

# SENATE BILL 87

I1

6lr0040

(PRE-FILED)

---

By: **Chair, Finance Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Requested: October 14, 2015

Introduced and read first time: January 13, 2016

Assigned to: Finance

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Mortgage Loan Originators – State Criminal History Records Check**  
3 **Requirement – Repeal**

4 FOR the purpose of repealing a requirement that, in connection with an initial application  
5 for a mortgage loan originator license, and at any other time the Commissioner of  
6 Financial Regulation requests, an applicant or a licensee provide fingerprints for use  
7 by the Criminal Justice Information System Central Repository of the Department  
8 of Public Safety and Correctional Services (Central Repository) for use in conducting  
9 a State criminal history records check; repealing related provisions of law requiring  
10 an applicant or a licensee to pay certain fees to the Central Repository, authorizing  
11 the Commissioner to request certain information from the Central Repository, and  
12 defining the term “Central Repository”; making conforming changes to repeal a  
13 requirement that the Commissioner waive the State criminal history records check  
14 under expedited mortgage loan originator licensing procedures for certain service  
15 members, veterans, and military spouses and certain applicants who were employed  
16 as registered mortgage loan originators; making conforming changes; and generally  
17 relating to licensing requirements for mortgage loan originators.

18 BY repealing and reenacting, with amendments,  
19 Article – Financial Institutions  
20 Section 11–604 and 11–612.2  
21 Annotated Code of Maryland  
22 (2011 Replacement Volume and 2015 Supplement)

23 BY repealing  
24 Article – Financial Institutions  
25 Section 11–612.3  
26 Annotated Code of Maryland  
27 (2011 Replacement Volume and 2015 Supplement)

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Financial Institutions**

4 11–604.

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

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

8 (i) Complete, sign, and submit to the Commissioner an application  
9 made under oath in the form, and in accordance with the process, that the Commissioner  
10 requires; and

11 (ii) Provide all information as requested by the Commissioner.

12 (2) The applicant shall comply with all conditions and provisions of the  
13 application for a license.

14 [(c)] (B) With each application, the applicant shall pay to the Commissioner:

15 (1) A nonrefundable investigation fee set by the Commissioner; and

16 (2) A nonrefundable license fee set by the Commissioner.

17 [(d)] (C) In addition to the license fee required under subsection [(c)(2)] (B)(2)  
18 of this section, an applicant for an initial license shall pay to the Nationwide Mortgage  
19 Licensing System and Registry any fees that the Nationwide Mortgage Licensing System  
20 and Registry imposes in connection with the application.

21 [(e)] (D) In connection with an initial application for a license under this section  
22 and at any other time the Commissioner requests, an applicant or licensee shall provide to  
23 the Nationwide Mortgage Licensing System and Registry information concerning the  
24 applicant’s identity, including:

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

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

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

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

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

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

14 **[(h)] (F)** An applicant or licensee who is required to provide fingerprints under  
15 subsection **[(e) or (g)] (D)** of this section shall pay any processing or other fees required by  
16 **[the Central Repository,] the Federal Bureau of Investigation[,]** and the Nationwide  
17 Mortgage Licensing System and Registry.

18 **[(i)] (G)** The Commissioner may request from **[the Central Repository,] the**  
19 **Federal Bureau of Investigation[,]** or the Nationwide Mortgage Licensing System and  
20 Registry, as applicable, for each applicant or licensee who is required to provide fingerprints  
21 under subsection **[(e) or (g)] (D)** of this section:

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

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

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

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

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

33 11-612.2.

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

1                   (2)   (i)   “Military spouse” means the spouse of a service member or  
2 veteran.

3                               (ii)   “Military spouse” includes a surviving spouse of:

4   1.    A veteran; or

5   2.    A service member who died within 1 year before the date  
6 on which the license application, renewal, or change of status is submitted.

7                   (3)   “Service member” means an individual who is an active duty member  
8 of:

9                               (i)    The armed forces of the United States;

10                              (ii)   A reserve component of the armed forces of the United States; or

11                              (iii)   The National Guard of any state.

12                   (4)   (i)   “Veteran” means a former service member who was discharged  
13 from active duty under circumstances other than dishonorable within 1 year before the date  
14 on which the license application, renewal, or change of status is submitted.

15                              (ii)   “Veteran” does not include an individual who has completed  
16 active duty and has been discharged for more than 1 year before the license application,  
17 renewal, or change of status is submitted.

18           (b)    To expedite the renewal or change of status of a license for a service member,  
19 veteran, or military spouse, the Commissioner[:

20                              (1)    Shall waive, as applicable, the State criminal history records check; and

21                              (2)    May] MAY waive or suspend any [other] licensing requirements to the  
22 extent that the waiver or suspension does not result in the failure to meet the minimum  
23 licensing standards set forth in 12 U.S.C. Chapter 51 and the regulations adopted under it.

24           (c)    To expedite the issuance of a license to a service member, veteran, or military  
25 spouse who holds a valid mortgage loan originator license in another state, the  
26 Commissioner[:

27                              (1)    Shall waive the State criminal history records check; and

28                              (2)    May] MAY waive or suspend any [other] licensing requirements to the  
29 extent that the waiver or suspension does not result in the failure to meet the minimum  
30 licensing standards set forth in 12 U.S.C. Chapter 51 and the regulations adopted under it.

1 (d) The Commissioner shall publish prominently on the Commissioner's Web site,  
2 or have published on a third-party Web site used for licensing mortgage loan originators  
3 in the State, the expedited processes for the issuance, renewal, or change of status of a  
4 license under this section.

5 (e) The Commissioner may adopt regulations to carry out this section.

6 [11-612.3.

7 (a) To expedite the issuance of a license to an applicant who, within 45 days before  
8 the date of application for the license, was employed as a registered mortgage loan  
9 originator, the Commissioner shall waive, as applicable, the State criminal history records  
10 check.

11 (b) The Commissioner shall publish prominently on the Commissioner's Web site,  
12 or have published on a third-party Web site used for licensing mortgage loan originators  
13 in the State, the expedited process for the issuance of a license under this section.

14 (c) The Commissioner may adopt regulations to carry out this section.]

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
16 1, 2016.