

Chapter 18

(Senate Bill 884)

AN ACT concerning

Maryland Financial Consumer Protection Commission

FOR the purpose of establishing the Maryland Financial Consumer Protection Commission; providing for the composition, chair, and staffing of the Commission; prohibiting a member of the Commission from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Commission to study and make recommendations regarding certain matters; authorizing the Commission to ~~hold public meetings across the State and~~ provide certain reports to the Governor, the General Assembly, and the Maryland Congressional Delegation under certain circumstances; requiring the Commission to report its findings and recommendations to the Governor and the General Assembly on or before ~~a~~ certain ~~date~~ dates; providing for the termination of this Act; and generally relating to the Maryland Financial Consumer Protection Commission.

Preamble

WHEREAS, The financial crisis of 2008 created the worst worldwide economic downturn since the Great Depression, leaving millions of Americans without jobs, pensions, or homes; and

WHEREAS, The U.S. Congress concluded that the failures of the nation's financial regulatory system were a major cause of the Great Recession; and

WHEREAS, To prevent future financial crises, the U.S. Congress enacted a number of initiatives including the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd–Frank Act); and

WHEREAS, The Dodd–Frank Act was designed to prevent the excessive risk–taking that led to the financial crisis and provide commonsense protections for American families, including the Consumer Financial Protection Bureau (CFPB) to prevent financial firms from exploiting consumers; and

WHEREAS, Over the last 6 years, the CFPB has helped more than 27 million consumers receive relief from illegal financial practices and has helped provide \$11.7 billion in relief to consumers as a result of their enforcement actions; and

WHEREAS, Since the 2008 financial crisis, the Securities and Exchange Commission has adopted new rules and increased enforcement to protect investors and promote market integrity and stability; and

WHEREAS, Other federal agencies, including the Commodity Futures Trading Commission, the Department of Education, the Department of Labor, the Federal Reserve Board, and the Pension Benefit Guaranty Corporation, have adopted new regulations and policies to protect pensions, investments, student loans, and other financial products and services; and

WHEREAS, Various members of the new federal administration and the U.S. Congress are proposing to repeal provisions of the Dodd–Frank Act and weaken other key components of federal regulation of the financial services industry, thereby endangering America’s economic security and prosperity; and

WHEREAS, Efforts to reduce the transparency essential to healthy capital markets and weaken the regulatory oversight needed to maintain the integrity of these markets dramatically increase the risk of fraud, market manipulation, and financial crises, putting all Americans at risk; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That:

- (a) There is a Maryland Financial Consumer Protection Commission.
- (b) The Commission consists of the following members:
 - (1) two members of the Senate of Maryland, appointed by the President of the Senate;
 - (2) two members of the House of Delegates, appointed by the Speaker of the House;
 - (3) the Secretary of Labor, Licensing, and Regulation, or the Secretary’s Commissioner of Financial Regulation, or the Commissioner’s designee;
 - (4) the Attorney General, or the Attorney General’s designee; ~~and~~
 - (5) five members ~~of the public~~, appointed jointly by the President of the Senate and the Speaker of the House, as follows:
 - (i) one member of the public;
 - (ii) one representative of a consumer advocacy organization with general knowledge about financial banking and lending services;
 - (iii) one representative of a financial institution operating in the State;

(iv) one member with knowledge about the structure of the federal financial regulatory system, including the units of the federal government with regulatory oversight over the financial banking and lending industry; and

(v) one member with knowledge about:

1. federal laws and regulations that impact the financial banking and lending industry; and

2. financial products and practices that impact consumers;
and

(6) two members, appointed by the Governor, as follows:

(i) one member of the public; and

(ii) one member with general knowledge about financial banking and lending services in the State.

(c) The chair of the Commission shall be designated jointly by the President of the Senate and the Speaker of the House.

(d) The Department of Legislative Services shall provide staff for the Commission.

(e) A member of the Commission:

(1) may not receive compensation as a member of the Commission; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Commission shall:

(1) assess the impact of potential changes to federal financial industry laws and regulations, budgets, and policies, including changes to:

(i) the Dodd–Frank Wall Street Reform and Consumer Protection Act;

(ii) the Consumer Financial Protection Bureau;

(iii) the Securities and Exchange Commission;

(iv) the Commodity Futures Trading Commission;

- (v) the Pension Benefit Guaranty Corporation;
- (vi) the Department of Labor;
- (vii) the Federal Reserve Board; and
- (viii) any other federal financial regulators; and

(2) provide recommendations for federal and State actions that will protect residents of the State in financial transactions and when receiving financial services.

(g) The Commission may:

~~(1) hold public meetings across the State to conduct its duties; and~~

~~(2)~~ provide periodic reports and recommendations to the Governor, the General Assembly, and the Maryland Congressional Delegation, as it deems appropriate.

(h) On or before December 31, 2017, and on or before December 31, 2018, the Commission shall submit a report on its findings and recommendations, including any legislative proposals, to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2017. It shall remain effective for a period of ~~1 year~~ 2 years and 1 month and, at the end of June 30, ~~2018~~ 2019, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(b) of the Maryland Constitution, April 6, 2017.