR THE PRINCIPAL EXECUTIVE OFFICE OF AN APPLICANT, THE APPLICANT SHALL PAY TO THE COMMISSIONER:

(1) A NONREFUNDABLE INVESTIGATION FEE OF \$1,000 FOR AN INITIAL LICENSE; AND

(2) A LICENSE FEE FOR AN INITIAL LICENSE OR A LICENSE RENEWAL FOR AN ADDITIONAL 1–YEAR TERM, AS FOLLOWS:

[1. \$1,000] **(I) \$500**, if the applicant’s annual gross revenue is not more than \$3,000,000;

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

[3. \$4,000] **(III) \$2,000**, if the applicant's annual gross revenue is more than \$6,000,000 but not more than \$15,000,000;

[4. \$6,000] **(IV) \$3,000**, if the applicant's annual gross revenue is more than \$15,000,000 but not more than \$30,000,000; or

[5. \$8,000] **(V) \$4,000**, if the applicant's annual gross revenue is more than \$30,000,000[; and].

(C) WITH THE LICENSE APPLICATION FOR EACH BRANCH LOCATION OF AN APPLICANT, THE APPLICANT SHALL PAY TO THE COMMISSIONER A \$100 LICENSE FEE FOR AN INITIAL LICENSE OR A LICENSE RENEWAL FOR AN ADDITIONAL 1-YEAR TERM.

[(ii) A fee for the issuance of an initial license under this subtitle in an odd-numbered year as follows:

1. \$500, if the applicant's annual gross revenue is not more than \$3,000,000;

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

3. \$2,000, if the applicant's annual gross revenue is more than \$6,000,000 but not more than \$15,000,000;

4. \$3,000, if the applicant's annual gross revenue is more than \$15,000,000 but not more than \$30,000,000; or

5. \$4,000, if the applicant's annual gross revenue is more than \$30,000,000;

(2) A fee for renewal of a license issued under this subtitle as follows:

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

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

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

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

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

(3) A fee of \$100, for each location in the State at which a licensee provides debt management services under this subtitle, payable at the time of application for an initial license and at each renewal of a license; and

(4) A fee of \$1,000, for an investigation of an applicant under this subtitle, payable at the time of application for an initial license.】

12-906.

(A) Whether or not the person maintains an office in this State, a person may not provide debt management services to consumers unless the person:

(1) Is licensed by the Commissioner under this subtitle; or

(2) Is exempt from licensing under this subtitle.

(B) A SEPARATE LICENSE IS REQUIRED FOR THE PRINCIPAL EXECUTIVE OFFICE OF THE LICENSE APPLICANT OR LICENSEE AND EACH BRANCH LOCATION.

(C) DURING THE TIME PERIOD ESTABLISHED BY THE COMMISSIONER UNDER SUBSECTION (D) OF THIS SECTION, EACH LICENSEE SHALL:

(1) OBTAIN AND MAINTAIN A VALID UNIQUE IDENTIFIER ISSUED BY NMLS WHEN AN ACCOUNT IS CREATED WITH NMLS;

(2) TRANSFER LICENSING INFORMATION TO NMLS; AND

(3) PAY TO THE COMMISSIONER A LICENSE EXTENSION FEE CALCULATED IN ACCORDANCE WITH SUBSECTION (D)(5) OF THIS SECTION.

(D) (1) THE COMMISSIONER SHALL ESTABLISH A TIME PERIOD THAT IS NOT LESS THAN 2 MONTHS WITHIN WHICH A LICENSEE MUST TRANSFER LICENSING INFORMATION TO NMLS.

(2) THE TIME PERIOD THAT THE COMMISSIONER ESTABLISHES UNDER THIS SUBSECTION SHALL BEGIN ON OR AFTER JULY 1, 2017.

(3) AT LEAST 30 DAYS BEFORE THE TRANSFER PERIOD BEGINS, THE COMMISSIONER SHALL:

(I) NOTIFY ALL LICENSEES OF THE TRANSFER PERIOD; AND

(II) PROVIDE INSTRUCTIONS FOR THE TRANSFER OF LICENSING INFORMATION TO NMLS.

(4) FOR EACH LICENSEE THAT COMPLIES WITH SUBSECTION (C) OF THIS SECTION, THE TERM OF THE LICENSEE'S LICENSE SHALL EXTEND TO DECEMBER 31 OF THE YEAR IN WHICH THE LICENSE OTHERWISE WOULD HAVE EXPIRED.

(5) THE LICENSE EXTENSION FEE REQUIRED UNDER SUBSECTION (C)(3) OF THIS SECTION IS NONREFUNDABLE AND, BASED ON THE ANNUAL LICENSE FEE, SHALL BE PRORATED TO THE NUMBER OF DAYS BETWEEN THE DATE THE LICENSE OTHERWISE WOULD HAVE EXPIRED AND DECEMBER 31 OF THE SAME YEAR.

(E) SUBJECT TO SUBSECTION (C) OF THIS SECTION, AN APPLICANT FOR AN INITIAL LICENSE OR A LICENSE RENEWAL SHALL APPLY FOR THE INITIAL LICENSE OR LICENSE RENEWAL THROUGH NMLS:

(1) ON OR AFTER JULY 1, 2017; OR

(2) IF THE COMMISSIONER HAS NOT JOINED NMLS WITH RESPECT TO PERSONS REQUIRED TO BE LICENSED UNDER THIS SUBTITLE AS OF JULY 1, 2017, ON OR AFTER THE DATE THAT THE COMMISSIONER JOINS, AS SPECIFIED BY THE COMMISSIONER BY PUBLIC NOTICE.

12-908.

(a) To apply for a license, an applicant shall [submit to the Commissioner an application on the form that the Commissioner provides]:

(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 THE INFORMATION THAT THE COMMISSIONER REQUESTS.

(b) The application shall include:

(1) The applicant's name, [business address, telephone number, electronic mail address, if any, and website address, if any] **PRINCIPAL EXECUTIVE OFFICE ADDRESS, AND WEB SITE ADDRESS, IF ANY, AND, IF THE APPLICANT IS NOT AN INDIVIDUAL, THE NAME AND RESIDENCE ADDRESS OF EACH CONTROL PERSON, IF ANY;**

(2) The address of each [location in the State] **BRANCH LOCATION, IF ANY,** at which the applicant will provide debt management services;

(3) The name and address of each owner, officer, director, and principal of the applicant **WHO IS NOT A CONTROL PERSON;**

(4) The name, address, and telephone number of the applicant's resident agent in the State;

(5) A description of the ownership interest of any officer, director, agent, or employee of the applicant in any affiliate or subsidiary of the applicant or in any other business entity that provides any service to the applicant or any consumer relating to the applicant's debt management services business;

(6) The name and address of any agent acting on behalf of the applicant to manage a trust account required under § 12–917 of this subtitle;

(7) The applicant's federal employer identification number;

(8) A list of any state in which:

(i) The applicant engages in the business of providing debt management services;

(ii) The applicant is registered or licensed to provide debt management services; and

(iii) The applicant's registration or license has been suspended or revoked;

(9) A statement of whether any pending judgment, tax lien, material litigation, or administrative action by any government agency exists against the applicant;

(10) The most recent, unconsolidated financial statement of the applicant that:

(i) Is prepared in accordance with generally accepted accounting principles applied on a consistent basis;

- (ii) Includes a certified opinion audit prepared by an independent certified public accountant; and
- (iii) Was prepared no more than 12 months before the date of application;
- (11) If applicable, evidence of nonprofit status under § 501(c) of the Internal Revenue Code;
- (12) If the applicant is a corporation, a detailed description of the applicant's corporate structure, including parent companies, subsidiaries, and affiliates;
- (13) The applicant's business credit report;
- (14) Evidence of general liability or fidelity insurance that insures against dishonesty, fraud, theft, or other malfeasance on the part of an employee of the applicant;
- (15) A description of the applicant's consumer education program that is provided to consumers;
- (16) A description of the applicant's financial analysis and initial budget plan, including any form or electronic model, that are used to evaluate the financial condition of consumers;
- (17) A copy of the debt management services agreement that the applicant will use in its debt management services business;
- (18) A copy of the applicant's plan to ensure that each debt management counselor is certified by an independent organization within 6 months after the debt management counselor is hired, and that any employee who is a supervisor or manager of a debt management counselor is certified by an independent organization within 3 months after the employee is hired;
- (19) The most recent financial statement of each affiliate, subsidiary, or other person that provides services related to debt management services for the applicant or for any consumer;
- (20) A copy of each contract or fee-for-service arrangement between the applicant and any person that provides services related to the debt management services business; [and]
- (21) **A SURETY BOND AS REQUIRED UNDER § 12-914 OF THIS SUBTITLE; AND**
- (22) Any other information that the Commissioner reasonably requires.

(c) The Commissioner may refuse an application if it contains erroneous or incomplete information.

[(d) With the application, the applicant shall pay to the Commissioner:

(1) A license fee in the amount established under § 12–904 of this subtitle;
and

(2) A nonrefundable investigation fee in the amount established under § 12–904 of this subtitle.

(e) With the application, the applicant shall file a surety bond with the Commissioner as provided in § 12–914 of this subtitle.]

12–909.

(a) In connection with an initial application, a renewal application, and at any other time the Commissioner requests, an applicant or licensee shall provide fingerprints **TO NMLS** for use by the Federal Bureau of Investigation [and the Maryland Criminal Justice Information System Central Repository of the Department of Public Safety and Correctional Services] to conduct criminal history records checks.

(b) An applicant or licensee required to provide fingerprints under this section shall pay any processing or other required fee.

(c) If the applicant or licensee is a corporation, the fingerprinting and criminal history records check requirements shall apply to the president and any other officer, director, principal, or owner of the corporation as required by the Commissioner.

(d) [The Commissioner shall require any] **ANY** agent acting on behalf of a licensee to manage a trust account required under § 12–917 of this subtitle, and any agent of the licensee who has access to the account, [to] **SHALL** provide **TO NMLS** fingerprints for use by the Federal Bureau of Investigation [and the Maryland Criminal Justice Information System Central Repository of the Department of Public Safety and Correctional Services] to conduct criminal history records checks.

12–910.

(a) After an applicant for a license files a complete application, files a surety bond, and pays the license and investigation fees required under this subtitle, the Commissioner shall investigate the facts relevant to the application to determine if the applicant meets the requirements of this subtitle.

(b) Unless the Commissioner notifies an 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 on which the complete application is filed, the surety bond is filed, and the fees are paid.

(c) The Commissioner shall issue a license to any applicant that meets the requirements of this subtitle.

(d) (1) If an applicant does not meet the requirements of this subtitle, the Commissioner:

(i) Subject to the hearing provisions of § 12-927 of this subtitle, shall deny the application;

(ii) Shall notify the applicant immediately of the denial;

(iii) Shall refund the license fee; and

(iv) Shall keep the investigation fee.

(2) (I) Within 30 days after the Commissioner denies an application, the Commissioner shall [state] **SEND A WRITTEN NOTICE TO THE APPLICANT STATING** the reasons for the denial [in writing and mail them].

(II) **THE NOTICE SHALL BE SENT BY UNITED STATES MAIL, E-MAIL, OR ANY MEANS PROVIDED THROUGH NMLS** to [the applicant at] the address listed in the application.

12-911.

(a) The Commissioner shall include on each license:

(1) The name of the licensee;

(2) The address **OF THE LOCATION** at which the business is to be conducted; and

(3) The [debt management services license number of the licensee] **LICENSE NUMBER AND UNIQUE IDENTIFIER OF THE LICENSEE.**

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

(c) A license may not be transferred, assigned, or pledged.

(d) (1) If the licensee has an office in the State, the licensee shall prominently display the license in a location that is open to the public and at which the licensee engages in the business of providing debt management services.

(2) If the licensee does not maintain an office in the State, the licensee shall maintain the license in the licensee's headquarters.

(e) A licensee that offers or provides debt management services through the Internet shall include the following notice on its website:

"The Commissioner of Financial Regulation for the State of Maryland will accept any questions and complaints from Maryland residents regarding (name and license number of the debt management services provider) at (address of Commissioner), phone (toll-free number of the Commissioner)".

(F) ONLY ONE LOCATION MAY BE MAINTAINED UNDER ANY ONE LICENSE.

12-912.

[(a) A license issued under this subtitle expires on December 31 of each odd-numbered year unless it is renewed for a 2-year term as provided in subsection (b) of this section.]

(A) AN INITIAL LICENSE TERM SHALL:

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

(2) EXPIRE ON DECEMBER 31 OF THE YEAR:

(i) IN WHICH THE LICENSE IS ISSUED, IF THE LICENSE IS ISSUED BEFORE NOVEMBER 1; OR

(ii) IMMEDIATELY FOLLOWING THE YEAR THAT THE LICENSE IS ISSUED, IF THE LICENSE IS ISSUED ON OR AFTER NOVEMBER 1.

(b) On or [before December] **AFTER NOVEMBER 1** of the year [of expiration,] **IN WHICH a license EXPIRES, THE LICENSE** may be renewed for [a 2-year] **AN ADDITIONAL 1-YEAR** term if the licensee:

(1) Otherwise is entitled to be licensed;

(2) Pays to the Commissioner the renewal fee established under § 12-904 of this subtitle;

(3) Files with the Commissioner a surety bond renewal certificate or a new surety bond required under § 12-914 of this subtitle; and

(4) Submits to the Commissioner a renewal application [on] **IN** the form, **AND IN ACCORDANCE WITH THE PROCESS**, that the Commissioner requires.

(c) [The] **TO THE EXTENT REQUIRED OR PERMITTED BY NMLS, THE** Commissioner may determine that licenses issued under this subtitle shall expire on a staggered basis.

(D) A LICENSEE MAY NOT RENEW A LICENSE UNLESS, BEFORE THE SUBMISSION OF THE LICENSE RENEWAL APPLICATION, THE LICENSEE HAS TRANSFERRED THE LICENSEE'S LICENSING INFORMATION TO NMLS IN ACCORDANCE WITH § 12-906(C) OF THIS SUBTITLE.

12-913.

(a) (1) A licensee may surrender a license by sending to the Commissioner, **IN THE FORM AND IN ACCORDANCE WITH THE PROCESS THAT THE COMMISSIONER REQUIRES**, a [written] statement that the license is surrendered.

(2) The statement shall provide:

(i) The reason for the license surrender;

(ii) For each consumer for whom the licensee is providing debt management services, the following information:

1. The name of the consumer;

2. The total amount of funds held by the licensee for distribution to the consumer's creditors; and

3. The name of each creditor of the consumer that is receiving payments from the licensee for debts owed by the consumer to the creditor, and the outstanding balance owed to each creditor.

(b) The surrender of a license does not:

(1) Affect any administrative, civil, or criminal liability of the licensee for acts committed before the license is surrendered;

(2) Affect the surety bond required under § 12-914 of this subtitle; or

(3) Entitle the licensee to the return of any fee paid to the Commissioner under § 12-904 of this subtitle.

12-915.

(a) (1) A licensee shall give the Commissioner written notice of any change in the information required to be included in the licensee's application under § 12-908(b)(1) and (2) of this subtitle at least 30 days before the change is effective.

(2) The licensee shall provide with the notice evidence that, after the change described in the notice, the licensee will continue to satisfy the surety bond requirement under § 12-914 of this subtitle.

(b) Unless approved by the Commissioner, a licensee may not change [an owner, officer, director, or principal] **A CONTROL PERSON** of the licensee, or an agent who is acting on behalf of the licensee to manage a trust account, listed on the licensee's application under § 12-908(b)(3) and (6) of this subtitle.

(c) (1) To request approval of a proposed change described in subsection (b) of this section, the licensee shall notify the Commissioner in writing of the proposed change and submit any information that the Commissioner requires.

(2) For a proposed change in owner or agent acting on behalf of the licensee to manage a trust account, the Commissioner may determine that the filing of a new application for the issuance of a license is warranted.

(3) Unless the Commissioner notifies the licensee that a different time period is necessary, the Commissioner shall approve or deny a request for a change described in subsection (b) of this section within 60 days after the date the Commissioner receives all information required under paragraph (1) of this subsection.

SECTION 2. AND BE IT FURTHER ENACTED, That the changes made to the licensing requirements for persons required to be licensed under Title 11, Subtitles 2, 3, and 4 and Title 12, Subtitles 1 and 9 of the Financial Institutions Article and Title 7 of the Business Regulation Article, as enacted by Section 1 of this Act, shall be construed to apply only prospectively and, except as provided in Section 1 of this Act, may not be interpreted to affect the validity or term of any license issued or renewed before the effective date of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.