

# HOUSE BILL 1634

I3, I2, F2

8lr3747  
CF SB 1068

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By: **Delegates Frick, Aumann, Barkley, Barve, Carr, Gaines, Healey, Hettleman, Jones, Lierman, Pendergrass, Reznik, Stein, Turner, K. Young, and P. Young**

Introduced and read first time: February 9, 2018  
Assigned to: Economic Matters

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: March 12, 2018

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Financial Consumer Protection Act of 2018**

3 FOR the purpose of ~~prohibiting certain persons from making certain loans under certain~~  
4 ~~circumstances; providing that certain loans are void and unenforceable under certain~~  
5 ~~circumstances; prohibiting certain persons from receiving or retaining certain~~  
6 ~~principal, interest, fees, or other compensation under certain circumstances;~~  
7 ~~prohibiting certain persons from selling, assigning, or otherwise transferring certain~~  
8 ~~loans; authorizing a certain lender to collect a certain rate of interest, charge,~~  
9 ~~discount, or other consideration; altering the circumstances under which certain~~  
10 ~~lenders may make certain loans; altering the application of specified provisions of~~  
11 ~~law regarding interest and usury and certain small consumer loans; altering a~~  
12 ~~certain prohibition on a certain lender contracting for, charging, or receiving certain~~  
13 ~~fees or charges; altering a certain prohibition on a certain lender taking a certain~~  
14 ~~security interest; altering a certain prohibition on a person lending a specified~~  
15 ~~amount under certain circumstances; prohibiting a certain person from collecting or~~  
16 ~~attempting to collect a certain amount from a borrower; altering the definition of~~  
17 ~~“unfair or deceptive trade practice” to be “unfair, abusive, or deceptive trade~~  
18 ~~practice”;~~ providing that unfair, abusive, or deceptive trade practices include  
19 violations of the federal Military Lending Act or the federal Servicemembers Civil  
20 Relief Act; altering certain civil penalties for certain violations of the Maryland  
21 Consumer Protection Act or State financial laws and provisions regarding ~~consumer~~  
22 ~~reporting agencies,~~ collection agencies, mortgage lenders, mortgage loan originators,  
23 check cashers, money transmitters, and debt management services; prohibiting a

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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 ~~certain collector from engaging in certain unlicensed debt collection activity and~~  
2 ~~certain conduct under certain circumstances; requiring a consumer reporting agency~~  
3 ~~to provide a certain notification of a breach of the security of a system; altering the~~  
4 ~~requirement that a consumer reporting agency reinvestigate and record certain~~  
5 ~~information; prohibiting a consumer reporting agency from charging for any service~~  
6 ~~relating to a security freeze; altering a certain notice that must be included with a~~  
7 ~~certain summary of rights provided to a consumer; specifying the purpose of certain~~  
8 ~~provisions of law; requiring the Commissioner of Financial Regulation and the Office~~  
9 ~~of the Attorney General to use certain authority to bring certain civil actions or~~  
10 ~~proceedings under certain circumstances; requiring the Governor to appropriate~~  
11 ~~certain amounts in the annual State budget for the Commissioner and the Office;~~  
12 ~~requiring the Commissioner and the Office to use certain funds for certain purposes;~~  
13 ~~providing that a certain person is a fiduciary and has a certain duty; requiring a~~  
14 ~~certain person to disclose to a client certain information and to make a certain~~  
15 ~~inquiry; authorizing the Commissioner of Securities of the Office of the Attorney~~  
16 ~~General to adopt certain regulations; requiring the Standing Committee on Rules of~~  
17 ~~Practice and Procedure of the Court of Appeals and the Commissioner of Financial~~  
18 ~~Regulation to adopt certain rules consistent with a certain model act; requiring a~~  
19 ~~certain person who makes installment loans or engages in credit services business~~  
20 ~~activities to be licensed under certain provisions of law and specifying that the~~  
21 ~~person is subject to certain provisions; requiring certain licensing, investigatory,~~  
22 ~~enforcement, and penalty provisions to be interpreted, construed, and applied in a~~  
23 ~~certain manner; altering the definition of "mortgage loan originator" to include a~~  
24 ~~certain seller of a manufactured home; requiring the Commissioner of Financial~~  
25 ~~Regulation to designate an individual to serve as the Student Loan Ombudsman;~~  
26 ~~establishing the duties and responsibilities of the Student Loan Ombudsman;~~  
27 ~~requiring the Student Loan Ombudsman, in consultation with the Commissioner, to~~  
28 ~~establish a certain student loan borrower education course; establishing the~~  
29 ~~requirements of the course; prohibiting a person from engaging in student education~~  
30 ~~loan servicing unless the person is licensed by the Commissioner or is exempt from~~  
31 ~~licensing; establishing the application requirements for a student loan servicer~~  
32 ~~license; requiring the Commissioner to investigate certain information under certain~~  
33 ~~circumstances; requiring a certain person to provide fingerprints and pay a certain~~  
34 ~~fee under certain circumstances; requiring the Commissioner to issue or deny an~~  
35 ~~application for a student education loan servicing license under certain~~  
36 ~~circumstances; specifying the expiration date of a certain license; establishing the~~  
37 ~~requirements and procedures for the renewal of a student education loan servicing~~  
38 ~~license; providing for the effective date of a certain initial license under certain~~  
39 ~~circumstances; authorizing the Commissioner to refuse to approve a renewal license~~  
40 ~~application under certain circumstances; establishing procedures regarding the~~  
41 ~~abandonment of certain license applications; requiring a certain licensee who ceases~~  
42 ~~engaging in student education loan servicing to surrender a certain license under~~  
43 ~~certain circumstances; providing that a certain surrender of a license does not reduce~~  
44 ~~or eliminate certain liability; requiring the Commissioner to automatically suspend~~  
45 ~~a certain license under certain circumstances; establishing the duties,~~  
46 ~~responsibilities, and requirements of a licensee; authorizing the Commissioner to~~  
47 ~~issue more than one license to a licensee; prohibiting a licensee from transferring or~~

~~assigning a license; authorizing the Commissioner to investigate and inspect certain records; authorizing the Commissioner to extend the time a licensee has to send certain records; prohibiting a licensee from taking or failing to take certain actions; making certain misrepresentations or omissions, or causing certain harm; authorizing a licensee to adopt certain procedures; authorizing the Commissioner to conduct certain investigations and examinations and certain related actions; requiring the Commissioner to review, investigate, or examine a certain licensee under certain circumstances; requiring the Commissioner to have certain access to certain books, accounts, records, files, documents, information, or evidence; authorizing the Commissioner to control access to certain documents and records and take certain actions; prohibiting a person from removing or attempting to remove certain documents or records under certain circumstances; requiring a licensee or a certain owner to have access to certain documents and records under certain circumstances; prohibiting a licensee or a certain person from knowingly taking certain actions; authorizing the Commissioner to take certain actions to enforce and carry out this Act under certain circumstances; authorizing the Commissioner to take certain enforcement actions against a certain student loan servicer who is not licensed; requiring the Commissioner to provide a certain notice and a certain option; authorizing the Commissioner to take certain actions authorized under certain banking laws under certain circumstances; prohibiting the Commissioner from refunding certain fees; establishing certain reporting requirements; requiring the Commissioner to adopt certain regulations; requiring the Commissioner to conduct a certain study to assess whether the Commissioner has certain statutory authority to regulate certain firms and issue a certain report; requiring the Maryland Financial Consumer Protection Commission to study ~~cryptocurrencies and other blockchain technologies~~ certain issues and include certain recommendations in a report; providing for the application of certain provisions of this Act; making the provisions of this Act severable; requiring the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services, to correct any cross-references or terminology rendered incorrect by this Act and to describe any corrections made in an editor's note following the section affected; defining and altering certain terms; making stylistic and conforming changes; and generally relating to financial consumer protection laws.~~

35 BY repealing and reenacting, with amendments,

36 Article – Business Regulation

37 Section 7–101(i) and 7–205(b)

38 Annotated Code of Maryland

39 (2015 Replacement Volume and 2017 Supplement)

40 BY repealing and reenacting, with amendments,

41 Article – Commercial Law

42 Section ~~12–101, 12–111, 12–112, 12–114, 12–303, 12–311(e), 12–314, 12–601(k),~~

43 ~~13–101(k), 13–301, 13–303, 13–410, 14–202, 14–1206, 14–1208, 14–1212.1(i)~~

44 ~~and (j), 14–1212.2(c)(1), (g), and (i), 14–1212.3(i), and 14–1218(a) and 14–202~~

45 Annotated Code of Maryland

1 (2013 Replacement Volume and 2017 Supplement)

2 BY adding to

3 Article – Commercial Law

4 Section ~~12-114.1~~; and 14-4101 through 14-4104 to be under the new subtitle

5 “Subtitle 41. Financial Consumer Protection”

6 Annotated Code of Maryland

7 (2013 Replacement Volume and 2017 Supplement)

8 ~~BY repealing and reenacting, without amendments,~~

9 ~~Article – Commercial Law~~

10 ~~Section 12-601(f) and 14-1212.1(l)~~

11 ~~Annotated Code of Maryland~~

12 ~~(2013 Replacement Volume and 2017 Supplement)~~

13 ~~BY adding to~~

14 ~~Article – Corporations and Associations~~

15 ~~Section 11-803~~

16 ~~Annotated Code of Maryland~~

17 ~~(2014 Replacement Volume and 2017 Supplement)~~

18 ~~BY adding to~~

19 ~~Article – Courts and Judicial Proceedings~~

20 ~~Section 3-230.1~~

21 ~~Annotated Code of Maryland~~

22 ~~(2013 Replacement Volume and 2017 Supplement)~~

23 BY repealing and reenacting, with amendments,

24 Article – Financial Institutions

25 Section ~~2-105.1(b), 11-303, 11-601(q), 2-115(b), 2-116(b), 11-517(c), 11-615(c),~~

26 ~~12-126, 12-426(e)(2), and 12-928~~

27 Annotated Code of Maryland

28 (2011 Replacement Volume and 2017 Supplement)

29 BY repealing and reenacting, without amendments,

30 Article – Financial Institutions

31 Section ~~11-504, 11-602(b), 12-105(a), 12-405(a), and 12-906(a)~~

32 Annotated Code of Maryland

33 (2011 Replacement Volume and 2017 Supplement)

34 ~~BY adding to~~

35 ~~Article – Financial Institutions~~

36 ~~Section 2-104.1; and 12-1101 through 12-1119 to be under the new subtitle~~

37 ~~“Subtitle 11. Student Loan Servicers”~~

38 ~~Annotated Code of Maryland~~

39 ~~(2011 Replacement Volume and 2017 Supplement)~~

## Preamble

1  
2 WHEREAS, The Maryland Financial Consumer Protection Commission was created  
3 by statute in 2017 to monitor changes in Washington and on Wall Street and make  
4 recommendations for action to the Governor, the General Assembly of Maryland, and the  
5 Maryland Congressional delegation as necessary to safeguard Maryland consumers; and

6 WHEREAS, The commission held two public hearings with testimony from 11  
7 witnesses and conducted significant research; and

8 WHEREAS, The 2008 international financial crisis was years in the making. When  
9 it erupted, it exposed the deficiencies in prior public policies and regulatory structures and  
10 clearly showed that policies and practices that fostered, and in some cases, encouraged,  
11 excessive risk taking were detrimental to the economy in general and particularly to the  
12 American consumers who were, in many cases, victimized by bad financial practices; and

13 WHEREAS, Congress and the President, recalling the lessons of earlier financial  
14 crises, came together to update the rules of the road for consumer protection and the  
15 financial markets; and

16 WHEREAS, To protect the American economy, Congress passed the Dodd–Frank  
17 Wall Street Reform and Consumer Protection Act of 2010 (Dodd–Frank) along with  
18 implementing regulations adopted by the federal financial and consumer regulatory  
19 agencies; and

20 WHEREAS, In the years since the passage of these major reforms, along with  
21 significant monetary policy easing and fiscal stimulus, credit is flowing and the economy  
22 has significantly recovered; and

23 WHEREAS, Corporate and industrial loans as well as overall loans in the banking  
24 sector have grown significantly since pre–crisis levels, 35% and 31% respectively, and the  
25 financial system is back to pre–crisis levels of activity; and

26 WHEREAS, Bank profits were at record levels in 2016 and, in the third quarter of  
27 2017, the banking industry’s average return on assets was at a 10–year high; and

28 WHEREAS, The number of complaints filed by Marylanders with the Consumer  
29 Financial Protection Bureau (CFPB) is over 12,000, with the majority relating to mortgages  
30 (including loan servicing and foreclosures), debt collectors, and credit reporting; and

31 WHEREAS, Recent federal action to roll back certain financial consumer protections  
32 may prove detrimental to Marylanders; and

33 WHEREAS, The new Administration, working with Congress, has made efforts to  
34 loosen a variety of the postcrisis reforms, including personnel appointments, use of the  
35 Congressional Review Act, Congress’s legislative efforts, and regulatory and administrative  
36 actions; and

1 WHEREAS, In light of the retrenchment on the federal level, the commission  
2 recommended that Maryland take steps to further protect consumers and investors; and

3 WHEREAS, Many consumer protection and financial–sector issues must be  
4 addressed at the federal level; and

5 WHEREAS, The General Assembly of Maryland urges the Maryland Congressional  
6 delegation remain focused on the need to maintain strong and balanced financial consumer  
7 protection laws and regulations at the federal level; and

8 WHEREAS, The General Assembly of Maryland recommends that the delegation  
9 continue to support the independence of CFPB; and

10 WHEREAS, The General Assembly of Maryland further recommends that the  
11 delegation support full funding for crucial market regulators, including the U.S. Securities  
12 and Exchange Commission and the U.S. Commodity Futures Trading Commission; and

13 WHEREAS, The General Assembly of Maryland requests that the delegation  
14 regularly weigh in on behalf of everyday Marylanders with comment letters to and  
15 oversight of the financial and consumer regulators to maintain critical financial consumer  
16 protections at the federal level as well as preserve the State’s authority to protect its  
17 citizens locally through, for instance, opposition to the OCC special Fintech charter; and

18 WHEREAS, While some safeguards can only be addressed in Washington,  
19 particularly with regards to protecting against systemic risk and the failure of the largest  
20 banks, other states are taking actions to fill new gaps in financial consumer protection;  
21 now, therefore,

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

24 **Article – Business Regulation**

25 7–101.

26 (i) “Licensed collection agency” means a person who is [licensed by the Board to  
27 do business as a collection agency] REQUIRED TO BE LICENSED UNDER THIS SUBTITLE,  
28 REGARDLESS OF WHETHER THE PERSON IS ACTUALLY LICENSED.

29 7–205.

30 (b) If a violator fails to comply with a lawful order issued by the Board, the Board  
31 may impose a penalty [of up to \$500] NOT EXCEEDING \$10,000 for each violation cited in  
32 the order, not to exceed [\$5,000] \$25,000, from which the violator failed to cease and desist  
33 or for which the violator failed to take affirmative action to correct, as ordered by the Board.

## Article – Commercial Law

~~12-101.~~

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

~~(b) "Borrower" means a person who borrows money under this subtitle.~~

~~(c) "Commercial loan" means a loan which is made:~~

~~(1) Solely to acquire or carry on a business or commercial enterprise; or~~

~~(2) To any business or commercial organization.~~

~~(d) "Effective rate of simple interest" means the yield to maturity rate of interest received or to be received by a lender on the face amount of a loan, computed in accordance with § 12-107 of this subtitle.~~

~~(e) "Interest" means, except as specifically provided in § 12-105 of this subtitle, any compensation directly or indirectly imposed by a lender for the extension of credit for the use or forbearance of money, including any loan fee, origination fee, service and carrying charge, investigator's fee, time-price differential, and any amount payable as a discount or point or otherwise payable for services.~~

~~(f) "Lender" means a person who makes a loan under this subtitle.~~

~~(g) (1) "LOAN" MEANS A LOAN OR AN ADVANCE OF MONEY OR CREDIT SUBJECT TO THIS SUBTITLE, REGARDLESS OF WHETHER THE LOAN OR ADVANCE OF MONEY OR CREDIT PURPORTS TO BE MADE UNDER THIS SUBTITLE.~~

~~(2) "LOAN" DOES NOT INCLUDE A LOAN SUBJECT TO SUBTITLE 3 OF THIS TITLE.~~

~~[(g)] (H) "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)] (I) "Point" means a fee, premium, bonus, loan origination fee, service charge, or any other charge equal to 1 percent of the principal amount of a loan which is charged by the lender at or before the time the loan is made as additional compensation for the loan.~~

~~[(i)] (J) "Simple interest" means interest charged on the principal amount loaned to the borrower.~~

~~1            [(j)] (K)        "Stated rate of interest" means the annual rate of interest stated in~~  
~~2 percentage which appears on the face of the bond, draft, mortgage, deed of trust, security~~  
~~3 agreement, promissory note, or other instrument which evidences the indebtedness.~~

~~4            [(k)] (L)        "Usury" means the charging of interest by a lender in an amount which~~  
~~5 is greater than that allowed by this subtitle.~~

~~6            [(l)] (M)        "Wages" means all remuneration paid to any employee for his~~  
~~7 employment, including the cash value of all remuneration paid in any medium other than~~  
~~8 cash.~~

~~9 12-111.~~

~~10           (A)    THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12-114.1 OF~~  
~~11 THIS SUBTITLE.~~

~~12           (B)    [An] A PRIVATE action for usury under this subtitle may not be brought more~~  
~~13 than [six] 6 months after the loan is satisfied.~~

~~14 12-112.~~

~~15           (A)    THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12-114.1 OF~~  
~~16 THIS SUBTITLE.~~

~~17           (B)    A claim or plea of usury is not available against a legal or equitable assignee,~~  
~~18 endorsee, or transferee of any bond, draft, mortgage, deed of trust, security agreement,~~  
~~19 promissory note, or other instrument or evidence of indebtedness, if he receives it for a bona~~  
~~20 fide and legal consideration without notice of any usury in its creation or subsequent~~  
~~21 assignment.~~

~~22 12-114.~~

~~23           (A)    THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12-114.1 OF~~  
~~24 THIS SUBTITLE.~~

~~25           [(a)] (B)        (1)    Any person who violates the usury provisions of this subtitle~~  
~~26 shall forfeit to the borrower the greater of:~~

~~27                            (i)    Three times the amount of interest and charges collected in~~  
~~28 excess of the interest and charges authorized by this subtitle; or~~

~~29                            (ii)   The sum of \$500.~~

~~30                            (2)    A claim or plea of usury is not valid if, within 30 days from the date the~~  
~~31 loan contract was executed, the lender:~~



1                   (i) ~~Notifies the borrower and any other party to the loan contract~~  
2 ~~that the loan was usurious; and~~

3                   (ii) ~~Agrees to modify it by substituting for the usurious rate of~~  
4 ~~interest a legal rate of interest not exceeding the stated rate of interest.~~

5           **~~[(b)] (C)~~** ~~Any person who violates the disclosure provisions of § 12-106 (b) and~~  
6 ~~(e) of this subtitle is guilty of a misdemeanor and on conviction is subject to a fine not~~  
7 ~~exceeding \$1,000 or imprisonment not exceeding ~~[one]~~ 1 year or both.~~

8           **~~[(c)] (D)~~** ~~Even if a loan document is executed outside of the State, this section is~~  
9 ~~applicable if the loan is made to a resident of Maryland and is secured by property located~~  
10 ~~within the State.~~

11 ~~12-114.1.~~

12           **~~(A) (1)~~** ~~IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~  
13 ~~INDICATED.~~

14                   **~~(2) (i)~~** ~~“COVERED LOAN” MEANS A LOAN SUBJECT TO §~~  
15 ~~12-103(A)(3) OR (C) OF THIS SUBTITLE, REGARDLESS OF WHETHER THE LOAN IS OR~~  
16 ~~PURPORTS TO BE MADE UNDER THIS SUBTITLE.~~

17                   **~~(ii)~~** ~~“COVERED LOAN” DOES NOT INCLUDE A LOAN SUBJECT TO~~  
18 ~~SUBTITLE 3 OF THIS TITLE.~~

19                   **~~(3)~~** ~~“OUT-OF-STATE LENDER” MEANS A PERSON WHO MAKES A LOAN~~  
20 ~~VALIDLY IN ANOTHER STATE THAT COMPLIES WITH A COMPARABLE LOAN LAW OF~~  
21 ~~THE OTHER STATE.~~

22                   **~~(4)~~** ~~“UNLICENSED PERSON” MEANS A PERSON WHO IS NOT:~~

23                           **~~(i)~~** ~~LICENSED IN THE STATE TO MAKE A COVERED LOAN; AND~~

24                           **~~(ii)~~** ~~EXEMPT FROM LICENSING IN THE STATE.~~

25           **~~(B)~~** ~~THIS SECTION APPLIES TO A COVERED LOAN MADE BY A PERSON~~  
26 ~~DOMICILED IN ANOTHER STATE TO A BORROWER WHO IS A RESIDENT OF THE STATE~~  
27 ~~IF THE APPLICATION FOR THE LOAN ORIGINATED IN THE STATE.~~

28           **~~(C) (1)~~** ~~AN UNLICENSED PERSON MAY NOT MAKE A COVERED LOAN.~~

29                   **~~(2)~~** ~~A PERSON MAY NOT MAKE A COVERED LOAN IF THE PERSON~~  
30 ~~DIRECTLY OR INDIRECTLY CONTRACTS FOR, CHARGES, OR RECEIVES A RATE OF~~

~~INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION THAT IS GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW.~~

~~(3) A PERSON MAY NOT MAKE A COVERED LOAN THAT VIOLATES THE FEDERAL MILITARY LENDING ACT.~~

~~(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (6) OF THIS SUBSECTION, A COVERED LOAN MADE BY AN UNLICENSED PERSON IS VOID AND UNENFORCEABLE.~~

~~(2) (I) EXCEPT AS PROVIDED IN PARAGRAPH (6) OF THIS SUBSECTION AND SUBPARAGRAPH (II) OF THIS PARAGRAPH, A COVERED LOAN IS VOID AND UNENFORCEABLE IF A PERSON CONTRACTS FOR A COVERED LOAN THAT HAS A RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW.~~

~~(II) A COVERED LOAN IS NOT VOID AND UNENFORCEABLE IF:~~

~~1. A CLERICAL ERROR OR MISTAKE RESULTED IN THE RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION BEING GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW; AND~~

~~2. A PERSON CORRECTS THE ERROR OR MISTAKE BEFORE ANY PAYMENT IS RECEIVED UNDER THE LOAN.~~

~~(3) A COVERED LOAN THAT VIOLATES THE FEDERAL MILITARY LENDING ACT IS VOID AND UNENFORCEABLE.~~

~~(4) A PERSON MAY NOT RECEIVE OR RETAIN ANY PRINCIPAL, INTEREST, FEES, OR OTHER COMPENSATION WITH RESPECT TO ANY LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.~~

~~(5) A PERSON MAY NOT SELL, ASSIGN, OR OTHERWISE TRANSFER A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.~~

~~(6) (I) IF AN OUT OF STATE LENDER MAKES A COVERED LOAN, THE COVERED LOAN IS NOT VOID AND UNENFORCEABLE.~~

~~(II) AN OUT OF STATE LENDER MAY NOT COLLECT A RATE OF INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION THAT IS GREATER THAN THE AMOUNT AUTHORIZED UNDER STATE LAW.~~

1       ~~(a) A lender may not make a loan under this subtitle unless the loan is in an~~  
2 ~~original amount or value which does not exceed [\$6,000] \$12,000.~~

3       ~~(b) (1) The purpose of this subsection is to prevent evasion of the provisions of~~  
4 ~~this subtitle by means of a purchase or assignment of wages.~~

5           ~~(2) For the purposes of this subtitle:~~

6                   ~~(i) The payment of [\$6,000] \$12,000 or less in money, credit, goods,~~  
7 ~~or things in action as consideration for any sale, assignment, or order for the payment of~~  
8 ~~wages, whether earned or to be earned, is considered a loan of money secured by the sale,~~  
9 ~~assignment, or order for payment of wages; and~~

10                   ~~(ii) The amount by which the wages exceed the consideration paid~~  
11 ~~for them is considered interest or charges on the loan from the date of the payment to the~~  
12 ~~date the wages are payable.~~

13           ~~(3) The transaction described in this subsection is governed by and subject~~  
14 ~~to the provisions of this subtitle.~~

15       ~~(c) This subtitle applies but is not limited to a lender who:~~

16           ~~(1) As security for a loan, use, or forbearance of money, goods, or things in~~  
17 ~~action or for any loan, use, or sale of credit, whether or not the transaction is or purports to~~  
18 ~~be made under this subtitle, makes a pretended purchase of property from any person and~~  
19 ~~permits the owner or pledgor to retain possession of the property; or~~

20           ~~(2) By any device or pretense of charging for his services or otherwise,~~  
21 ~~seeks to obtain any interest, charges, discount, or like consideration.~~

22       ~~(D) THIS SUBTITLE APPLIES TO A LOAN OR AN ADVANCE OF MONEY OF~~  
23 ~~\$12,000 OR LESS MADE FOR PERSONAL, FAMILY, HOUSEHOLD, OR AGRICULTURAL~~  
24 ~~PURPOSES;~~

25           ~~(1) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS~~  
26 ~~TO BE MADE UNDER THIS SUBTITLE;~~

27           ~~(2) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS~~  
28 ~~TO BE AN INSTALLMENT LOAN;~~

29           ~~(3) REGARDLESS OF THE DURATION OF THE REPAYMENT PERIOD;~~

30           ~~(4) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS~~  
31 ~~TO BE NONRECOURSE OR CONTINGENT; AND~~

~~(5) REGARDLESS OF WHETHER THE TRANSACTION PURPORTS TO BE THE PURCHASE OF WAGES, PENSIONS, GOVERNMENTAL BENEFITS, OR OTHER SIMILAR FUTURE PAYMENT STREAMS.~~

~~[(d)] (E) (1) A lender who lends or contracts to lend an amount which exceeds [\$6,000] \$12,000 may not directly or indirectly contract for, charge, or receive any interest, fee, or other charge in excess of that which [he] THE LENDER would be permitted to charge if [he] THE LENDER were not authorized to make loans under this subtitle.~~

~~(2) The provisions of this subsection apply to any debt in excess of [\$6,000] \$12,000 which is directly or contingently owed or contracted to be so owed by any person jointly or severally:~~

~~(i) Whether as a borrower, an endorser, guarantor, or surety for a borrower, or otherwise; and~~

~~(ii) Whether the debt is part of a single transaction or the aggregate of more than one transaction.~~

~~12-311.~~

~~(e) (1) A lender may not take any security interest in:~~

~~(i) Real property for any loan under [\$2,000] \$4,000 in value or amount; or~~

~~(ii) Personal property for any loan under [\$700] \$1,400 in value or amount.~~

~~(2) Any lien taken in violation of this subsection is void.~~

~~(3) This subsection does not apply to or affect a lien on an interest in real property which results from a judgment obtained by the lender based on a loan otherwise secured or unsecured.~~

~~12-314.~~

~~(a) A person may not lend [\$6,000] \$12,000 or less if [the]:~~

~~(1) THE person directly or indirectly contracts for, charges, or receives a greater rate of interest, charge, discount, or other consideration than that authorized by the laws of this State;~~

~~(2) THE TRANSACTION VIOLATES THE FEDERAL MILITARY LENDING ACT; OR~~

1           ~~(3) THE PERSON IS NOT LICENSED UNDER OR EXEMPT FROM THE~~  
2 ~~LICENSING REQUIREMENTS UNDER THE MARYLAND CONSUMER LOAN LAW~~  
3 ~~LICENSING PROVISIONS.~~

4           ~~(b) (1) (i) A loan made in the amount of [\$6,000] \$12,000 or less,~~  
5 ~~REGARDLESS OF whether [or not] the loan is or purports to be made under this subtitle,~~  
6 ~~is VOID AND unenforceable if [a]:~~

7                     ~~1. EXCEPT AS PROVIDED IN SUBPARAGRAPH (ii) OF THIS~~  
8 ~~PARAGRAPH, A PERSON CONTRACTS FOR A LOAN THAT HAS A rate of interest, charge,~~  
9 ~~discount, or other consideration greater than that authorized [by the laws of this State is~~  
10 ~~contracted for by any person unless the excess rate contracted for is the result of a] UNDER~~  
11 ~~STATE LAW;~~

12                     ~~2. THE LOAN VIOLATES THE FEDERAL MILITARY~~  
13 ~~LENDING ACT; OR~~

14                     ~~3. A PERSON WHO IS NOT LICENSED UNDER OR EXEMPT~~  
15 ~~FROM THE LICENSING REQUIREMENTS UNDER TITLE 11, SUBTITLE 2 OF THE~~  
16 ~~FINANCIAL INSTITUTIONS ARTICLE MADE THE LOAN.~~

17           ~~(H) A LOAN IS NOT VOID AND UNENFORCEABLE IF:~~

18                     ~~1. A clerical error or mistake RESULTED IN THE RATE OF~~  
19 ~~INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION BEING GREATER THAN~~  
20 ~~THE AMOUNT AUTHORIZED UNDER STATE LAW; and [the]~~

21                     ~~2. A person corrects the error or mistake before THE FIRST~~  
22 ~~PAYMENT IS DUE UNDER THE LOAN OR BEFORE any payment is received under the loan.~~

23           ~~(2) [The] A person [who is neither a licensee nor exempt from licensing]~~  
24 ~~may not receive or retain any principal, interest, FEES, or other compensation with respect~~  
25 ~~to any loan that is VOID AND unenforceable under this subsection.~~

26           ~~(3) This subsection does not apply to a person who is a licensee or who is~~  
27 ~~exempt from licensing under this subtitle.~~

28           ~~(e) (1) This section does not apply to a loan transaction validly made in~~  
29 ~~another state in compliance with a similar loan law of that state. [However, a]~~

30           ~~(2) A lender may not collect an amount that is more than the total amount~~  
31 ~~that would be permitted if this subtitle were applicable.~~

~~(3) This section applies to all loans made by a lender domiciled in another state to a borrower who is a resident of this State if the application for the loan originated in this State.~~

~~(D) A PERSON MAY NOT SELL, ASSIGN, OR OTHERWISE TRANSFER A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.~~

~~(E) A PERSON MAY NOT COLLECT OR ATTEMPT TO COLLECT, DIRECTLY OR INDIRECTLY, ANY AMOUNT FROM A BORROWER WITH RESPECT TO A LOAN THAT IS VOID AND UNENFORCEABLE UNDER THIS SECTION.~~

~~12-601.~~

~~(f) "Consumer goods" means goods bought for use primarily for personal, family, or household purposes, as distinguished from industrial, commercial, or agricultural purposes.~~

~~(k) (1) "Goods" means all tangible personal property that has a cash price of [\$25,000] \$100,000 or less.~~

~~(2) "Goods" does not include money or things in action.~~

~~13-101.~~

(k) "Unfair, **ABUSIVE**, or deceptive trade practice" has the meaning stated in Subtitle 3 of this title.

~~13-301.~~

Unfair, **ABUSIVE**, or deceptive trade practices include any:

(1) False, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind which has the capacity, tendency, or effect of deceiving or misleading consumers;

(2) Representation that:

(i) Consumer goods, consumer realty, or consumer services have a sponsorship, approval, accessory, characteristic, ingredient, use, benefit, or quantity which they do not have;

(ii) A merchant has a sponsorship, approval, status, affiliation, or connection which he does not have;

(iii) Deteriorated, altered, reconditioned, reclaimed, or secondhand consumer goods are original or new; or

- 1                   (iv) Consumer goods, consumer realty, or consumer services are of a  
2 particular standard, quality, grade, style, or model which they are not;
- 3                   (3) Failure to state a material fact if the failure deceives or tends to deceive;
- 4                   (4) Disparagement of the goods, realty, services, or business of another by  
5 a false or misleading representation of a material fact;
- 6                   (5) Advertisement or offer of consumer goods, consumer realty, or  
7 consumer services:
- 8                   (i) Without intent to sell, lease, or rent them as advertised or  
9 offered; or
- 10                   (ii) With intent not to supply reasonably expected public demand,  
11 unless the advertisement or offer discloses a limitation of quantity or other qualifying  
12 condition;
- 13                   (6) False or misleading representation of fact which concerns:
- 14                   (i) The reason for or the existence or amount of a price reduction; or
- 15                   (ii) A price in comparison to a price of a competitor or to one's own  
16 price at a past or future time;
- 17                   (7) Knowingly false statement that a service, replacement, or repair is  
18 needed;
- 19                   (8) False statement which concerns the reason for offering or supplying  
20 consumer goods, consumer realty, or consumer services at sale or discount prices;
- 21                   (9) Deception, fraud, false pretense, false premise, misrepresentation, or  
22 knowing concealment, suppression, or omission of any material fact with the intent that a  
23 consumer rely on the same in connection with:
- 24                   (i) The promotion or sale of any consumer goods, consumer realty,  
25 or consumer service;
- 26                   (ii) A contract or other agreement for the evaluation, perfection,  
27 marketing, brokering or promotion of an invention; or
- 28                   (iii) The subsequent performance of a merchant with respect to an  
29 agreement of sale, lease, or rental;
- 30                   (10) Solicitations of sales or services over the telephone without first clearly,  
31 affirmatively, and expressly stating:

- 1 (i) The solicitor's name and the trade name of a person represented  
2 by the solicitor;
- 3 (ii) The purpose of the telephone conversation; and
- 4 (iii) The kind of merchandise, real property, intangibles, or service  
5 solicited;
- 6 (11) Use of any plan or scheme in soliciting sales or services over the  
7 telephone that misrepresents the solicitor's true status or mission;
- 8 (12) Use of a contract related to a consumer transaction which contains a  
9 confessed judgment clause that waives the consumer's right to assert a legal defense to an  
10 action;
- 11 (13) Use by a seller, who is in the business of selling consumer realty, of a  
12 contract related to the sale of single family residential consumer realty, including  
13 condominiums and town houses, that contains a clause limiting or precluding the buyer's  
14 right to obtain consequential damages as a result of the seller's breach or cancellation of  
15 the contract;
- 16 (14) Violation of a provision of:
- 17 (i) This title;
- 18 (ii) An order of the Attorney General or agreement of a party relating  
19 to unit pricing under Title 14, Subtitle 1 of this article;
- 20 (iii) Title 14, Subtitle 2 of this article, the Maryland Consumer Debt  
21 Collection Act;
- 22 (iv) Title 14, Subtitle 3 of this article, the Maryland Door-to-Door  
23 Sales Act;
- 24 (v) Title 14, Subtitle 9 of this article, Kosher Products;
- 25 (vi) Title 14, Subtitle 10 of this article, Automotive Repair Facilities;
- 26 (vii) Section 14-1302 of this article;
- 27 (viii) Title 14, Subtitle 11 of this article, Maryland Layaway Sales Act;
- 28 (ix) Section 22-415 of the Transportation Article;
- 29 (x) Title 14, Subtitle 20 of this article;



- 1 (xi) Title 14, Subtitle 15 of this article, the Automotive Warranty  
2 Enforcement Act;
- 3 (xii) Title 14, Subtitle 21 of this article;
- 4 (xiii) Section 18–107 of the Transportation Article;
- 5 (xiv) Title 14, Subtitle 22 of this article, the Maryland Telephone  
6 Solicitations Act;
- 7 (xv) Title 14, Subtitle 23 of this article, the Automotive Crash Parts  
8 Act;
- 9 (xvi) Title 10, Subtitle 6 of the Real Property Article;
- 10 (xvii) Title 14, Subtitle 25 of this article, the Hearing Aid Sales Act;
- 11 (xviii) Title 14, Subtitle 26 of this article, the Maryland Door–to–Door  
12 Solicitations Act;
- 13 (xix) Title 14, Subtitle 31 of this article, the Maryland Household  
14 Goods Movers Act;
- 15 (xx) Title 14, Subtitle 32 of this article, the Maryland Telephone  
16 Consumer Protection Act;
- 17 (xxi) Title 14, Subtitle 34 of this article, the Social Security Number  
18 Privacy Act;
- 19 (xxii) Title 14, Subtitle 37 of this article, the Online Child Safety Act;
- 20 (xxiii) Section 14–1319, § 14–1320, or § 14–1322 of this article;
- 21 (xxiv) Section 7–304 of the Criminal Law Article;
- 22 (xxv) Title 7, Subtitle 3 of the Real Property Article, the Protection of  
23 Homeowners in Foreclosure Act;
- 24 (xxvi) Title 6, Subtitle 13 of the Environment Article;
- 25 (xxvii) Section 7–405(e)(2)(ii) of the Health Occupations Article;
- 26 (xxviii) Title 12, Subtitle 10 of the Financial Institutions Article;
- 27 (xxix) Title 19, Subtitle 7 of the Business Regulation Article; [or]
- 28 (xxx) Section 15–311.3 of the Transportation Article; [or]

1 (XXXI) THE FEDERAL MILITARY LENDING ACT; OR

2 (XXXII) THE FEDERAL SERVICEMEMBERS CIVIL RELIEF ACT;

3 OR

4 (15) Act or omission that relates to a residential building and that is  
5 chargeable as a misdemeanor under or otherwise violates a provision of the Energy  
6 Conservation Building Standards Act, Title 7, Subtitle 4 of the Public Utilities Article.

7 13-303.

8 A person may not engage in any unfair, **ABUSIVE**, or deceptive trade practice, as  
9 defined in this subtitle or as further defined by the Division, in:

10 (1) The sale, lease, rental, loan, or bailment of any consumer goods,  
11 consumer realty, or consumer services;

12 (2) The offer for sale, lease, rental, loan, or bailment of consumer goods,  
13 consumer realty, or consumer services;

14 (3) The offer for sale of course credit or other educational services;

15 (4) The extension of consumer credit;

16 (5) The collection of consumer debts; or

17 (6) The purchase or offer for purchase of consumer goods or consumer  
18 realty from a consumer by a merchant whose business includes paying off consumer debt  
19 in connection with the purchase of any consumer goods or consumer realty from a  
20 consumer.

21 13-410.

22 (a) A merchant who engages in a violation of this title is subject to a fine [of not  
23 more than \$1,000] **NOT EXCEEDING \$10,000** for each violation.

24 (b) A merchant who has been found to have engaged in a violation of this title and  
25 who subsequently repeats the same violation is subject to a fine [of not more than \$5,000]  
26 **NOT EXCEEDING \$25,000** for each subsequent violation.

27 (c) The fines provided for in subsections (a) and (b) of this section are civil  
28 penalties and are recoverable by the State in a civil action or an administrative cease and  
29 desist action under § 13-403(a) and (b) of this subtitle or after an administrative hearing  
30 has been held under § 13-403(d)(3) and (4) of this subtitle.

1 (d) The Consumer Protection Division shall consider the following in setting the  
2 amount of the penalty imposed in an administrative proceeding:

3 (1) The severity of the violation for which the penalty is assessed;

4 (2) The good faith of the violator;

5 (3) Any history of prior violations;

6 (4) Whether the amount of the penalty will achieve the desired deterrent  
7 purpose; and

8 (5) Whether the issuance of a cease and desist order, including restitution,  
9 is insufficient for the protection of consumers.

10 14–202.

11 In collecting or attempting to collect an alleged debt a collector may not:

12 (1) Use or threaten force or violence;

13 (2) Threaten criminal prosecution, unless the transaction involved the  
14 violation of a criminal statute;

15 (3) Disclose or threaten to disclose information which affects the debtor's  
16 reputation for credit worthiness with knowledge that the information is false;

17 (4) Except as permitted by statute, contact a person's employer with  
18 respect to a delinquent indebtedness before obtaining final judgment against the debtor;

19 (5) Except as permitted by statute, disclose or threaten to disclose to a  
20 person other than the debtor or his spouse or, if the debtor is a minor, his parent,  
21 information which affects the debtor's reputation, whether or not for credit worthiness,  
22 with knowledge that the other person does not have a legitimate business need for the  
23 information;

24 (6) Communicate with the debtor or a person related to him with the  
25 frequency, at the unusual hours, or in any other manner as reasonably can be expected to  
26 abuse or harass the debtor;

27 (7) Use obscene or grossly abusive language in communicating with the  
28 debtor or a person related to him;

29 (8) Claim, attempt, or threaten to enforce a right with knowledge that the  
30 right does not exist; [or]

1 (9) Use a communication which simulates legal or judicial process or gives  
 2 the appearance of being authorized, issued, or approved by a government, governmental  
 3 agency, or lawyer when it is not;

4 (10) ENGAGE IN UNLICENSED DEBT COLLECTION ACTIVITY IN  
 5 VIOLATION OF THE MARYLAND COLLECTION AGENCY LICENSING ACT; OR

6 (11) ENGAGE IN ANY CONDUCT ~~PROHIBITED UNDER~~ THAT VIOLATES  
 7 §§ 804 THROUGH 812 OF THE FEDERAL FAIR DEBT COLLECTION PRACTICES ACT.

8 ~~14-1206.~~

9 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~  
 10 ~~INDICATED.~~

11 ~~(2) "BREACH OF THE SECURITY OF A SYSTEM" HAS THE MEANING~~  
 12 ~~STATED IN § 14-3504 OF THIS TITLE.~~

13 ~~(3) "PERSONAL INFORMATION" HAS THE MEANING STATED IN §~~  
 14 ~~14-3501 OF THIS TITLE.~~

15 ~~(B) (1) IF A CONSUMER REPORTING AGENCY DISCOVERS OR IS NOTIFIED~~  
 16 ~~OF A BREACH OF THE SECURITY OF A SYSTEM, THE CONSUMER REPORTING AGENCY~~  
 17 ~~SHALL NOTIFY EACH INDIVIDUAL WHO:~~

18 ~~(i) IS SUBJECT TO THE BREACH; AND~~

19 ~~(ii) RESIDES IN THE STATE.~~

20 ~~(2) A CONSUMER REPORTING AGENCY SHALL PROVIDE THE~~  
 21 ~~NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION AS SOON AS~~  
 22 ~~REASONABLY PRACTICABLE, BUT NOT LATER THAN 30 DAYS AFTER THE CONSUMER~~  
 23 ~~REPORTING AGENCY DISCOVERS OR IS NOTIFIED OF THE BREACH OF THE SECURITY~~  
 24 ~~OF A SYSTEM.~~

25 ~~(3) THE NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS~~  
 26 ~~SUBSECTION SHALL DISCLOSE THAT THE PERSONAL INFORMATION OF THE~~  
 27 ~~INDIVIDUAL MAY BE MISUSED AS A RESULT OF THE BREACH.~~

28 ~~[(a)] (C) A consumer reporting agency shall, [upon] ON request and proper~~  
 29 ~~identification of a consumer, provide the consumer:~~

30 ~~(1) An exact copy of any file on that consumer except any part of the file~~  
 31 ~~which contains medical information;~~

1           ~~(2) A written explanation of codes or trade language used;~~

2           ~~(3) A description of the rights of the consumer under this subtitle; and~~

3           ~~(4) The name, address, and telephone number of the Commissioner.~~

4           ~~[(b)] (D) (1) Whenever access to a file or a copy of a file has been furnished to~~  
5 ~~a consumer, the consumer reporting agency may delete the sources of information acquired~~  
6 ~~solely for use in an investigative report and used for no other purpose.~~

7           ~~(2) If any action is brought by the consumer under this subtitle, the~~  
8 ~~consumer reporting agency shall make [such] THE sources available to the plaintiff under~~  
9 ~~appropriate discovery procedures.~~

10 ~~14-1208.~~

11           ~~[(a) (1) If the completeness or accuracy of any item of information contained in~~  
12 ~~his file is disputed by a consumer, and the dispute is directly conveyed to the consumer~~  
13 ~~reporting agency in writing or by the consumer, the consumer reporting agency shall within~~  
14 ~~30 days reinvestigate and record the current status of that information unless it has~~  
15 ~~reasonable grounds to believe that the dispute by the consumer is frivolous or irrelevant.]]~~

16           ~~(A) THIS SECTION APPLIES TO A DISPUTE BY A CONSUMER OF THE~~  
17 ~~COMPLETENESS OR ACCURACY OF ANY ITEM OF INFORMATION CONTAINED IN THE~~  
18 ~~FILE OF A CONSUMER.~~

19           ~~(B) (1) A CONSUMER REPORTING AGENCY SHALL REINVESTIGATE AND~~  
20 ~~RECORD THE CURRENT STATUS OF ANY INFORMATION THAT A CONSUMER DISPUTES~~  
21 ~~IF THE CONSUMER CONVEYS THE DISPUTE:~~

22                   ~~(I) DIRECTLY TO THE CONSUMER REPORTING AGENCY; AND~~

23                   ~~(II) 1. IN WRITING; OR~~

24                           ~~2. BY ELECTRONIC REQUEST TRANSMITTED THROUGH A~~  
25 ~~SECURE CONNECTION MADE AVAILABLE BY THE CONSUMER REPORTING AGENCY ON~~  
26 ~~THE WEBSITE OF THE CONSUMER REPORTING AGENCY.~~

27           ~~(2) A CONSUMER REPORTING AGENCY SHALL COMPLETE THE~~  
28 ~~ACTIONS UNDER PARAGRAPH (1) OF THIS SUBSECTION WITHIN 30 DAYS AFTER~~  
29 ~~RECEIVING A DISPUTE BY A CONSUMER.~~

30           ~~[(2)] (3) If after reinvestigation the information is found to be inaccurate~~  
31 ~~or can no longer be verified, the consumer reporting agency shall within 7 business days~~  
32 ~~delete the information and mail:~~

1                   (i) ~~Written notice of the correction to the consumer and to each~~  
2 ~~person to whom the erroneous information was furnished; and~~

3                   (ii) ~~A statement of the rights of the consumer under this subtitle.~~

4                   ~~[(3)] (4)~~ If after reinvestigation the information is found to be accurate or  
5 ~~is verified, the consumer reporting agency shall within 7 business days mail:~~

6                   (i) ~~Written notice of the finding to the consumer; and~~

7                   (ii) ~~A statement of the rights of the consumer under this subtitle.~~

8                   ~~[(4)] (5)~~ (i) ~~Within 60 days after receiving the notice under~~  
9 ~~paragraphs [(2)] (3) and [(3)] (4) of this subsection, the consumer may request in writing~~  
10 ~~that the consumer reporting agency disclose the name, address, and telephone number of~~  
11 ~~each person contacted during the reinvestigation.~~

12                   (ii) ~~Within 30 days after receiving the consumer's written request~~  
13 ~~under this paragraph, the consumer reporting agency shall make the requested disclosure.~~

14                   ~~[(5)] (6)~~ A person contacted during the reinvestigation who determines  
15 ~~that the information was inaccurate shall correct the information in the person's records~~  
16 ~~within 12 business days after the determination occurs.~~

17                   ~~[(6)] (7)~~ The presence of contradictory information in the consumer's file  
18 ~~does not in and of itself constitute reasonable grounds for believing the dispute is frivolous~~  
19 ~~or irrelevant.~~

20                   ~~[(b)] (C)~~ If a consumer reporting agency finds that a dispute is frivolous or  
21 ~~irrelevant, the agency within 7 business days shall mail:~~

22                   (1) ~~Written notice of the finding, including the reasons for the finding, to~~  
23 ~~the consumer; and~~

24                   (2) ~~A statement of the rights of the consumer under this subtitle.~~

25                   ~~[(c)] (D)~~ (1) ~~If the reinvestigation does not resolve the dispute, the consumer~~  
26 ~~may file a brief statement setting forth the nature of the dispute.~~

27                   (2) ~~The consumer reporting agency may limit statements to not more than~~  
28 ~~100 words if it provides the consumer with assistance in writing a clear summary of the~~  
29 ~~dispute.~~

30                   ~~[(d)] (E)~~ Whenever a statement of a dispute is filed, unless there is reasonable  
31 ~~grounds to believe that it is frivolous or irrelevant, the consumer reporting agency shall, in~~

~~any subsequent consumer report containing the information in question, clearly note that it is disputed by the consumer and provide either the consumer's statement or a clear and accurate codification or summary of it.~~

~~(F) (1) THIS SUBSECTION APPLIES TO:~~

~~(I) THE DELETION OF ANY INFORMATION:~~

~~1. FOUND TO BE INACCURATE; OR~~

~~2. THE ACCURACY OF WHICH CAN NO LONGER BE VERIFIED; OR~~

~~(II) ANY NOTATION REGARDING DISPUTED INFORMATION.~~

~~[(c)] (2) [Following any deletion of information which is found to be inaccurate or whose accuracy can no longer be verified or any notation as to disputed information, the] AT THE REQUEST OF A CONSUMER, A consumer reporting agency shall[, at the request of the consumer,] furnish notification that [the] AN item has been deleted or the statement, codification, or summary [pursuant to] UNDER subsection [(c)] (D) or [(d)] (E) of this section to any person specifically designated by the consumer [who has within] IF THE PERSON:~~

~~(i) WITHIN 2 years prior HAS received a consumer report for employment purposes[, ] THAT CONTAINED THE DELETED OR DISPUTED INFORMATION; or [within]~~

~~(ii) WITHIN 1 year prior HAS received a consumer report for any other purpose[, which] THAT contained the deleted or disputed information.~~

~~(3) The consumer reporting agency shall clearly and conspicuously disclose to the consumer his rights to make such a request.~~

~~(4) The disclosure shall be made at or prior to the time the information is deleted or the consumer's statement regarding the disputed information is received.~~

~~14-1212.1.~~

~~(i) [(1) Except as provided in paragraph (2) of this subsection, a] A consumer may not be charged for any service relating to a security freeze.~~

~~[(2) A consumer reporting agency may charge a reasonable fee, not exceeding \$5, for each placement, temporary lift, or removal of a security freeze.~~

~~(3) Notwithstanding paragraph (2) of this subsection, a consumer reporting agency may not charge any fee under this section to a consumer who:~~

~~(i) 1. Has obtained a report of alleged identity fraud against the consumer under § 8-304 of the Criminal Law Article or an identity theft passport under § 8-305 of the Criminal Law Article; and~~

~~2. Provides a copy of the report or passport to the consumer reporting agency; or~~

~~(ii) Requests the placement of a security freeze if the consumer has not previously requested the placement of a security freeze from the consumer reporting agency.†~~

~~(j) At any time that a consumer is entitled to receive a summary of rights under § 609 of the federal Fair Credit Reporting Act or § 14-1206 of this subtitle, the following notice shall be included:~~

~~“NOTICE~~

~~You have a right, under § 14-1212.1 of the Commercial Law Article of the Annotated Code of Maryland, to place a security freeze on your credit report. The security freeze will prohibit a consumer reporting agency from releasing your credit report or any information derived from your credit report without your express authorization. The purpose of a security freeze is to prevent credit, loans, and services from being approved in your name without your consent. **A CONSUMER REPORTING AGENCY MAY NOT CHARGE YOU A FEE FOR ANY SERVICE RELATING TO A SECURITY FREEZE, INCLUDING FOR ANY PLACEMENT, TEMPORARY LIFT, OR REMOVAL OF A SECURITY FREEZE.**~~

~~You may elect to have a consumer reporting agency place a security freeze on your credit report by written request sent by certified mail or by electronic mail or the Internet if the consumer reporting agency provides a secure electronic connection. The consumer reporting agency must place a security freeze on your credit report within 3 business days after your request is received. Within 5 business days after a security freeze is placed on your credit report, you will be provided with a unique personal identification number or password to use if you want to remove the security freeze or temporarily lift the security freeze to release your credit report to a specific person or for a specific period of time. You also will receive information on the procedures for removing or temporarily lifting a security freeze.~~

~~If you want to temporarily lift the security freeze on your credit report, you must contact the consumer reporting agency and provide all of the following:~~

~~(1) The unique personal identification number or password provided by the consumer reporting agency;~~

~~(2) The proper identifying information to verify your identity; and~~



~~(3) The proper information regarding the person who is to receive the credit report or the period of time for which the credit report is to be available to users of the credit report.~~

~~A consumer reporting agency must comply with a request to temporarily lift a security freeze on a credit report within 3 business days after the request is received, or within 15 minutes for certain requests. A consumer reporting agency must comply with a request to remove a security freeze on a credit report within 3 business days after the request is received.~~

~~If you are actively seeking credit, you should be aware that the procedures involved in lifting a security freeze may slow your own applications for credit. You should plan ahead and lift a security freeze, either completely if you are seeking credit from a number of sources, or just for a specific creditor if you are applying only to that creditor, a few days before actually applying for new credit.~~

~~[A consumer reporting agency may charge a reasonable fee not exceeding \$5 for each placement, temporary lift, or removal of a security freeze. However, a consumer reporting agency may not charge any fee to a consumer who, at the time of a request to place, temporarily lift, or remove a security freeze, presents to the consumer reporting agency a police report of alleged identity fraud against the consumer or an identity theft passport. A consumer reporting agency also may not charge any fee to a consumer for the first placement of a security freeze with the consumer reporting agency.]~~

~~A security freeze does not apply if you have an existing account relationship and a copy of your credit report is requested by your existing creditor or its agents or affiliates for certain types of account review, collection, fraud control, or similar activities.”~~

~~(4) The exclusive remedy for a violation of subsection (c)(2)(ii) of this section shall be a complaint filed with the Commissioner under § 14-1217 of this subtitle.~~

~~14-1212.2.~~

~~(e) (1) A consumer reporting agency shall place a security freeze for a protected consumer if:~~

~~(i) The consumer reporting agency receives a request from the protected consumer's representative for the placement of the security freeze under this section; and~~

~~(ii) The protected consumer's representative:~~

~~1. Submits the request to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency;~~

~~2. Provides to the consumer reporting agency sufficient proof of identification of the protected consumer and the representative; AND~~

~~3. Provides to the consumer reporting agency sufficient proof of authority to act on behalf of the protected consumer; and~~

~~4. Pays to the consumer reporting agency a fee as provided in subsection (i) of this section;]~~

~~(g) If a protected consumer or a protected consumer's representative wishes to remove a security freeze for the protected consumer, the protected consumer or the protected consumer's representative shall:~~

~~(1) Submit a request for the removal of the security freeze to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency; AND~~

~~(2) Provide to the consumer reporting agency:~~

~~(i) In the case of a request by the protected consumer:~~

~~1. Proof that the sufficient proof of authority for the protected consumer's representative to act on behalf of the protected consumer is no longer valid; and~~

~~2. Sufficient proof of identification of the protected consumer; or~~

~~(ii) In the case of a request by the representative of a protected consumer:~~

~~1. Sufficient proof of identification of the protected consumer and the representative; and~~

~~2. Sufficient proof of authority to act on behalf of the protected consumer; and~~

~~(3) Pay to the consumer reporting agency a fee as provided in subsection (i) of this section;]~~

~~(i) [(1) Except as provided in paragraph (2) of this subsection, a] A consumer reporting agency may not charge a fee for any service performed under this section.~~

~~[(2) A consumer reporting agency may charge a reasonable fee, not exceeding \$5, for each placement or removal of a security freeze for a protected consumer.~~

~~(3) Notwithstanding paragraph (2) of this subsection, a consumer reporting agency may not charge any fee under this section if:~~

~~(i) The protected consumer's representative:~~

~~1. Has obtained a report of alleged identity fraud against the protected consumer under § 8-304 of the Criminal Law Article or an identity theft passport under § 8-305 of the Criminal Law Article; and~~

~~2. Provides a copy of the report or passport to the consumer reporting agency; or~~

~~(ii) 1. A request for the placement or removal of a security freeze is for a protected consumer who is under the age of 16 years at the time of the request; and~~

~~2. The consumer reporting agency has a consumer report pertaining to the protected consumer.]~~

~~14-1212.3.~~

~~(i) A consumer reporting agency may [charge a reasonable fee, not exceeding \$5, for each placement or removal of a security freeze for a protected consumer] NOT CHARGE A FEE FOR ANY SERVICE PERFORMED under this section.~~

~~14-1218.~~

~~(a) The Commissioner may:~~

~~(1) Hold a hearing on the complaint at a time and place in this State reasonably convenient to the parties involved;~~

~~(2) Subpoena witnesses;~~

~~(3) Take depositions of witnesses residing without the State, in the manner provided for witnesses in civil actions in courts of record;~~

~~(4) Administer oaths;~~

~~(5) Issue orders for compliance with this subtitle;~~

~~(6) Issue cease and desist orders, if after a hearing the Commissioner finds a pattern and practice of violation of this subtitle; and~~

~~(7) (1) If a consumer reporting agency that has violated any law regulating consumer credit reporting fails to comply with a lawful order of the Commissioner, impose a civil penalty of up to [\$100] \$10,000 for each violation from which~~

~~the violator failed to cease and desist or for which the violator failed to take action ordered by the Commissioner for compliance with the law.~~

~~(H) In determining the amount of civil penalty to be imposed under this paragraph, the Commissioner shall consider:~~

~~[(i)] 1. The seriousness of the violation;~~

~~[(ii)] 2. The good faith of the violator;~~

~~[(iii)] 3. The violator's history of previous violations;~~

~~[(iv)] 4. The deleterious effect of the violation upon the public and the credit granting industry;~~

~~[(v)] 5. The assets and financial status of the violator; and~~

~~[(vi)] 6. Any other factors relevant to the determination of the financial penalty.~~

#### SUBTITLE 41. FINANCIAL CONSUMER PROTECTION.

##### 14-4101.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "COMMISSIONER" MEANS THE COMMISSIONER OF FINANCIAL REGULATION IN THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.

(C) "OFFICE" MEANS THE OFFICE OF THE ATTORNEY GENERAL.

##### 14-4102.

THE PURPOSE OF THIS SUBTITLE IS TO SUPPORT VIGOROUS ENFORCEMENT BY AND FUNDING OF THE OFFICE AND THE COMMISSIONER TO PROTECT THE STATE'S RESIDENTS WHEN CONDUCTING FINANCIAL TRANSACTIONS AND RECEIVING FINANCIAL SERVICES.

##### 14-4103.

~~THE~~ WHENEVER THE OFFICE AND THE COMMISSIONER CONSIDER IT APPROPRIATE, THE OFFICE AND THE COMMISSIONER SHALL USE THEIR AUTHORITY UNDER § 1042 OF THE DODD-FRANK WALL STREET REFORM AND CONSUMER

1 **PROTECTION ACT OF 2010 TO BRING CIVIL ACTIONS OR OTHER APPROPRIATE**  
2 **PROCEEDINGS AUTHORIZED UNDER THE ACT.**

3 **14-4104.**

4 **(A) (1) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER,**  
5 **THE GOVERNOR SHALL INCLUDE AN APPROPRIATION OF AT LEAST ~~\$\$\$00,000~~**  
6 **\$300,000 IN GENERAL FUNDS IN THE STATE BUDGET FOR THE OFFICE FOR THE**  
7 **PURPOSES OF ENFORCEMENT OF:**

8 **(I) CONSUMER PROTECTION LAWS UNDER THIS TITLE;**

9 **(II) CONSUMER PROTECTION LAWS UNDER TITLE 13 OF THIS**  
10 **ARTICLE; AND**

11 **(III) FINANCIAL CONSUMER PROTECTION LAWS.**

12 **(2) THE OFFICE SHALL USE THE FUNDS UNDER PARAGRAPH (1) OF**  
13 **THIS SUBSECTION FOR:**

14 **(I) STAFFING COSTS ASSOCIATED WITH HIRING NEW**  
15 **EMPLOYEES; AND**

16 **(II) INVESTIGATIONS OF ALLEGED VIOLATIONS OF CONSUMER**  
17 **PROTECTION LAWS IN THE STATE.**

18 **(B) (1) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER,**  
19 **THE GOVERNOR SHALL INCLUDE AN APPROPRIATION OF AT LEAST ~~\$400,000~~**  
20 **\$300,000 IN GENERAL FUNDS IN THE STATE BUDGET FOR THE COMMISSIONER FOR**  
21 **THE PURPOSES OF ENFORCEMENT OF FINANCIAL CONSUMER PROTECTION LAWS.**

22 **(2) THE COMMISSIONER SHALL USE THE FUNDS UNDER PARAGRAPH**  
23 **(1) OF THIS SUBSECTION FOR:**

24 **(I) STAFFING COSTS ASSOCIATED WITH HIRING NEW**  
25 **EMPLOYEES; AND**

26 **(II) INVESTIGATIONS OF ALLEGED VIOLATIONS OF CONSUMER**  
27 **PROTECTION LAWS IN THE STATE.**

28 **~~Article — Corporations and Associations~~**

29 **~~11-803.~~**

30 **~~(A) THIS SECTION APPLIES TO:~~**

1 ~~(1) A PERSON WHO ENGAGES IN THE BUSINESS OF EFFECTING~~  
2 ~~TRANSACTIONS IN SECURITIES FOR THE ACCOUNT OF OTHERS OR FOR THE~~  
3 ~~PERSON'S OWN ACCOUNT;~~

4 ~~(2) A BROKER DEALER OR AGENT;~~

5 ~~(3) AN AGENT; AND~~

6 ~~(4) AN INVESTMENT ADVISER.~~

7 ~~(B) A PERSON SUBJECT TO THIS SECTION IS A FIDUCIARY AND HAS A DUTY~~  
8 ~~TO ACT PRIMARILY FOR THE BENEFIT OF ITS CLIENTS.~~

9 ~~(C) A PERSON SHALL DISCLOSE TO A CLIENT:~~

10 ~~(1) AT THE TIME ADVICE IS GIVEN, ANY GAIN, PROFIT, OR~~  
11 ~~COMMISSION THE PERSON MAY RECEIVE IF THE ADVICE IS FOLLOWED; AND~~

12 ~~(2) A LEGAL OR DISCIPLINARY EVENT THAT IS MATERIAL TO AN~~  
13 ~~EVALUATION OF THE PERSON'S INTEGRITY OR ABILITY TO MEET CONTRACTUAL~~  
14 ~~COMMITMENTS TO CLIENTS.~~

15 ~~(D) A PERSON SHALL MAKE DILIGENT INQUIRY OF EACH CLIENT TO~~  
16 ~~DETERMINE:~~

17 ~~(1) THE FINANCIAL CIRCUMSTANCES AND OBLIGATIONS OF THE~~  
18 ~~CLIENT INITIALLY;~~

19 ~~(2) THE FINANCIAL CIRCUMSTANCES AND OBLIGATIONS OF THE~~  
20 ~~CLIENT SUBSEQUENT TO THE FIRST CONTACT BETWEEN THE PERSON AND THE~~  
21 ~~CONTACT; AND~~

22 ~~(3) THE CLIENT'S PRESENT AND ANTICIPATED OBLIGATIONS:~~

23 ~~(I) TO THE CLIENT'S FAMILY; AND~~

24 ~~(II) FOR THE CLIENT'S FAMILY AND GOALS FOR THE CLIENT'S~~  
25 ~~FAMILY.~~

26 ~~(E) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS~~  
27 ~~SECTION, INCLUDING REGULATIONS:~~

28 ~~(1) DEFINING OR EXCLUDING AN ACT, A PRACTICE, OR A COURSE OF~~  
29 ~~BUSINESS OF A PERSON SUBJECT TO THIS SECTION; AND~~

~~(2) DESIGNED TO PREVENT A PERSON FROM ENGAGING IN ACTS, PRACTICES, AND COURSES OF BUSINESS IN VIOLATION OF THIS SECTION.~~

~~Article - Courts and Judicial Proceedings~~

~~3-230.1.~~

~~THE STANDING COMMITTEE ON RULES OF PRACTICE AND PROCEDURE OF THE COURT OF APPEALS SHALL ADOPT RULES CONSISTENT WITH THE MODEL STATE CONSUMER AND EMPLOYEE JUSTICE ENFORCEMENT ACT.~~

Article - Financial Institutions

~~2-105.1.~~

~~(b) (1) The Commissioner may adopt and enforce regulations reasonably necessary to carry out the authority and responsibility of the office of Commissioner.~~

~~(2) THE COMMISSIONER SHALL ADOPT REGULATIONS CONSISTENT WITH TITLES III AND IV OF THE MODEL STATE CONSUMER AND EMPLOYEE JUSTICE ENFORCEMENT ACT TO PROHIBIT A PERSON OVER WHOM THE COMMISSIONER HAS JURISDICTION FROM ENGAGING IN ANY PRACTICE PROHIBITED UNDER THOSE TITLES.~~

~~11-303.~~

~~(A) A license under this subtitle shall be applied for and issued in accordance with, and is subject to, the licensing and investigatory provisions of Subtitle 2 of this title, the Maryland Consumer Loan Law - Licensing Provisions.~~

~~(B) A PERSON WHO MAKES INSTALLMENT LOANS OR ENGAGES IN CREDIT SERVICES BUSINESS ACTIVITIES REQUIRING LICENSING UNDER § 11-302(B) OF THIS SUBTITLE:~~

~~(1) SHALL BE LICENSED UNDER THIS SUBTITLE; AND~~

~~(2) IS SUBJECT TO THE LICENSING, INVESTIGATORY, ENFORCEMENT, AND PENALTY PROVISIONS OF:~~

~~(i) THIS SUBTITLE;~~

~~(ii) SUBTITLE 2 OF THIS TITLE; AND~~

~~(iii) THE APPLICABLE PROVISIONS OF:~~

1 ~~1. TITLE 12, SUBTITLES 1, 9, AND 10 OF THIS ARTICLE;~~  
 2 ~~AND~~

3 ~~2. TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW~~  
 4 ~~ARTICLE.~~

5 ~~(C) THE LICENSING, INVESTIGATORY, ENFORCEMENT, AND PENALTY~~  
 6 ~~PROVISIONS OF SUBTITLE 2 OF THIS TITLE SHALL BE INTERPRETED, CONSTRUED,~~  
 7 ~~AND APPLIED TO A PERSON REQUIRING LICENSING UNDER § 11-302(B) OF THIS~~  
 8 ~~TITLE AS IF:~~

9 ~~(1) THE PERSON WERE APPLYING FOR A LICENSE TO MAKE LOANS~~  
 10 ~~SUBJECT TO THE MARYLAND CONSUMER LOAN LAW; OR~~

11 ~~(2) THE PERSON'S BUSINESS ACTIVITIES CONSISTED OF MAKING~~  
 12 ~~LOANS SUBJECT TO THE MARYLAND CONSUMER LOAN LAW.~~

13 ~~11-601.~~

14 ~~(q) (1) "Mortgage loan originator" means an individual who for compensation~~  
 15 ~~or gain, or in the expectation of compensation or gain:~~

16 ~~(i) Takes a loan application; or~~

17 ~~(ii) Offers or negotiates terms of a mortgage loan.~~

18 ~~(2) "MORTGAGE LOAN ORIGINATOR" INCLUDES A RETAIL SELLER OF~~  
 19 ~~A MANUFACTURED HOME AS DEFINED IN § 12-301 OF THE PUBLIC SAFETY ARTICLE.~~

20 ~~[(2)] (3) "Mortgage loan originator" does not include an individual who:~~

21 ~~(i) Acts solely as a mortgage loan processor or underwriter;~~

22 ~~(ii) Performs only real estate brokerage activities and is licensed in~~  
 23 ~~accordance with Title 17 of the Business Occupations and Professions Article, unless the~~  
 24 ~~individual is compensated by a mortgage lender, mortgage broker, or other mortgage loan~~  
 25 ~~originator or by any agent of a mortgage lender, mortgage broker, or other mortgage loan~~  
 26 ~~originator; or~~

27 ~~(iii) Is involved solely in extensions of credit relating to timeshare~~  
 28 ~~plans, as that term is defined in 11 U.S.C. § 101(53d).~~

29 2-115.



1       **(b)** When the Commissioner determines after notice and a hearing, unless the  
2 right to notice and a hearing is waived, that a person has engaged in an act or practice  
3 constituting a violation of a law, regulation, rule or order over which the Commissioner has  
4 jurisdiction, the Commissioner may in the Commissioner's discretion and in addition to  
5 taking any other action authorized by law:

6           **(1)** Issue a final cease and desist order against the person;

7           **(2)** Suspend or revoke the license of the person;

8           **(3)** Issue a penalty order against the person imposing a civil penalty [up to  
9 the maximum amount of \$1,000] **NOT EXCEEDING:**

10                   **(I)** **\$10,000** for a first violation; and

11                   **(II)** [a maximum amount of \$5,000] **\$25,000** for each subsequent  
12 violation; or

13           **(4)** Take any combination of the actions specified in this subsection.

14 2-116.

15       **(b)** When it appears to the Commissioner that a person has engaged in an act or  
16 practice constituting a violation of a law, regulation, rule, or order over which the  
17 Commissioner has jurisdiction, the Commissioner may bring an action in the circuit court  
18 of the county in which the person resides or transacts business to obtain one or more of the  
19 following remedies:

20           **(1)** A temporary restraining order;

21           **(2)** A temporary or permanent injunction;

22           **(3)** A civil penalty [up to a maximum amount of \$1,000] **NOT EXCEEDING:**

23                   **(I)** **\$10,000** for a first violation; and

24                   **(II)** [a maximum amount of \$5,000] **\$25,000** for each subsequent  
25 violation;

26           **(4)** A declaratory judgment;

27           **(5)** An order preventing access to the violator's assets;

28           **(6)** Rescission;

29           **(7)** Restitution; and

1           (8)   Any other relief as the court deems just.

2   11-504.

3           A person may not act as a mortgage lender unless the person is:

4           (1)   A licensee; or

5           (2)   A person exempted from licensing under this subtitle.

6   11-517.

7           (c)   (1)   The Commissioner may enforce the provisions of this subtitle,  
8 regulations adopted under § 11-503 of this subtitle, and the applicable provisions of Title  
9 12 of the Commercial Law Article by:

10                   (i)   Issuing an order:

11                           1.   To cease and desist from the violation and any further  
12 similar violations; and

13                           2.   Requiring the violator to take affirmative action to correct  
14 the violation including the restitution of money or property to any person aggrieved by the  
15 violation; and

16                   (ii)   Imposing a civil penalty not exceeding ~~[\$5,000]~~ **\$10,000** for each  
17 violation.

18                   (2)   If a violator fails to comply with an order issued under paragraph (1)(i)  
19 of this subsection, the Commissioner may impose a civil penalty not exceeding ~~[\$5,000]~~  
20 **\$25,000** for each violation from which the violator failed to cease and desist or for which  
21 the violator failed to take affirmative action to correct.

22   11-602.

23           (b)   Unless exempted from this subtitle under subsection (d) of this section, an  
24 individual may not engage in the business of a mortgage loan originator unless the  
25 individual holds a valid license issued under this subtitle.

26   11-615.

27           (c)   (1)   The Commissioner may enforce the provisions of this subtitle,  
28 regulations adopted under this subtitle, and the applicable provisions of Title 12 of the  
29 Commercial Law Article by:

30                   (i)   Issuing an order:

1                                   1.     To cease and desist from the violation and any further  
2 similar violations; and

3                                   2.     Requiring the violator to take affirmative action to correct  
4 the violation, including the restitution of money or property to any person aggrieved by the  
5 violation; and

6                                   (ii)    Imposing a civil penalty not exceeding ~~[\$5,000]~~ **\$10,000** for each  
7 violation.

8                                   (2)    If a violator fails to comply with an order issued under paragraph (1)(i)  
9 of this subsection, the Commissioner may impose a civil penalty not exceeding ~~[\$5,000]~~  
10 **\$25,000** for each violation from which the violator failed to cease and desist or for which  
11 the violator failed to take affirmative action to correct.

12 12-105.

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

16 12-126.

17                                   (a)    The Commissioner may impose a civil penalty against a person who violates  
18 this subtitle in an amount not exceeding:

19                                   (1)    ~~[\$1,000]~~ **\$10,000** for a first offense; and

20                                   (2)    ~~[\$5,000]~~ **\$25,000** for each subsequent offense.

21                                   (b)    In determining the amount of civil penalty to be imposed under subsection (a)  
22 of this section, the Commissioner shall consider the following:

23                                   (1)    The seriousness of the violation;

24                                   (2)    The good faith of the violator;

25                                   (3)    The violator's history of previous violations;

26                                   (4)    The deleterious effect of the violation on the public;

27                                   (5)    The assets of the violator; and

28                                   (6)    Any other factor relevant to the determination of the civil penalty.

29 12-405.

1           (a) A person may not engage in the business of money transmission if that person,  
2 or the person with whom that person engages in the business of money transmission, is  
3 located in the State unless that person:

4           (1) Is licensed by the Commissioner;

5           (2) Is an authorized delegate of a licensee under whose name the business  
6 of money transmission occurs; or

7           (3) Is a person exempted from licensing under this subtitle.

8 12-426.

9           (e) (2) If a violator fails to comply with an order issued under paragraph (1) of  
10 this subsection, the Commissioner may impose a civil penalty [of up to \$1,000] NOT  
11 EXCEEDING:

12                   (I) \$10,000 for the first violation; and

13                   (II) [\$5,000] \$25,000 for each subsequent violation from which the  
14 violator failed to cease and desist or for which the violator failed to take affirmative action.

15 12-906.

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

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

19           (2) Is exempt from licensing under this subtitle.

20 12-928.

21           (a) (1) The Commissioner may enforce the provisions of this subtitle and  
22 regulations adopted under this subtitle by:

23                   (i) Issuing an order requiring the violator:

24                           1. To cease and desist from the violation and any further  
25 similar violations; and

26                           2. To take affirmative action to correct the violation,  
27 including the restitution of money or property to any person aggrieved by the violation; and

28                   (ii) Imposing a civil penalty not exceeding [\$1,000] **\$10,000** for each  
29 violation.

1 (2) An order issued under this subsection may apply to a licensee's agent  
2 that violates any provision of this subtitle or the regulations adopted under this subtitle.

3 (3) If a violator fails to comply with an order issued under paragraph (1)(i)  
4 of this subsection, the Commissioner may impose a civil penalty not exceeding [\$1,000]  
5 **\$25,000** for each violation from which the violator failed to cease and desist or for which  
6 the violator failed to take corrective affirmative action.

7 (b) The Commissioner may file a petition in the circuit court for any county  
8 seeking enforcement of an order issued under this section.

9 (c) In determining the amount of financial penalty to be imposed under  
10 subsection (a) of this section, the Commissioner shall consider the following:

11 (1) The seriousness of the violation;

12 (2) The good faith of the violator;

13 (3) The violator's history of previous violations;

14 (4) The deleterious effect of the violation on the public;

15 (5) The assets of the violator; and

16 (6) Any other factors relevant to the determination of the financial penalty.

17 ~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read~~  
18 ~~as follows:~~

19 ~~Article Financial Institutions~~

20 ~~2-104.1.~~

21 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~  
22 ~~INDICATED.~~

23 ~~(2) "STUDENT EDUCATION LOAN" HAS THE MEANING STATED IN~~  
24 ~~§ 12-1101 OF THIS ARTICLE.~~

25 ~~(3) "STUDENT LOAN BORROWER" HAS THE MEANING STATED IN~~  
26 ~~§ 12-1101 OF THIS ARTICLE.~~

27 ~~(4) "STUDENT LOAN OMBUDSMAN" MEANS AN INDIVIDUAL,~~  
28 ~~WHETHER A PAID EMPLOYEE OR A VOLUNTEER, WHOM THE COMMISSIONER~~

~~DESIGNATES TO SERVE AS A LIAISON BETWEEN STUDENT LOAN BORROWERS AND STUDENT LOAN SERVICERS.~~

~~(5) "STUDENT LOAN SERVICER" HAS THE MEANING STATED IN § 12-1101 OF THIS ARTICLE.~~

~~(B) THE COMMISSIONER SHALL DESIGNATE AN INDIVIDUAL TO SERVE AS THE STUDENT LOAN OMBUDSMAN.~~

~~(C) THE STUDENT LOAN OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL:~~

~~(1) RECEIVE AND REVIEW COMPLAINTS FROM STUDENT LOAN BORROWERS;~~

~~(2) ATTEMPT TO RESOLVE COMPLAINTS RECEIVED UNDER ITEM (1) OF THIS SUBSECTION, INCLUDING BY COLLABORATING WITH INSTITUTIONS OF HIGHER EDUCATION, STUDENT LOAN SERVICERS, AND ANY OTHER PARTICIPANTS IN STUDENT LOAN LENDING, SUCH AS THE BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF MARYLAND AND THE MARYLAND HIGHER EDUCATION COMMISSION;~~

~~(3) COMPILE AND ANALYZE COMPLAINT DATA;~~

~~(4) HELP STUDENT LOAN BORROWERS UNDERSTAND THEIR RIGHTS AND RESPONSIBILITIES UNDER THE TERMS OF STUDENT EDUCATION LOANS;~~

~~(5) PROVIDE INFORMATION TO THE PUBLIC, STATE AGENCIES, ELECTED OFFICIALS, AND OTHER INDIVIDUALS REGARDING STUDENT LOAN BORROWER PROBLEMS AND CONCERNS;~~

~~(6) MAKE RECOMMENDATIONS REGARDING RESOLUTION OF STUDENT LOAN BORROWER PROBLEMS AND CONCERNS;~~

~~(7) ANALYZE AND MONITOR THE DEVELOPMENT AND IMPLEMENTATION OF FEDERAL, STATE, AND LOCAL LAWS, REGULATIONS, AND POLICIES ON STUDENT LOAN BORROWERS AND RECOMMEND NECESSARY CHANGES;~~

~~(8) REVIEW THE STUDENT EDUCATION LOAN HISTORY OF STUDENT LOAN BORROWERS WHO GIVE WRITTEN CONSENT TO HAVE THEIR STUDENT EDUCATION LOAN HISTORY REVIEWED;~~

~~(9) DISSEMINATE INFORMATION ABOUT THE AVAILABILITY OF THE STUDENT LOAN OMBUDSMAN TO ASSIST THOSE WITH STUDENT LOAN SERVICING CONCERNS, INCLUDING DISSEMINATING THE INFORMATION TO:~~

1           ~~(I) STUDENT LOAN BORROWERS;~~

2           ~~(II) POTENTIAL STUDENT LOAN BORROWERS;~~

3           ~~(III) STATE HIGHER EDUCATION INSTITUTIONS; AND~~

4           ~~(IV) STUDENT LOAN SERVICERS; AND~~

5           ~~(10) TAKE ANY OTHER ACTIONS NECESSARY TO FULFILL THE DUTIES~~  
6 ~~OF THE STUDENT LOAN OMBUDSMAN.~~

7           ~~(D) (1) ON OR BEFORE OCTOBER 1, 2019, THE STUDENT LOAN~~  
8 ~~OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL ESTABLISH A~~  
9 ~~STUDENT LOAN BORROWER EDUCATION COURSE.~~

10           ~~(2) THE COURSE SHALL:~~

11           ~~(I) INCLUDE EDUCATIONAL PRESENTATIONS AND MATERIAL~~  
12 ~~ABOUT STUDENT EDUCATION LOANS; AND~~

13           ~~(II) REVIEW THE FOLLOWING:~~

14                   ~~1. COMMON STUDENT EDUCATION LOAN TERMS;~~

15                   ~~2. DOCUMENTATION REQUIREMENTS FOR STUDENT~~  
16 ~~EDUCATION LOAN APPLICATIONS;~~

17                   ~~3. MONTHLY PAYMENT OBLIGATIONS FOR STUDENT~~  
18 ~~EDUCATION LOANS;~~

19                   ~~4. INCOME-BASED REPAYMENT OPTIONS FOR STUDENT~~  
20 ~~EDUCATION LOANS;~~

21                   ~~5. STUDENT EDUCATION LOAN FORGIVENESS~~  
22 ~~PROGRAMS; AND~~

23                   ~~6. STUDENT EDUCATION LOAN DISCLOSURE~~  
24 ~~REQUIREMENTS.~~

25           ~~SUBTITLE 11. STUDENT LOAN SERVICERS.~~

26 ~~12 1101.~~

1       ~~(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS~~  
2 ~~INDICATED.~~

3       ~~(B) "SERVICING" MEANS:~~

4           ~~(1) RECEIVING SCHEDULED PERIODIC PAYMENTS FROM A STUDENT~~  
5 ~~LOAN BORROWER ACCORDING TO THE TERMS OF A STUDENT EDUCATION LOAN;~~

6           ~~(2) APPLYING THE PAYMENTS ACCORDING TO THE STUDENT~~  
7 ~~EDUCATION LOAN TERMS; AND~~

8           ~~(3) PERFORMING OTHER ADMINISTRATIVE SERVICES.~~

9       ~~(C) "STUDENT EDUCATION LOAN" MEANS ANY LOAN, NOTWITHSTANDING~~  
10 ~~ANY ELECTION OF LAW OR DESIGNATION OF STATUS IN ANY CONTRACT, USED~~  
11 ~~MAINLY FOR FINANCING EDUCATION OR OTHER SCHOOL-RELATED EXPENSES.~~

12       ~~(D) "STUDENT LOAN BORROWER" MEANS:~~

13           ~~(1) A RESIDENT OF THE STATE WHO HAS RECEIVED OR AGREED TO~~  
14 ~~PAY A STUDENT EDUCATION LOAN; OR~~

15           ~~(2) AN INDIVIDUAL WHO SHARES REPAYMENT RESPONSIBILITY WITH~~  
16 ~~A RESIDENT DESCRIBED UNDER ITEM (1) OF THIS SUBSECTION.~~

17       ~~(E) (1) "STUDENT LOAN SERVICER" MEANS A PERSON, REGARDLESS OF~~  
18 ~~LOCATION, RESPONSIBLE FOR SERVICING A STUDENT EDUCATION LOAN TO A~~  
19 ~~STUDENT LOAN BORROWER.~~

20           ~~(2) "STUDENT LOAN SERVICER" INCLUDES:~~

21           ~~(I) A TRUST ENTITY PERFORMING OR RECEIVING THE BENEFIT~~  
22 ~~OF STUDENT LOAN SERVICING; AND~~

23           ~~(II) A PERSON CONDUCTING DEBT COLLECTION ACTIVITIES IN~~  
24 ~~THE STATE.~~

25 ~~12-1102.~~

26       ~~THIS SUBTITLE DOES NOT APPLY TO:~~

27           ~~(1) A BANKING INSTITUTION, A CREDIT UNION, A NATIONAL BANKING~~  
28 ~~ASSOCIATION, AN OTHER STATE BANK, OR AN OTHER STATE CREDIT UNION;~~



1           ~~(2) A WHOLLY OWNED SUBSIDIARY OF AN ENTITY SPECIFIED UNDER~~  
2 ~~ITEM (1) OF THIS SECTION; OR~~

3           ~~(3) AN OPERATING SUBSIDIARY OF AN ENTITY SPECIFIED UNDER~~  
4 ~~ITEM (1) OF THIS SECTION IF EACH OWNER IS WHOLLY OWNED BY THE ENTITY.~~

5 ~~12-1103.~~

6           ~~A PERSON MAY NOT ENGAGE IN STUDENT EDUCATION LOAN SERVICING~~  
7 ~~UNLESS THE PERSON:~~

8           ~~(1) IS LICENSED BY THE COMMISSIONER UNDER THIS SUBTITLE; OR~~

9           ~~(2) IS EXEMPT FROM LICENSING UNDER THIS SUBTITLE.~~

10 ~~12-1104.~~

11           ~~(A) TO APPLY FOR A LICENSE, AN APPLICANT SHALL SUBMIT AN~~  
12 ~~APPLICATION ON THE FORM THAT THE COMMISSIONER PROVIDES.~~

13           ~~(B) THE APPLICATION SHALL INCLUDE:~~

14           ~~(1) A NONREFUNDABLE LICENSE FEE OF \$1,000;~~

15           ~~(2) A NONREFUNDABLE INVESTIGATION FEE OF \$800;~~

16           ~~(3) A NOTARIZED FINANCIAL STATEMENT OF THE APPLICANT~~  
17 ~~PREPARED BY A CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT, THE~~  
18 ~~ACCURACY OF WHICH IS ATTESTED TO BY SOMEONE AUTHORIZED TO EXECUTE THE~~  
19 ~~DOCUMENTS;~~

20           ~~(4) A HISTORY OF CRIMINAL CONVICTIONS OF THE APPLICANT AND~~  
21 ~~EACH PARTNER, MEMBER, OFFICER, DIRECTOR, AND PRINCIPAL EMPLOYEE OF THE~~  
22 ~~APPLICANT; AND~~

23           ~~(5) ANY OTHER INFORMATION THAT THE COMMISSIONER REQUESTS.~~

24           ~~(C) AN APPLICANT SHALL NOTIFY THE COMMISSIONER IN WRITING OF ANY~~  
25 ~~CHANGE IN THE INFORMATION PROVIDED UNDER SUBSECTION (B) OF THIS SECTION~~  
26 ~~NOT LATER THAN 10 DAYS AFTER THE OCCURRENCE OF THE EVENT THAT RESULTS~~  
27 ~~IN THE CHANGE OF INFORMATION.~~

28 ~~12-1105.~~

1 ~~(A) AFTER THE FILING OF THE APPLICATION IS COMPLETE, THE~~  
2 ~~COMMISSIONER SHALL INVESTIGATE:~~

3 ~~(1) THE FINANCIAL CONDITION AND RESPONSIBILITY OF THE~~  
4 ~~APPLICANT;~~

5 ~~(2) THE FINANCIAL AND BUSINESS EXPERIENCE OF THE APPLICANT;~~

6 ~~(3) THE CHARACTER OF THE APPLICANT;~~

7 ~~(4) THE CRIMINAL HISTORY OF THE APPLICANT AND EACH PARTNER,~~  
8 ~~MEMBER, OFFICER, DIRECTOR, AND PRINCIPAL EMPLOYEE OF THE APPLICANT; AND~~

9 ~~(5) THE GENERAL FITNESS OF THE APPLICANT.~~

10 ~~(B) IF REQUESTED BY THE COMMISSIONER TO COMPLETE THE~~  
11 ~~INVESTIGATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, AN~~  
12 ~~APPLICANT OR A PARTNER, A MEMBER, AN OFFICER, A DIRECTOR, OR A PRINCIPAL~~  
13 ~~EMPLOYEE OF THE APPLICANT SHALL PROVIDE FINGERPRINTS FOR SUBMISSION TO~~  
14 ~~THE FEDERAL BUREAU OF INVESTIGATION, AND ANY OTHER GOVERNMENT AGENCY~~  
15 ~~OR GOVERNMENTAL ENTITY AUTHORIZED TO RECEIVE THIS INFORMATION FOR A~~  
16 ~~STATE, A NATIONAL, OR AN INTERNATIONAL CRIMINAL HISTORY BACKGROUND~~  
17 ~~CHECK.~~

18 ~~(C) AN APPLICANT REQUIRED TO PROVIDE FINGERPRINTS UNDER THIS~~  
19 ~~SECTION SHALL PAY ANY PROCESSING FEE OR OTHER REQUIRED FEE.~~

20 ~~12-1106.~~

21 ~~(A) THE COMMISSIONER SHALL ISSUE A LICENSE TO AN APPLICANT IF:~~

22 ~~(1) THE APPLICANT MEETS THE REQUIREMENTS OF THIS SUBTITLE;~~

23 ~~(2) THE COMMISSIONER FINDS:~~

24 ~~(I) THE APPLICANT'S FINANCIAL CONDITION IS SOUND; AND~~

25 ~~(II) THE APPLICANT WILL CONDUCT BUSINESS:~~

26 ~~1. HONESTLY;~~

27 ~~2. FAIRLY;~~

28 ~~3. EQUITABLY;~~

1 ~~4. CAREFULLY;~~

2 ~~5. EFFICIENTLY;~~

3 ~~6. IN A MANNER CONSISTENT WITH THE PURPOSES OF~~  
4 ~~THIS SUBTITLE; AND~~

5 ~~7. IN A MANNER COMMANDING THE COMMUNITY'S~~  
6 ~~CONFIDENCE AND TRUST;~~

7 ~~(3) THE APPLICANT, AND, IF APPLICABLE, THE APPLICANT'S~~  
8 ~~PARTNER, SENIOR EXECUTIVE, OR SHAREHOLDER WITH AT LEAST 10% OF EACH~~  
9 ~~CLASS OF THE CORPORATION'S SECURITIES, IS QUALIFIED AND OF GOOD~~  
10 ~~CHARACTER; AND~~

11 ~~(4) NO ONE ON BEHALF OF THE APPLICANT HAS KNOWINGLY MADE A~~  
12 ~~MATERIAL MISSTATEMENT OR AN OMISSION IN THE APPLICATION.~~

13 ~~(B) IF AN APPLICANT DOES NOT MEET THE REQUIREMENTS OF THIS~~  
14 ~~SUBTITLE, THE COMMISSIONER SHALL:~~

15 ~~(1) DENY THE APPLICATION;~~

16 ~~(2) NOTIFY THE APPLICANT IMMEDIATELY OF THE DENIAL OF THE~~  
17 ~~APPLICATION; AND~~

18 ~~(3) KEEP THE LICENSE FEE AND THE INVESTIGATION FEE.~~

19 ~~12-1107.~~

20 ~~(A) UNLESS A LICENSE IS RENEWED, SURRENDERED, SUSPENDED, OR~~  
21 ~~REVOKED, A LICENSE ISSUED UNDER THIS SUBTITLE EXPIRES AT THE END OF~~  
22 ~~SEPTEMBER 30 OF THE ODD-NUMBERED YEAR IMMEDIATELY FOLLOWING ITS~~  
23 ~~ISSUANCE.~~

24 ~~(B) ON OR BEFORE SEPTEMBER 1 OF THE YEAR THE LICENSE EXPIRES, THE~~  
25 ~~LICENSE MAY BE RENEWED FOR A 2-YEAR TERM IF THE LICENSEE:~~

26 ~~(1) IS OTHERWISE ENTITLED TO BE LICENSED;~~

27 ~~(2) PAYS TO THE COMMISSIONER THE FEES REQUIRED WITH AN~~  
28 ~~INITIAL APPLICATION UNDER § 12-1104(B)(1) AND (2) OF THIS SUBTITLE; AND~~

1           ~~(3) SUBMITS TO THE COMMISSIONER A RENEWAL APPLICATION ON~~  
2 ~~THE FORM THAT THE COMMISSIONER REQUIRES CONTAINING ALL OF THE~~  
3 ~~INFORMATION REQUIRED UNDER AN INITIAL APPLICATION UNDER § 12-1104 OF~~  
4 ~~THIS SUBTITLE.~~

5           ~~(C) A RENEWAL APPLICATION FILED AFTER THE DATE SPECIFIED UNDER~~  
6 ~~SUBSECTION (B) OF THIS SECTION SHALL INCLUDE A \$100 LATE FEE.~~

7           ~~(D) A LICENSEE SHALL NOTIFY THE COMMISSIONER IN WRITING OF ANY~~  
8 ~~CHANGE IN THE INFORMATION PROVIDED UNDER SUBSECTION (B) OF THIS SECTION~~  
9 ~~NOT LATER THAN 10 DAYS AFTER THE OCCURRENCE OF THE EVENT THAT RESULTS~~  
10 ~~IN THE CHANGE OF INFORMATION.~~

11           ~~(E) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, IF A LICENSEE~~  
12 ~~FILES A RENEWAL APPLICATION ON OR BEFORE THE LICENSE EXPIRATION DATE,~~  
13 ~~THE INITIAL LICENSE REMAINS EFFECTIVE UNTIL THE COMMISSIONER:~~

14           ~~(1) ISSUES A RENEWAL LICENSE; OR~~

15           ~~(2) NOTIFIES THE LICENSEE IN WRITING OF THE COMMISSIONER'S~~  
16 ~~REFUSAL TO ISSUE A RENEWAL LICENSE, INCLUDING THE GROUNDS FOR DENIAL.~~

17           ~~(F) THE COMMISSIONER MAY REFUSE TO APPROVE A RENEWAL LICENSE~~  
18 ~~APPLICATION FOR THE SAME REASONS THE COMMISSIONER MAY DENY AN INITIAL~~  
19 ~~LICENSE APPLICATION UNDER § 12-1106 OF THIS SUBTITLE.~~

20 ~~12-1108.~~

21           ~~(A) THE COMMISSIONER MAY DEEM AN APPLICATION UNDER § 12-1104 OR~~  
22 ~~§ 12-1107 OF THIS SUBTITLE ABANDONED IF THE APPLICANT FAILS TO RESPOND TO~~  
23 ~~ANY REQUEST FOR INFORMATION AUTHORIZED UNDER THIS SUBTITLE.~~

24           ~~(B) THE COMMISSIONER SHALL NOTIFY AN APPLICANT IN WRITING THAT IF~~  
25 ~~THE INFORMATION REQUESTED IS NOT SUBMITTED WITHIN 60 DAYS AFTER THE~~  
26 ~~REQUEST DATE, THE APPLICATION WILL BE DEEMED ABANDONED.~~

27           ~~(C) THE COMMISSIONER SHALL KEEP THE LICENSE FEES INCLUDED WITH~~  
28 ~~AN APPLICATION DEEMED ABANDONED UNDER THIS SECTION.~~

29           ~~(D) ABANDONMENT OF AN APPLICATION UNDER THIS SECTION MAY NOT~~  
30 ~~PRECLUDE AN APPLICANT OR A LICENSEE FROM SUBMITTING A NEW INITIAL~~  
31 ~~APPLICATION IN ACCORDANCE WITH § 12-1104 OF THIS SUBTITLE.~~

32 ~~12-1109.~~

1       ~~(A) (1) WITHIN 15 DAYS AFTER A LICENSEE CEASES ENGAGING IN~~  
2 ~~SERVICING IN THE STATE, THE LICENSEE SHALL:~~

3               ~~(I) SURRENDER ITS LICENSE; AND~~

4               ~~(II) NOTIFY THE COMMISSIONER IN WRITING.~~

5       ~~(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS~~  
6 ~~SUBSECTION SHALL:~~

7               ~~(I) IDENTIFY THE LOCATION WHERE THE RECORDS OF THE~~  
8 ~~LICENSEE WILL BE STORED; AND~~

9               ~~(II) INCLUDE THE NAME, MAILING ADDRESS, AND TELEPHONE~~  
10 ~~NUMBER OF AN INDIVIDUAL AUTHORIZED TO PROVIDE ACCESS TO THE RECORDS.~~

11       ~~(B) THE SURRENDER OF A LICENSE UNDER SUBSECTION (A) OF THIS~~  
12 ~~SECTION DOES NOT REDUCE OR ELIMINATE THE LICENSEE'S CIVIL OR CRIMINAL~~  
13 ~~LIABILITY ARISING FROM ACTS OR OMISSIONS OCCURRING BEFORE THE~~  
14 ~~SURRENDER, INCLUDING ANY ACTIONS THAT THE COMMISSIONER MAY TAKE~~  
15 ~~AGAINST A LICENSEE UNDER THIS SUBTITLE.~~

16       ~~(C) THE COMMISSIONER SHALL AUTOMATICALLY SUSPEND A LICENSE IF~~  
17 ~~PAYMENT IS RETURNED OR NOT ACCEPTED BY A FINANCIAL INSTITUTION FOR THE~~  
18 ~~FEES REQUIRED UNDER § 12-1104(B)(1) AND (2) OR § 12-1107(B)(2) OF THIS~~  
19 ~~SUBTITLE.~~

20 ~~12-1110.~~

21       ~~(A) A LICENSEE SHALL USE THE NAME AND BUSINESS ADDRESS SPECIFIED~~  
22 ~~ON ITS LICENSE.~~

23       ~~(B) A LICENSEE SHALL:~~

24               ~~(1) MAINTAIN ONE PLACE OF BUSINESS UNDER THE LICENSE; AND~~

25               ~~(2) NOTIFY THE COMMISSIONER IN WRITING OF ANY CHANGE IN ITS~~  
26 ~~ADDRESS BEFORE THE LICENSEE CHANGES ITS ADDRESS.~~

27       ~~(C) THE COMMISSIONER MAY ISSUE MORE THAN ONE LICENSE TO A~~  
28 ~~LICENSEE.~~

29       ~~(D) A LICENSEE MAY NOT TRANSFER OR ASSIGN A LICENSE.~~

1 ~~12-1111.~~

2       ~~(A) EXCEPT AS OTHERWISE PROVIDED IN FEDERAL LAW, A FEDERAL~~  
3 ~~STUDENT EDUCATION LOAN AGREEMENT, OR A CONTRACT BETWEEN THE FEDERAL~~  
4 ~~GOVERNMENT AND A LICENSEE, A LICENSEE SHALL PRESERVE:~~

5           ~~(1) ALL RECORDS FOR EACH STUDENT EDUCATION LOAN; AND~~

6           ~~(2) EACH COMMUNICATION WITH A STUDENT LOAN BORROWER.~~

7       ~~(B) A LICENSEE SHALL PRESERVE THE RECORDS AND COMMUNICATIONS~~  
8 ~~UNDER SUBSECTION (A) OF THIS SECTION FOR:~~

9           ~~(1) AT LEAST 2 YEARS AFTER THE EARLIER OF:~~

10           ~~(I) FINAL PAYMENT ON A STUDENT EDUCATION LOAN; OR~~

11           ~~(II) THE SALE, ASSIGNMENT, OR OTHER TRANSFER OF THE~~  
12 ~~SERVICING OF A STUDENT EDUCATION LOAN; OR~~

13           ~~(2) A LONGER PERIOD IF OTHERWISE REQUIRED BY LAW.~~

14       ~~(C) (1) THE COMMISSIONER MAY INVESTIGATE AND INSPECT THE~~  
15 ~~RECORDS OF A LICENSEE.~~

16           ~~(2) FOR THE PURPOSES OF THIS SUBSECTION, A LICENSEE SHALL:~~

17           ~~(I) MAKE ANY RECORDS REQUESTED BY THE COMMISSIONER~~  
18 ~~AVAILABLE; OR~~

19           ~~(II) SEND COPIES OF ANY RECORDS REQUESTED BY THE~~  
20 ~~COMMISSIONER TO THE COMMISSIONER WITHIN 5 BUSINESS DAYS AFTER THE~~  
21 ~~REQUEST.~~

22           ~~(3) IF REQUESTED BY A LICENSEE, THE COMMISSIONER MAY EXTEND~~  
23 ~~THE TIME A LICENSEE HAS TO SEND RECORDS REQUESTED UNDER PARAGRAPH~~  
24 ~~(2)(I) OF THIS SUBSECTION.~~

25           ~~(4) A LICENSEE SHALL SEND ANY RECORDS BY:~~

26           ~~(I) REGISTERED MAIL;~~

27           ~~(II) CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR~~

~~(H) ANY EXPRESS DELIVERY CARRIER THAT PROVIDES A DATED DELIVERY RECEIPT.~~

~~12-1112.~~

~~A LICENSEE SHALL COMPLY WITH ALL FEDERAL LAWS CONCERNING STUDENT EDUCATION LOAN SERVICING, INCLUDING COMPLIANCE WITH THE FEDERAL TRUTH IN LENDING ACT.~~

~~12-1113.~~

~~(A) A LICENSEE MAY NOT:~~

~~(1) EMPLOY, DIRECTLY OR INDIRECTLY, ANY SCHEME, DEVICE, OR ARTIFICE TO DEFRAUD OR MISLEAD BORROWERS;~~

~~(2) ENGAGE IN ANY UNFAIR OR DECEPTIVE PRACTICE TOWARD ANY PERSON;~~

~~(3) MISREPRESENT OR OMIT ANY MATERIAL INFORMATION IN CONNECTION WITH THE SERVICING OF A STUDENT EDUCATION LOAN, INCLUDING MISREPRESENTATION OR OMISSION OF ANY FEE, PAYMENT DUE, LOAN TERM, OR BORROWER OBLIGATION;~~

~~(4) OBTAIN PROPERTY BY FRAUD OR MISREPRESENTATION;~~

~~(5) KNOWINGLY MISAPPLY OR RECKLESSLY APPLY STUDENT EDUCATION LOAN PAYMENTS TO THE OUTSTANDING BALANCE OF A STUDENT EDUCATION LOAN;~~

~~(6) CAUSE HARM TO THE CREDITWORTHINESS OF A STUDENT LOAN BORROWER BY KNOWINGLY OR RECKLESSLY PROVIDING INACCURATE INFORMATION TO A CONSUMER REPORTING AGENCY AS DEFINED IN § 14-1201 OF THE COMMERCIAL LAW ARTICLE;~~

~~(7) IF THE LICENSEE REGULARLY REPORTS INFORMATION TO A CONSUMER REPORTING AGENCY, FAIL TO REPORT BOTH THE FAVORABLE AND UNFAVORABLE PAYMENT HISTORY OF A STUDENT LOAN BORROWER TO A NATIONALLY RECOGNIZED CONSUMER REPORTING AGENCY AT LEAST ONCE A YEAR;~~

~~(8) SUBJECT TO SUBSECTION (B) OF THIS SECTION, REFUSE TO COMMUNICATE WITH AN AUTHORIZED REPRESENTATIVE OF A STUDENT LOAN BORROWER WHO PROVIDES A WRITTEN AUTHORIZATION SIGNED BY THE STUDENT LOAN BORROWER; AND~~

~~(9) NEGLIGENTLY MAKE ANY FALSE STATEMENT OR OMIT ANY MATERIAL FACT IN CONNECTION WITH:~~

~~(I) ANY INFORMATION OR REPORTS FILED WITH A GOVERNMENT AGENCY; OR~~

~~(II) ANY INVESTIGATION CONDUCTED BY THE COMMISSIONER OR ANY OTHER GOVERNMENT AGENCY.~~

~~(B) A LICENSEE MAY ADOPT PROCEDURES TO VERIFY THAT AN AUTHORIZED REPRESENTATIVE UNDER SUBSECTION (A)(8) OF THIS SECTION IS AUTHORIZED TO ACT ON BEHALF OF A STUDENT LOAN BORROWER.~~

~~12-1114.~~

~~IN ORDER TO CARRY OUT THIS SUBTITLE, THE COMMISSIONER MAY:~~

~~(1) RETAIN ATTORNEYS, ACCOUNTANTS, OTHER PROFESSIONALS, AND SPECIALISTS AS EXAMINERS, AUDITORS, OR INVESTIGATORS TO CONDUCT OR ASSIST IN CONDUCTING EXAMINATIONS OR INVESTIGATIONS;~~

~~(2) ENTER INTO AGREEMENTS OR RELATIONSHIPS WITH OTHER GOVERNMENT OFFICIALS OR REGULATORY ASSOCIATIONS TO IMPROVE EFFICIENCIES AND REDUCE REGULATORY BURDEN, INCLUDING SHARING:~~

~~(I) RESOURCES;~~

~~(II) STANDARDIZED OR UNIFORM METHODS OR PROCEDURES;~~

~~AND~~

~~(III) DOCUMENTS, RECORDS, INFORMATION, OR EVIDENCE OBTAINED UNDER THE AUTHORITY OF THE COMMISSIONER;~~

~~(3) USE, HIRE, CONTRACT FOR, OR EMPLOY PUBLIC OR PRIVATELY AVAILABLE ANALYTICAL SYSTEMS, METHODS, OR SOFTWARE TO EXAMINE OR INVESTIGATE A PERSON SUBJECT TO THIS SUBTITLE;~~

~~(4) ACCEPT AND RELY ON EXAMINATION OR INVESTIGATION REPORTS MADE BY OTHER GOVERNMENT OFFICIALS; AND~~

~~(5) (I) ACCEPT AUDIT REPORTS MADE BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT FOR A LICENSEE OR OTHER PERSON ON THE SAME GENERAL SUBJECT MATTER AS THE AUDIT; AND~~



1           ~~(H) INCORPORATE THE AUDIT REPORT IN THE REPORT OR~~  
2 ~~EXAMINATION OR INVESTIGATION, OR OTHER WRITING.~~

3 ~~12-1115.~~

4           ~~(A) THE COMMISSIONER MAY CONDUCT INVESTIGATIONS AND~~  
5 ~~EXAMINATIONS FOR THE PURPOSES OF:~~

6           ~~(1) APPROVING OR DENYING AN INITIAL OR RENEWAL LICENSE~~  
7 ~~APPLICATION UNDER THIS SUBTITLE;~~

8           ~~(2) OBTAINING ANY INFORMATION REQUIRED BY THIS SUBTITLE;~~  
9 ~~AND~~

10           ~~(3) DISCOVERING ANY VIOLATIONS OF THIS SUBTITLE.~~

11           ~~(B) THE COMMISSIONER SHALL REVIEW, INVESTIGATE, OR EXAMINE ANY~~  
12 ~~LICENSEE OR OTHER PERSON SUBJECT TO THIS SUBTITLE AS OFTEN AS NECESSARY~~  
13 ~~TO CARRY OUT ITS PURPOSE.~~

14           ~~(C) (1) THE COMMISSIONER SHALL HAVE FULL ACCESS TO ANY BOOKS,~~  
15 ~~ACCOUNTS, RECORDS, FILES, DOCUMENTS, INFORMATION, OR EVIDENCE RELEVANT~~  
16 ~~TO AN INQUIRY OR INVESTIGATION UNDER THIS SECTION REGARDLESS OF THE~~  
17 ~~LOCATION, POSSESSION, CONTROL, OR CUSTODY OF THE BOOKS, ACCOUNTS,~~  
18 ~~RECORDS, FILES, DOCUMENTS, INFORMATION, OR EVIDENCE.~~

19           ~~(2) RECORDS THAT THE COMMISSIONER MAY HAVE ACCESS TO~~  
20 ~~UNDER PARAGRAPH (1) OF THIS SUBSECTION INCLUDE:~~

21           ~~(I) CRIMINAL, CIVIL, AND ADMINISTRATIVE HISTORY;~~

22           ~~(II) PERSONAL HISTORY AND EXPERIENCE;~~

23           ~~(III) CREDIT HISTORY; AND~~

24           ~~(IV) ANY OTHER INFORMATION NECESSARY OR RELEVANT TO AN~~  
25 ~~INQUIRY OR INVESTIGATION UNDER THIS SUBSECTION.~~

26           ~~(D) THE COMMISSIONER MAY DIRECT, SUBPOENA, OR ORDER:~~

27           ~~(1) EXAMINATION UNDER OATH OF ANY PERSON WHOSE TESTIMONY~~  
28 ~~MAY BE REQUIRED; AND~~

~~(2) PRODUCTION OF ANY BOOKS, ACCOUNTS, RECORDS, FILES, OR DOCUMENTS THE COMMISSIONER CONSIDERS RELEVANT.~~

~~(E) THE COMMISSIONER MAY:~~

~~(1) CONTROL ACCESS TO ANY DOCUMENTS AND RECORDS OF A LICENSEE OR A PERSON UNDER EXAMINATION OR INVESTIGATION UNDER THIS SECTION; AND~~

~~(2) (I) TAKE POSSESSION OF THE DOCUMENTS AND RECORDS; OR~~

~~(II) SELECT A PERSON TO BE IN CHARGE EXCLUSIVELY OF THE DOCUMENTS AND RECORDS IN THE PLACE WHERE THE DOCUMENTS AND RECORDS ARE USUALLY KEPT.~~

~~(F) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, A PERSON MAY NOT REMOVE OR ATTEMPT TO REMOVE ANY OF THE DOCUMENTS OR RECORDS SUBJECT TO AN EXAMINATION OR INVESTIGATION UNDER THIS SECTION.~~

~~(2) A PERSON MAY REMOVE A DOCUMENT:~~

~~(I) BY COURT ORDER; OR~~

~~(II) WITH THE CONSENT OF THE COMMISSIONER.~~

~~(3) UNLESS THE COMMISSIONER HAS REASON TO BELIEVE THERE IS A RISK THAT DOCUMENTS OR RECORDS WILL BE ALTERED OR DESTROYED TO CONCEAL A VIOLATION OF THIS SUBTITLE, A LICENSEE OR AN OWNER OF DOCUMENTS AND RECORDS OF A LICENSEE SHALL HAVE ACCESS TO THE DOCUMENTS AND RECORDS AS NEEDED TO CONDUCT ITS ORDINARY BUSINESS.~~

~~(G) A LICENSEE OR A PERSON SUBJECT TO INVESTIGATION OR EXAMINATION UNDER THIS SUBTITLE MAY NOT KNOWINGLY WITHHOLD, ABSTRACT, REMOVE, MUTILATE, DESTROY, OR HIDE ANY BOOKS, RECORDS, COMPUTER RECORDS, OR OTHER INFORMATION.~~

~~12-1116.~~

~~THE COMMISSIONER MAY ENFORCE THIS SUBTITLE AGAINST A STUDENT LOAN SERVICER WHO:~~

~~(1) IS DOING BUSINESS IN THE STATE; AND~~

~~(2) IS NOT LICENSED OR EXEMPTED FROM BEING LICENSED UNDER THIS SUBTITLE, WHETHER OR NOT THE STUDENT LOAN SERVICER CLAIMS TO BE LICENSED AS A STUDENT LOAN SERVICER IN ANOTHER JURISDICTION.~~

~~12-1117.~~

~~(A) (1) THIS SUBSECTION APPLIES TO:~~

~~(I) ANY VIOLATION OF THIS SUBTITLE; OR~~

~~(II) ANY ACTION THAT WOULD BE SUFFICIENT GROUNDS FOR THE COMMISSIONER TO DENY A LICENSE APPLICATION UNDER THIS SUBTITLE.~~

~~(2) THE COMMISSIONER MAY:~~

~~(I) SUSPEND, REVOKE, OR REFUSE TO RENEW THE LICENSE OF THE STUDENT LOAN SERVICER RESPONSIBLE FOR THE VIOLATION OR ACTION; OR~~

~~(II) TAKE ANY OTHER ACTION AGAINST THE LICENSEE RESPONSIBLE FOR THE VIOLATION OR ACTION.~~

~~(B) THE COMMISSIONER MAY TAKE ANY ACTION AUTHORIZED UNDER STATE BANKING LAWS WHEN IT APPEARS THAT:~~

~~(1) A PERSON VIOLATED, IS VIOLATING, OR IS ABOUT TO VIOLATE THIS SUBTITLE; OR~~

~~(2) A LICENSEE OR ANY OWNER, DIRECTOR, OFFICER, MEMBER, PARTNER, SHAREHOLDER, TRUSTEE, EMPLOYEE, OR AGENT OF THE LICENSEE HAS:~~

~~(I) COMMITTED FRAUD;~~

~~(II) ENGAGED IN DISHONEST ACTIVITIES; OR~~

~~(III) MADE ANY MISREPRESENTATION.~~

~~(C) THE COMMISSIONER SHALL PROVIDE A LICENSEE:~~

~~(1) NOTICE OF ANY SUSPENSION, REVOCATION, OR TERMINATION OF THE LICENSE OF THE LICENSEE; AND~~

~~(2) THE OPTION TO REQUEST A HEARING REGARDING THE LICENSE SUSPENSION, REVOCATION, OR TERMINATION.~~

~~(D) IF A LICENSE IS SURRENDERED, REVOKED, OR SUSPENDED BEFORE IT EXPIRES, THE COMMISSIONER MAY NOT REFUND ANY PORTION OF THE LICENSE FEE.~~

~~12-1118.~~

~~ON OR BEFORE JANUARY 1 EACH YEAR, THE COMMISSIONER SHALL REPORT TO THE GENERAL ASSEMBLY ON:~~

~~(1) THE IMPLEMENTATION OF THE STUDENT LOAN OMBUDSMAN AND RELATED PROVISIONS UNDER § 2-104.1 OF THIS ARTICLE;~~

~~(2) THE OVERALL EFFECTIVENESS OF THE STUDENT LOAN OMBUDSMAN POSITION; AND~~

~~(3) ANY ADDITIONAL STEPS NEEDED TO GAIN REGULATORY CONTROL OVER THE LICENSING AND OVERSIGHT OF STUDENT LOAN SERVICERS.~~

~~12-1119.~~

~~THE COMMISSIONER SHALL ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.~~

SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That:

(a) The Commissioner of Financial Regulation in the Department of Labor, Licensing, and Regulation shall conduct a study to assess whether the Commissioner has enough statutory authority to regulate “Fintech firms” or technology-driven nonbank companies who compete with traditional methods in the delivery of financial services.

(b) The Commissioner shall identify any gaps in the regulation of Fintech firms, including any specific types of companies that are not subject to regulation under State law.

(c) On or before December 31, 2019, the Commissioner shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, its findings and any recommendations for legislative proposals to regulate Fintech firms.

SECTION ~~4~~ 3. AND BE IT FURTHER ENACTED, That the Maryland Financial Consumer Protection Commission established under Chapters 18 and 781 of the Acts of 2017 shall:

(1) study:

(i) cryptocurrencies and other blockchain technologies; ~~and~~

1                   (ii) the Consumer Financial Protection Bureau arbitration rule and  
2 the Model State Consumer and Employee Justice Enforcement Act, including reviewing  
3 similar laws adopted in other states; and

4                   (iii) the possible exemption of retailers of manufactured homes from  
5 the definition of “mortgage originator” in federal law;

6                   (2) monitor the U.S. Securities and Exchange Commission’s actions in  
7 addressing conflicts of interest of broker–dealers’ offering of investment advice by aligning  
8 the standard of care for broker–dealers with that of the fiduciary duty of investment  
9 advisors; and

10                   ~~(2)~~ (3) include recommendations for State actions to regulate  
11 cryptocurrencies in its 2018 report to the Governor and, in accordance with § 2–1246 of the  
12 State Government Article, the General Assembly regarding:

13                   (i) State action to regulate cryptocurrencies;

14                   (ii) changes to State law to provide the protection intended by the  
15 Model State Consumer and Employee Justice Enforcement Act;

16                   (iii) changes to State law to provide the protection intended by the  
17 fiduciary duty standards of care; and

18                   (iv) clarification of State law to ensure that Maryland buyers of  
19 manufactured homes are protected in their homebuying transaction.

20                   SECTION ~~5~~ 4. AND BE IT FURTHER ENACTED, That, if any provision of this Act  
21 or the application thereof to any person or circumstance is held invalid for any reason in a  
22 court of competent jurisdiction, the invalidity does not affect other provisions or any other  
23 application of this Act that can be given effect without the invalid provision or application,  
24 and for this purpose the provisions of this Act are declared severable.

25                   SECTION ~~6~~ 5. AND BE IT FURTHER ENACTED, That the publisher of the  
26 Annotated Code of Maryland, in consultation with and subject to the approval of the  
27 Department of Legislative Services, shall correct, with no further action required by the  
28 General Assembly, cross–references and terminology rendered incorrect by this Act or by  
29 any other Act of the General Assembly of 2018 that affects provisions enacted by this Act.  
30 The publisher shall adequately describe any correction that is made in an editor’s note  
31 following the section affected.

32                   SECTION ~~7~~ 6. AND BE IT FURTHER ENACTED, That this Act shall take effect  
33 October 1, 2018.