

SENATE BILL 87

11

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

Committee Report: Favorable

Senate action: Adopted

Read second time: January 19, 2016

CHAPTER _____

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)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing
2 Article – Financial Institutions
3 Section 11–612.3
4 Annotated Code of Maryland
5 (2011 Replacement Volume and 2015 Supplement)

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

8 **Article – Financial Institutions**

9 11–604.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 11-612.2.

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

5 (2) (i) "Military spouse" means the spouse of a service member or
6 veteran.

7 (ii) "Military spouse" includes a surviving spouse of:

8 1. A veteran; or

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

11 (3) "Service member" means an individual who is an active duty member
12 of:

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

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

15 (iii) The National Guard of any state.

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

19 (ii) "Veteran" does not include an individual who has completed
20 active duty and has been discharged for more than 1 year before the license application,
21 renewal, or change of status is submitted.

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

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

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

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

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

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

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

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

10 [11-612.3.

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

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

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

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
20 1, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.