

SENATE BILL 1068

I3, I2, F2

8lr2275
CF 8lr3747

By: **Senators Rosapepe, Benson, Conway, Currie, Feldman, Ferguson, Guzzone, Kagan, Kasemeyer, Kelley, King, Klausmeier, Lee, Madaleno, Manno, Mathias, McFadden, Middleton, Muse, Nathan–Pulliam, Oaks, Peters, Pinsky, Ramirez, Robinson, Smith, Young, and Zucker**

Introduced and read first time: February 7, 2018

Assigned to: Rules

A BILL ENTITLED

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 and provisions regarding consumer reporting agencies,
22 mortgage originators, check cashers, and debt management services; requiring a
23 consumer reporting agency to provide a certain notification of a breach of the security
24 of a system; altering the requirement that a consumer reporting agency reinvestigate
25 and record certain information; prohibiting a consumer reporting agency from
26 charging for any service relating to a security freeze; altering a certain notice that
27 must be included with a certain summary of rights provided to a consumer;
28 specifying the purpose of certain provisions of law; requiring the Commissioner of

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Financial Regulation and the Office of the Attorney General to use certain authority
2 to bring certain civil actions; requiring the Governor to appropriate certain amounts
3 in the annual State budget for the Commissioner and the Office; requiring the
4 Commissioner and the Office to use certain funds for certain purposes; providing
5 that a certain person is a fiduciary and has a certain duty; requiring a certain person
6 to disclose to a client certain information and to make a certain inquiry; authorizing
7 the Commissioner of Securities of the Office of the Attorney General to adopt certain
8 regulations; requiring the Standing Committee on Rules of Practice and Procedure
9 of the Court of Appeals and the Commissioner of Financial Regulation to adopt
10 certain rules consistent with a certain model act; requiring a certain person who
11 makes installment loans or engages in credit services business activities to be
12 licensed under certain provisions of law and specifying that the person is subject to
13 certain provisions; requiring certain licensing, investigatory, enforcement, and
14 penalty provisions to be interpreted, construed, and applied in a certain manner;
15 altering the definition of "mortgage loan originator" to include a certain seller of a
16 manufactured home; requiring the Commissioner of Financial Regulation to
17 designate an individual to serve as the Student Loan Ombudsman; establishing the
18 duties and responsibilities of the Student Loan Ombudsman; requiring the Student
19 Loan Ombudsman, in consultation with the Commissioner, to establish a certain
20 student loan borrower education course; establishing the requirements of the course;
21 prohibiting a person from engaging in student education loan servicing unless the
22 person is licensed by the Commissioner or is exempt from licensing; establishing the
23 application requirements for a student loan servicer license; requiring the
24 Commissioner to investigate certain information under certain circumstances;
25 requiring a certain person to provide fingerprints and pay a certain fee under certain
26 circumstances; requiring the Commissioner to issue or deny an application for a
27 student education loan servicing license under certain circumstances; specifying the
28 expiration date of a certain license; establishing the requirements and procedures
29 for the renewal of a student education loan servicing license; providing for the
30 effective date of a certain initial license under certain circumstances; authorizing the
31 Commissioner to refuse to approve a renewal license application under certain
32 circumstances; establishing procedures regarding the abandonment of certain
33 license applications; requiring a certain licensee who ceases engaging in student
34 education loan servicing to surrender a certain license under certain circumstances;
35 providing that a certain surrender of a license does not reduce or eliminate certain
36 liability; requiring the Commissioner to automatically suspend a certain license
37 under certain circumstances; establishing the duties, responsibilities, and
38 requirements of a licensee; authorizing the Commissioner to issue more than one
39 license to a licensee; prohibiting a licensee from transferring or assigning a license;
40 authorizing the Commissioner to investigate and inspect certain records; authorizing
41 the Commissioner to extend the time a licensee has to send certain records;
42 prohibiting a licensee from taking or failing to take certain actions, making certain
43 misrepresentations or omissions, or causing certain harm; authorizing a licensee to
44 adopt certain procedures; authorizing the Commissioner to conduct certain
45 investigations and examinations and certain related actions; requiring the
46 Commissioner to review, investigate, or examine a certain licensee under certain
47 circumstances; requiring the Commissioner to have certain access to certain books,

1 accounts, records, files, documents, information, or evidence; authorizing the
2 Commissioner to control access to certain documents and records and take certain
3 actions; prohibiting a person from removing or attempting to remove certain
4 documents or records under certain circumstances; requiring a licensee or a certain
5 owner to have access to certain documents and records under certain circumstances;
6 prohibiting a licensee or a certain person from knowingly taking certain actions;
7 authorizing the Commissioner to take certain actions to enforce and carry out this
8 Act under certain circumstances; authorizing the Commissioner to take certain
9 enforcement actions against a certain student loan servicer who is not licensed;
10 requiring the Commissioner to provide a certain notice and a certain option;
11 authorizing the Commissioner to take certain actions authorized under certain
12 banking laws under certain circumstances; prohibiting the Commissioner from
13 refunding certain fees; establishing certain reporting requirements; requiring the
14 Commissioner to adopt certain regulations; requiring the Commissioner to conduct
15 a certain study to assess whether the Commissioner has certain statutory authority
16 to regulate certain firms and issue a certain report; requiring the Maryland
17 Financial Consumer Protection Commission to study cryptocurrencies and other
18 blockchain technologies and include certain recommendations in a report; providing
19 for the application of certain provisions of this Act; making the provisions of this Act
20 severable; requiring the publisher of the Annotated Code of Maryland, in
21 consultation with and subject to the approval of the Department of Legislative
22 Services, to correct any cross-references or terminology rendered incorrect by this
23 Act and to describe any corrections made in an editor's note following the section
24 affected; defining and altering certain terms; making stylistic and conforming
25 changes; and generally relating to financial consumer protection laws.

26 BY repealing and reenacting, with amendments,

27 Article – Commercial Law

28 Section 12–101, 12–111, 12–112, 12–114, 12–303, 12–311(c), 12–314, 12–601(k),
29 13–101(k), 13–301, 13–303, 13–410, 14–202, 14–1206, 14–1208, 14–1212.1(i)
30 and (j), 14–1212.2(c)(1), (g), and (i), 14–1212.3(i), and 14–1218(a)

31 Annotated Code of Maryland

32 (2013 Replacement Volume and 2017 Supplement)

33 BY adding to

34 Article – Commercial Law

35 Section 12–114.1; and 14–4101 through 14–4104 to be under the new subtitle
36 “Subtitle 41. Financial Consumer Protection”

37 Annotated Code of Maryland

38 (2013 Replacement Volume and 2017 Supplement)

39 BY repealing and reenacting, without amendments,

40 Article – Commercial Law

41 Section 12–601(f) and 14–1212.1(l)

42 Annotated Code of Maryland

43 (2013 Replacement Volume and 2017 Supplement)

- 1 BY adding to
2 Article – Corporations and Associations
3 Section 11–803
4 Annotated Code of Maryland
5 (2014 Replacement Volume and 2017 Supplement)
- 6 BY adding to
7 Article – Courts and Judicial Proceedings
8 Section 3–230.1
9 Annotated Code of Maryland
10 (2013 Replacement Volume and 2017 Supplement)
- 11 BY repealing and reenacting, with amendments,
12 Article – Financial Institutions
13 Section 2–105.1(b), 11–303, 11–601(q), 11–615(c), 12–126, and 12–928
14 Annotated Code of Maryland
15 (2011 Replacement Volume and 2017 Supplement)
- 16 BY repealing and reenacting, without amendments,
17 Article – Financial Institutions
18 Section 11–602(b), 12–105(a), and 12–906(a)
19 Annotated Code of Maryland
20 (2011 Replacement Volume and 2017 Supplement)
- 21 BY adding to
22 Article – Financial Institutions
23 Section 2–104.1; and 12–1101 through 12–1119 to be under the new subtitle
24 “Subtitle 11. Student Loan Servicers”
25 Annotated Code of Maryland
26 (2011 Replacement Volume and 2017 Supplement)

27 Preamble

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

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

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

1 WHEREAS, Congress and the President, recalling the lessons of earlier financial
2 crises, came together to update the rules of the road for consumer protection and the
3 financial markets; and

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

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

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

14 WHEREAS, Bank profits were at record levels in 2016 and, in the third quarter of
15 2017, the banking industry’s average return on assets was at a 10–year high; and

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

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

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

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

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

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

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

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

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

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

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

15 **Article – Commercial Law**

16 12–101.

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

18 (b) “Borrower” means a person who borrows money under this subtitle.

19 (c) “Commercial loan” means a loan which is made:

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

21 (2) To any business or commercial organization.

22 (d) “Effective rate of simple interest” means the yield to maturity rate of interest
23 received or to be received by a lender on the face amount of a loan, computed in accordance
24 with § 12–107 of this subtitle.

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

30 (f) “Lender” means a person who makes a loan under this subtitle.

31 **(G) (1) “LOAN” MEANS A LOAN OR AN ADVANCE OF MONEY OR CREDIT**
32 **SUBJECT TO THIS SUBTITLE, REGARDLESS OF WHETHER THE LOAN OR ADVANCE OF**
33 **MONEY OR CREDIT PURPORTS TO BE MADE UNDER THIS SUBTITLE.**

1 **(2) “LOAN” DOES NOT INCLUDE A LOAN SUBJECT TO SUBTITLE 3 OF**
2 **THIS TITLE.**

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

6 **[(h)] (I)** “Point” means a fee, premium, bonus, loan origination fee, service
7 charge, or any other charge equal to 1 percent of the principal amount of a loan which is
8 charged by the lender at or before the time the loan is made as additional compensation for
9 the loan.

10 **[(i)] (J)** “Simple interest” means interest charged on the principal amount
11 loaned to the borrower.

12 **[(j)] (K)** “Stated rate of interest” means the annual rate of interest stated in
13 percentage which appears on the face of the bond, draft, mortgage, deed of trust, security
14 agreement, promissory note, or other instrument which evidences the indebtedness.

15 **[(k)] (L)** “Usury” means the charging of interest by a lender in an amount which
16 is greater than that allowed by this subtitle.

17 **[(l)] (M)** “Wages” means all remuneration paid to any employee for his
18 employment, including the cash value of all remuneration paid in any medium other than
19 cash.

20 12–111.

21 **(A) THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12–114.1 OF**
22 **THIS SUBTITLE.**

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

25 12–112.

26 **(A) THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12–114.1 OF**
27 **THIS SUBTITLE.**

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

1 12-114.

2 (A) THIS SECTION DOES NOT APPLY TO A LOAN SUBJECT TO § 12-114.1 OF
3 THIS SUBTITLE.

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

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

8 (ii) The sum of \$500.

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

11 (i) Notifies the borrower and any other party to the loan contract
12 that the loan was usurious; and

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

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

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

21 12-114.1.

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

24 (2) (I) "COVERED LOAN" MEANS A LOAN SUBJECT TO §
25 12-103(A)(3) OR (C) OF THIS SUBTITLE, REGARDLESS OF WHETHER THE LOAN IS OR
26 PURPORTS TO BE MADE UNDER THIS SUBTITLE.

27 (II) "COVERED LOAN" DOES NOT INCLUDE A LOAN SUBJECT TO
28 SUBTITLE 3 OF THIS TITLE.

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

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

5 **(I) LICENSED IN THE STATE TO MAKE A COVERED LOAN; AND**

6 **(II) EXEMPT FROM LICENSING IN THE STATE.**

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

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

11 **(2) A PERSON MAY NOT MAKE A COVERED LOAN IF THE PERSON**
12 **DIRECTLY OR INDIRECTLY CONTRACTS FOR, CHARGES, OR RECEIVES A RATE OF**
13 **INTEREST, CHARGE, DISCOUNT, OR OTHER CONSIDERATION THAT IS GREATER THAN**
14 **THE AMOUNT AUTHORIZED UNDER STATE LAW.**

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

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

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

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

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

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

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

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

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

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

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

13 12-303.

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

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

18 (2) For the purposes of this subtitle:

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

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

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

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

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

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

3 (D) THIS SUBTITLE APPLIES TO A LOAN OR AN ADVANCE OF MONEY OF
4 \$12,000 OR LESS MADE FOR PERSONAL, FAMILY, HOUSEHOLD, OR AGRICULTURAL
5 PURPOSES:

6 (1) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS
7 TO BE MADE UNDER THIS SUBTITLE;

8 (2) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS
9 TO BE AN INSTALLMENT LOAN;

10 (3) REGARDLESS OF THE DURATION OF THE REPAYMENT PERIOD;

11 (4) REGARDLESS OF WHETHER THE TRANSACTION IS OR PURPORTS
12 TO BE NONRECOURSE OR CONTINGENT; AND

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

16 [(d)] (E) (1) A lender who lends or contracts to lend an amount which exceeds
17 [\$6,000] \$12,000 may not directly or indirectly contract for, charge, or receive any interest,
18 fee, or other charge in excess of that which [he] THE LENDER would be permitted to charge
19 if [he] THE LENDER were not authorized to make loans under this subtitle.

20 (2) The provisions of this subsection apply to any debt in excess of [\$6,000]
21 \$12,000 which is directly or contingently owed or contracted to be so owed by any person
22 jointly or severally:

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

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

27 12-311.

28 (c) (1) A lender may not take any security interest in:

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

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

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

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

7 12-314.

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

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

12 (2) **THE TRANSACTION VIOLATES THE FEDERAL MILITARY LENDING**
13 **ACT; OR**

14 (3) **THE PERSON IS NOT LICENSED UNDER OR EXEMPT FROM THE**
15 **LICENSING REQUIREMENTS UNDER THE MARYLAND CONSUMER LOAN LAW –**
16 **LICENSING PROVISIONS.**

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

20 1. **EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF**
21 **THIS PARAGRAPH, A PERSON CONTRACTS FOR A LOAN THAT HAS A** rate of interest,
22 charge, discount, or other consideration greater than that authorized [by the laws of this
23 State is contracted for by any person unless the excess rate contracted for is the result of
24 a] **UNDER STATE LAW;**

25 2. **THE LOAN VIOLATES THE FEDERAL MILITARY**
26 **LENDING ACT; OR**

27 3. **A PERSON WHO IS NOT LICENSED UNDER OR EXEMPT**
28 **FROM THE LICENSING REQUIREMENTS UNDER TITLE 11, SUBTITLE 2 OF THE**
29 **FINANCIAL INSTITUTIONS ARTICLE MADE THE LOAN.**

30 (II) **A LOAN IS NOT VOID AND UNENFORCEABLE IF:**

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

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

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

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

11 (c) **(1)** This section does not apply to a loan transaction validly made in
12 another state in compliance with a similar loan law of that state. [However, a]

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

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

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

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

23 12-601.

24 (f) “Consumer goods” means goods bought for use primarily for personal, family,
25 or household purposes, as distinguished from industrial, commercial, or agricultural
26 purposes.

27 (k) (1) “Goods” means all tangible personal property that has a cash price of
28 **[\$25,000] \$100,000** or less.

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

30 13-101.

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

3 13-301.

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

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

8 (2) Representation that:

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

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

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

16 (iv) Consumer goods, consumer realty, or consumer services are of a
17 particular standard, quality, grade, style, or model which they are not;

18 (3) Failure to state a material fact if the failure deceives or tends to deceive;

19 (4) Disparagement of the goods, realty, services, or business of another by
20 a false or misleading representation of a material fact;

21 (5) Advertisement or offer of consumer goods, consumer realty, or
22 consumer services:

23 (i) Without intent to sell, lease, or rent them as advertised or
24 offered; or

25 (ii) With intent not to supply reasonably expected public demand,
26 unless the advertisement or offer discloses a limitation of quantity or other qualifying
27 condition;

28 (6) False or misleading representation of fact which concerns:

29 (i) The reason for or the existence or amount of a price reduction; or

30 (ii) A price in comparison to a price of a competitor or to one's own
31 price at a past or future time;

- 1 (7) Knowingly false statement that a service, replacement, or repair is
2 needed;
- 3 (8) False statement which concerns the reason for offering or supplying
4 consumer goods, consumer realty, or consumer services at sale or discount prices;
- 5 (9) Deception, fraud, false pretense, false premise, misrepresentation, or
6 knowing concealment, suppression, or omission of any material fact with the intent that a
7 consumer rely on the same in connection with:
- 8 (i) The promotion or sale of any consumer goods, consumer realty,
9 or consumer service;
- 10 (ii) A contract or other agreement for the evaluation, perfection,
11 marketing, brokering or promotion of an invention; or
- 12 (iii) The subsequent performance of a merchant with respect to an
13 agreement of sale, lease, or rental;
- 14 (10) Solicitations of sales or services over the telephone without first clearly,
15 affirmatively, and expressly stating:
- 16 (i) The solicitor's name and the trade name of a person represented
17 by the solicitor;
- 18 (ii) The purpose of the telephone conversation; and
- 19 (iii) The kind of merchandise, real property, intangibles, or service
20 solicited;
- 21 (11) Use of any plan or scheme in soliciting sales or services over the
22 telephone that misrepresents the solicitor's true status or mission;
- 23 (12) Use of a contract related to a consumer transaction which contains a
24 confessed judgment clause that waives the consumer's right to assert a legal defense to an
25 action;
- 26 (13) Use by a seller, who is in the business of selling consumer realty, of a
27 contract related to the sale of single family residential consumer realty, including
28 condominiums and town houses, that contains a clause limiting or precluding the buyer's
29 right to obtain consequential damages as a result of the seller's breach or cancellation of
30 the contract;
- 31 (14) Violation of a provision of:
- 32 (i) This title;

- 1 (ii) An order of the Attorney General or agreement of a party relating
2 to unit pricing under Title 14, Subtitle 1 of this article;
- 3 (iii) Title 14, Subtitle 2 of this article, the Maryland Consumer Debt
4 Collection Act;
- 5 (iv) Title 14, Subtitle 3 of this article, the Maryland Door-to-Door
6 Sales Act;
- 7 (v) Title 14, Subtitle 9 of this article, Kosher Products;
- 8 (vi) Title 14, Subtitle 10 of this article, Automotive Repair Facilities;
- 9 (vii) Section 14-1302 of this article;
- 10 (viii) Title 14, Subtitle 11 of this article, Maryland Layaway Sales Act;
- 11 (ix) Section 22-415 of the Transportation Article;
- 12 (x) Title 14, Subtitle 20 of this article;
- 13 (xi) Title 14, Subtitle 15 of this article, the Automotive Warranty
14 Enforcement Act;
- 15 (xii) Title 14, Subtitle 21 of this article;
- 16 (xiii) Section 18-107 of the Transportation Article;
- 17 (xiv) Title 14, Subtitle 22 of this article, the Maryland Telephone
18 Solicitations Act;
- 19 (xv) Title 14, Subtitle 23 of this article, the Automotive Crash Parts
20 Act;
- 21 (xvi) Title 10, Subtitle 6 of the Real Property Article;
- 22 (xvii) Title 14, Subtitle 25 of this article, the Hearing Aid Sales Act;
- 23 (xviii) Title 14, Subtitle 26 of this article, the Maryland Door-to-Door
24 Solicitations Act;
- 25 (xix) Title 14, Subtitle 31 of this article, the Maryland Household
26 Goods Movers Act;
- 27 (xx) Title 14, Subtitle 32 of this article, the Maryland Telephone
28 Consumer Protection Act;

- 1 (xxi) Title 14, Subtitle 34 of this article, the Social Security Number
- 2 Privacy Act;
- 3 (xxii) Title 14, Subtitle 37 of this article, the Online Child Safety Act;
- 4 (xxiii) Section 14–1319, § 14–1320, or § 14–1322 of this article;
- 5 (xxiv) Section 7–304 of the Criminal Law Article;
- 6 (xxv) Title 7, Subtitle 3 of the Real Property Article, the Protection of
- 7 Homeowners in Foreclosure Act;
- 8 (xxvi) Title 6, Subtitle 13 of the Environment Article;
- 9 (xxvii) Section 7–405(e)(2)(ii) of the Health Occupations Article;
- 10 (xxviii) Title 12, Subtitle 10 of the Financial Institutions Article;
- 11 (xxix) Title 19, Subtitle 7 of the Business Regulation Article; [or]
- 12 (xxx) Section 15–311.3 of the Transportation Article; [or]
- 13 **(XXXI) THE FEDERAL MILITARY LENDING ACT; OR**
- 14 **(XXXII) THE FEDERAL SERVICEMEMBERS CIVIL RELIEF ACT;**
- 15 **OR**

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

19 13–303.

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

- 22 (1) The sale, lease, rental, loan, or bailment of any consumer goods,
 23 consumer realty, or consumer services;
- 24 (2) The offer for sale, lease, rental, loan, or bailment of consumer goods,
 25 consumer realty, or consumer services;
- 26 (3) The offer for sale of course credit or other educational services;
- 27 (4) The extension of consumer credit;

1 (5) The collection of consumer debts; or

2 (6) The purchase or offer for purchase of consumer goods or consumer
3 realty from a consumer by a merchant whose business includes paying off consumer debt
4 in connection with the purchase of any consumer goods or consumer realty from a
5 consumer.

6 13-410.

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

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

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

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

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

19 (2) The good faith of the violator;

20 (3) Any history of prior violations;

21 (4) Whether the amount of the penalty will achieve the desired deterrent
22 purpose; and

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

25 14-202.

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

27 (1) Use or threaten force or violence;

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

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

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

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

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

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

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

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

20 **(10) ENGAGE IN UNLICENSED DEBT COLLECTION ACTIVITY IN**
21 **VIOLATION OF THE MARYLAND COLLECTION AGENCY LICENSING ACT; OR**

22 **(11) ENGAGE IN ANY CONDUCT PROHIBITED UNDER §§ 804 THROUGH**
23 **812 OF THE FEDERAL FAIR DEBT COLLECTION PRACTICES ACT.**

24 14-1206.

25 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
26 **INDICATED.**

27 **(2) "BREACH OF THE SECURITY OF A SYSTEM" HAS THE MEANING**
28 **STATED IN § 14-3504 OF THIS TITLE.**

29 **(3) "PERSONAL INFORMATION" HAS THE MEANING STATED IN §**
30 **14-3501 OF THIS TITLE.**

31 **(B) (1) IF A CONSUMER REPORTING AGENCY DISCOVERS OR IS NOTIFIED**
32 **OF A BREACH OF THE SECURITY OF A SYSTEM, THE CONSUMER REPORTING AGENCY**

1 SHALL NOTIFY EACH INDIVIDUAL WHO:

2 (I) IS SUBJECT TO THE BREACH; AND

3 (II) RESIDES IN THE STATE.

4 (2) A CONSUMER REPORTING AGENCY SHALL PROVIDE THE
5 NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION AS SOON AS
6 REASONABLY PRACTICABLE, BUT NOT LATER THAN 30 DAYS AFTER THE CONSUMER
7 REPORTING AGENCY DISCOVERS OR IS NOTIFIED OF THE BREACH OF THE SECURITY
8 OF A SYSTEM.

9 (3) THE NOTIFICATION REQUIRED UNDER PARAGRAPH (1) OF THIS
10 SUBSECTION SHALL DISCLOSE THAT THE PERSONAL INFORMATION OF THE
11 INDIVIDUAL MAY BE MISUSED AS A RESULT OF THE BREACH.

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

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

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

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

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

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

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

25 14-1208.

26 [(a)] (1) If the completeness or accuracy of any item of information contained in
27 his file is disputed by a consumer, and the dispute is directly conveyed to the consumer
28 reporting agency in writing or by the consumer, the consumer reporting agency shall within
29 30 days reinvestigate and record the current status of that information unless it has
30 reasonable grounds to believe that the dispute by the consumer is frivolous or irrelevant.]

1 **(A) THIS SECTION APPLIES TO A DISPUTE BY A CONSUMER OF THE**
2 **COMPLETENESS OR ACCURACY OF ANY ITEM OF INFORMATION CONTAINED IN THE**
3 **FILE OF A CONSUMER.**

4 **(B) (1) A CONSUMER REPORTING AGENCY SHALL REINVESTIGATE AND**
5 **RECORD THE CURRENT STATUS OF ANY INFORMATION THAT A CONSUMER DISPUTES**
6 **IF THE CONSUMER CONVEYS THE DISPUTE:**

7 **(I) DIRECTLY TO THE CONSUMER REPORTING AGENCY; AND**

8 **(II) 1. IN WRITING; OR**

9 **2. BY ELECTRONIC REQUEST TRANSMITTED THROUGH A**
10 **SECURE CONNECTION MADE AVAILABLE BY THE CONSUMER REPORTING AGENCY ON**
11 **THE WEBSITE OF THE CONSUMER REPORTING AGENCY.**

12 **(2) A CONSUMER REPORTING AGENCY SHALL COMPLETE THE**
13 **ACTIONS UNDER PARAGRAPH (1) OF THIS SUBSECTION WITHIN 30 DAYS AFTER**
14 **RECEIVING A DISPUTE BY A CONSUMER.**

15 **[(2)] (3)** If after reinvestigation the information is found to be inaccurate
16 or can no longer be verified, the consumer reporting agency shall within 7 business days
17 delete the information and mail:

18 (i) Written notice of the correction to the consumer and to each
19 person to whom the erroneous information was furnished; and

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

21 **[(3)] (4)** If after reinvestigation the information is found to be accurate or
22 is verified, the consumer reporting agency shall within 7 business days mail:

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

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

25 **[(4)] (5)** (i) Within 60 days after receiving the notice under
26 paragraphs **[(2)] (3)** and **[(3)] (4)** of this subsection, the consumer may request in writing
27 that the consumer reporting agency disclose the name, address, and telephone number of
28 each person contacted during the reinvestigation.

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

1 **[(5)] (6)** A person contacted during the reinvestigation who determines
2 that the information was inaccurate shall correct the information in the person's records
3 within 12 business days after the determination occurs.

4 **[(6)] (7)** The presence of contradictory information in the consumer's file
5 does not in and of itself constitute reasonable grounds for believing the dispute is frivolous
6 or irrelevant.

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

9 (1) Written notice of the finding, including the reasons for the finding, to
10 the consumer; and

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

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

14 (2) The consumer reporting agency may limit statements to not more than
15 100 words if it provides the consumer with assistance in writing a clear summary of the
16 dispute.

17 **[(d)] (E)** Whenever a statement of a dispute is filed, unless there is reasonable
18 grounds to believe that it is frivolous or irrelevant, the consumer reporting agency shall, in
19 any subsequent consumer report containing the information in question, clearly note that
20 it is disputed by the consumer and provide either the consumer's statement or a clear and
21 accurate codification or summary of it.

22 **(F) (1) THIS SUBSECTION APPLIES TO:**

23 **(I) THE DELETION OF ANY INFORMATION:**

24 **1. FOUND TO BE INACCURATE; OR**

25 **2. THE ACCURACY OF WHICH CAN NO LONGER BE**
26 **VERIFIED; OR**

27 **(II) ANY NOTATION REGARDING DISPUTED INFORMATION.**

28 **[(e)] (2)** [Following any deletion of information which is found to be inaccurate
29 or whose accuracy can no longer be verified or any notation as to disputed information, the]
30 **AT THE REQUEST OF A CONSUMER,** A consumer reporting agency shall[, at the request
31 of the consumer,] furnish notification that [the] **AN** item has been deleted or the statement,
32 codification, or summary [pursuant to] **UNDER** subsection **[(c)] (D)** or **[(d)] (E)** of this

1 section to any person specifically designated by the consumer [who has within] **IF THE**
2 **PERSON:**

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

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

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

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

12 14–1212.1.

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

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

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

19 (i) 1. Has obtained a report of alleged identity fraud against the
20 consumer under § 8–304 of the Criminal Law Article or an identity theft passport under §
21 8–305 of the Criminal Law Article; and

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

24 (ii) Requests the placement of a security freeze if the consumer has
25 not previously requested the placement of a security freeze from the consumer reporting
26 agency.]

27 (j) At any time that a consumer is entitled to receive a summary of rights under
28 § 609 of the federal Fair Credit Reporting Act or § 14–1206 of this subtitle, the following
29 notice shall be included:

30 “NOTICE

31 You have a right, under § 14–1212.1 of the Commercial Law Article of the Annotated
32 Code of Maryland, to place a security freeze on your credit report. The security freeze will

1 prohibit a consumer reporting agency from releasing your credit report or any information
2 derived from your credit report without your express authorization. The purpose of a
3 security freeze is to prevent credit, loans, and services from being approved in your name
4 without your consent. **A CONSUMER REPORTING AGENCY MAY NOT CHARGE YOU A FEE**
5 **FOR ANY SERVICE RELATING TO A SECURITY FREEZE, INCLUDING FOR ANY**
6 **PLACEMENT, TEMPORARY LIFT, OR REMOVAL OF A SECURITY FREEZE.**

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

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

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

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

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

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

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

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

1 consumer reporting agency also may not charge any fee to a consumer for the first
2 placement of a security freeze with the consumer reporting agency.]

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

6 (l) The exclusive remedy for a violation of subsection (e)(2)(ii) of this section shall
7 be a complaint filed with the Commissioner under § 14–1217 of this subtitle.

8 14–1212.2.

9 (c) (1) A consumer reporting agency shall place a security freeze for a
10 protected consumer if:

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

14 (ii) The protected consumer’s representative:

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

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

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

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

24 (g) If a protected consumer or a protected consumer’s representative wishes to
25 remove a security freeze for the protected consumer, the protected consumer or the
26 protected consumer’s representative shall:

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

30 (2) Provide to the consumer reporting agency:

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

32 1. Proof that the sufficient proof of authority for the

1 protected consumer's representative to act on behalf of the protected consumer is no longer
2 valid; and

3 2. Sufficient proof of identification of the protected consumer;
4 or

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

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

9 2. Sufficient proof of authority to act on behalf of the
10 protected consumer]; and

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

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

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

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

19 (i) The protected consumer's representative:

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

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

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

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

29 14–1212.3.

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

4 14–1218.

5 (a) The Commissioner may:

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

8 (2) Subpoena witnesses;

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

11 (4) Administer oaths;

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

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

15 (7) **(I)** If a consumer reporting agency that has violated any law
16 regulating consumer credit reporting fails to comply with a lawful order of the
17 Commissioner, impose a civil penalty of up to **[\$100] \$10,000** for each violation from which
18 the violator failed to cease and desist or for which the violator failed to take action ordered
19 by the Commissioner for compliance with the law.

20 **(II)** In determining the amount of civil penalty to be imposed under
21 this paragraph, the Commissioner shall consider:

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

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

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

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

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

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

1 **SUBTITLE 41. FINANCIAL CONSUMER PROTECTION.**

2 **14-4101.**

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

5 **(B) “COMMISSIONER” MEANS THE COMMISSIONER OF FINANCIAL**
6 **REGULATION IN THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION.**

7 **(C) “OFFICE” MEANS THE OFFICE OF THE ATTORNEY GENERAL.**

8 **14-4102.**

9 **THE PURPOSE OF THIS SUBTITLE IS TO SUPPORT VIGOROUS ENFORCEMENT**
10 **BY AND FUNDING OF THE OFFICE AND THE COMMISSIONER TO PROTECT THE**
11 **STATE’S RESIDENTS WHEN CONDUCTING FINANCIAL TRANSACTIONS AND**
12 **RECEIVING FINANCIAL SERVICES.**

13 **14-4103.**

14 **THE OFFICE AND THE COMMISSIONER SHALL USE THEIR AUTHORITY UNDER**
15 **§ 1042 OF THE DODD-FRANK WALL STREET REFORM AND CONSUMER**
16 **PROTECTION ACT OF 2010 TO BRING CIVIL ACTIONS AUTHORIZED UNDER THE ACT.**

17 **14-4104.**

18 **(A) (1) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER,**
19 **THE GOVERNOR SHALL INCLUDE AN APPROPRIATION OF AT LEAST \$800,000 IN**
20 **GENERAL FUNDS IN THE STATE BUDGET FOR THE OFFICE FOR THE PURPOSES OF**
21 **ENFORCEMENT OF:**

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

23 **(II) CONSUMER PROTECTION LAWS UNDER TITLE 13 OF THIS**
24 **ARTICLE; AND**

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

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

1 (I) STAFFING COSTS ASSOCIATED WITH HIRING NEW
2 EMPLOYEES; AND

3 (II) INVESTIGATIONS OF ALLEGED VIOLATIONS OF CONSUMER
4 PROTECTION LAWS IN THE STATE.

5 (B) (1) FOR FISCAL YEAR 2020 AND EACH FISCAL YEAR THEREAFTER,
6 THE GOVERNOR SHALL INCLUDE AN APPROPRIATION OF AT LEAST \$400,000 IN
7 GENERAL FUNDS IN THE STATE BUDGET FOR THE COMMISSIONER FOR THE
8 PURPOSES OF ENFORCEMENT OF FINANCIAL CONSUMER PROTECTION LAWS.

9 (2) THE COMMISSIONER SHALL USE THE FUNDS UNDER PARAGRAPH
10 (1) OF THIS SUBSECTION FOR:

11 (I) STAFFING COSTS ASSOCIATED WITH HIRING NEW
12 EMPLOYEES; AND

13 (II) INVESTIGATIONS OF ALLEGED VIOLATIONS OF CONSUMER
14 PROTECTION LAWS IN THE STATE.

15 Article – Corporations and Associations

16 11-803.

17 (A) THIS SECTION APPLIES TO:

18 (1) A PERSON WHO ENGAGES IN THE BUSINESS OF EFFECTING
19 TRANSACTIONS IN SECURITIES FOR THE ACCOUNT OF OTHERS OR FOR THE
20 PERSON'S OWN ACCOUNT;

21 (2) A BROKER-DEALER OR AGENT;

22 (3) AN AGENT; AND

23 (4) AN INVESTMENT ADVISER.

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

26 (C) A PERSON SHALL DISCLOSE TO A CLIENT:

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

1 **(2) A LEGAL OR DISCIPLINARY EVENT THAT IS MATERIAL TO AN**
2 **EVALUATION OF THE PERSON'S INTEGRITY OR ABILITY TO MEET CONTRACTUAL**
3 **COMMITMENTS TO CLIENTS.**

4 **(D) A PERSON SHALL MAKE DILIGENT INQUIRY OF EACH CLIENT TO**
5 **DETERMINE:**

6 **(1) THE FINANCIAL CIRCUMSTANCES AND OBLIGATIONS OF THE**
7 **CLIENT INITIALLY;**

8 **(2) THE FINANCIAL CIRCUMSTANCES AND OBLIGATIONS OF THE**
9 **CLIENT SUBSEQUENT TO THE FIRST CONTACT BETWEEN THE PERSON AND THE**
10 **CONTACT; AND**

11 **(3) THE CLIENT'S PRESENT AND ANTICIPATED OBLIGATIONS:**

12 **(I) TO THE CLIENT'S FAMILY; AND**

13 **(II) FOR THE CLIENT'S FAMILY AND GOALS FOR THE CLIENT'S**
14 **FAMILY.**

15 **(E) THE COMMISSIONER MAY ADOPT REGULATIONS TO CARRY OUT THIS**
16 **SECTION, INCLUDING REGULATIONS:**

17 **(1) DEFINING OR EXCLUDING AN ACT, A PRACTICE, OR A COURSE OF**
18 **BUSINESS OF A PERSON SUBJECT TO THIS SECTION; AND**

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

21 **Article – Courts and Judicial Proceedings**

22 **3–230.1.**

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

26 **Article – Financial Institutions**

27 **2–105.1.**

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

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

6 11-303.

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

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

13 **(1) SHALL BE LICENSED UNDER THIS SUBTITLE; AND**

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

16 **(i) THIS SUBTITLE;**

17 **(ii) SUBTITLE 2 OF THIS TITLE; AND**

18 **(iii) THE APPLICABLE PROVISIONS OF:**

19 **1. TITLE 12, SUBTITLES 1, 9, AND 10 OF THIS ARTICLE;**

20 **AND**

21 **2. TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW**

22 **ARTICLE.**

23 **(C) THE LICENSING, INVESTIGATORY, ENFORCEMENT, AND PENALTY**
24 **PROVISIONS OF SUBTITLE 2 OF THIS TITLE SHALL BE INTERPRETED, CONSTRUED,**
25 **AND APPLIED TO A PERSON REQUIRING LICENSING UNDER § 11-302(B) OF THIS**
26 **TITLE AS IF:**

27 **(1) THE PERSON WERE APPLYING FOR A LICENSE TO MAKE LOANS**
28 **SUBJECT TO THE MARYLAND CONSUMER LOAN LAW; OR**

29 **(2) THE PERSON'S BUSINESS ACTIVITIES CONSISTED OF MAKING**
30 **LOANS SUBJECT TO THE MARYLAND CONSUMER LOAN LAW.**

1 11-601.

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

4 (i) Takes a loan application; or

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

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

8 **[(2)] (3)** "Mortgage loan originator" does not include an individual who:

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

10 (ii) Performs only real estate brokerage activities and is licensed in
11 accordance with Title 17 of the Business Occupations and Professions Article, unless the
12 individual is compensated by a mortgage lender, mortgage broker, or other mortgage loan
13 originator or by any agent of a mortgage lender, mortgage broker, or other mortgage loan
14 originator; or

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

17 11-602.

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

21 11-615.

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

25 (i) Issuing an order:

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

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

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

3 (2) 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 ~~[\$5,000]~~
5 **\$25,000** for each violation from which the violator failed to cease and desist or for which
6 the violator failed to take affirmative action to correct.

7 12–105.

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

11 12–126.

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

14 (1) ~~[\$1,000]~~ **\$10,000** for a first offense; and

15 (2) ~~[\$5,000]~~ **\$25,000** for each subsequent offense.

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

18 (1) The seriousness of the violation;

19 (2) The good faith of the violator;

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

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

22 (5) The assets of the violator; and

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

24 12–906.

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

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

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

1 12-928.

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

4 (i) Issuing an order requiring the violator:

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

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

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

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

13 (3) If a violator fails to comply with an order issued under paragraph (1)(i)
14 of this subsection, the Commissioner may impose a civil penalty not exceeding ~~[\$1,000]~~
15 **\$25,000** for each violation from which the violator failed to cease and desist or for which
16 the violator failed to take corrective affirmative action.

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

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

21 (1) The seriousness of the violation;

22 (2) The good faith of the violator;

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

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

25 (5) The assets of the violator; and

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

27 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
28 as follows:

29 **Article – Financial Institutions**

1 **2-104.1.**

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (2) "STUDENT EDUCATION LOAN" HAS THE MEANING STATED IN
5 § 12-1101 OF THIS ARTICLE.

6 (3) "STUDENT LOAN BORROWER" HAS THE MEANING STATED IN
7 § 12-1101 OF THIS ARTICLE.

8 (4) "STUDENT LOAN OMBUDSMAN" MEANS AN INDIVIDUAL,
9 WHETHER A PAID EMPLOYEE OR A VOLUNTEER, WHOM THE COMMISSIONER
10 DESIGNATES TO SERVE AS A LIAISON BETWEEN STUDENT LOAN BORROWERS AND
11 STUDENT LOAN SERVICERS.

12 (5) "STUDENT LOAN SERVICER" HAS THE MEANING STATED IN
13 § 12-1101 OF THIS ARTICLE.

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

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

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

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

25 (3) COMPILE AND ANALYZE COMPLAINT DATA;

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

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

1 **(6) MAKE RECOMMENDATIONS REGARDING RESOLUTION OF**
2 **STUDENT LOAN BORROWER PROBLEMS AND CONCERNS;**

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

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

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

12 **(I) STUDENT LOAN BORROWERS;**

13 **(II) POTENTIAL STUDENT LOAN BORROWERS;**

14 **(III) STATE HIGHER EDUCATION INSTITUTIONS; AND**

15 **(IV) STUDENT LOAN SERVICERS; AND**

16 **(10) TAKE ANY OTHER ACTIONS NECESSARY TO FULFILL THE DUTIES**
17 **OF THE STUDENT LOAN OMBUDSMAN.**

18 **(D) (1) ON OR BEFORE OCTOBER 1, 2019, THE STUDENT LOAN**
19 **OMBUDSMAN, IN CONSULTATION WITH THE COMMISSIONER, SHALL ESTABLISH A**
20 **STUDENT LOAN BORROWER EDUCATION COURSE.**

21 **(2) THE COURSE SHALL:**

22 **(I) INCLUDE EDUCATIONAL PRESENTATIONS AND MATERIAL**
23 **ABOUT STUDENT EDUCATION LOANS; AND**

24 **(II) REVIEW THE FOLLOWING:**

25 **1. COMMON STUDENT EDUCATION LOAN TERMS;**

26 **2. DOCUMENTATION REQUIREMENTS FOR STUDENT**
27 **EDUCATION LOAN APPLICATIONS;**

- 1 **3. MONTHLY PAYMENT OBLIGATIONS FOR STUDENT**
- 2 **EDUCATION LOANS;**
- 3 **4. INCOME-BASED REPAYMENT OPTIONS FOR STUDENT**
- 4 **EDUCATION LOANS;**
- 5 **5. STUDENT EDUCATION LOAN FORGIVENESS**
- 6 **PROGRAMS; AND**
- 7 **6. STUDENT EDUCATION LOAN DISCLOSURE**
- 8 **REQUIREMENTS.**

SUBTITLE 11. STUDENT LOAN SERVICERS.

10 **12-1101.**

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

13 **(B) “SERVICING” MEANS:**

14 **(1) RECEIVING SCHEDULED PERIODIC PAYMENTS FROM A STUDENT**
 15 **LOAN BORROWER ACCORDING TO THE TERMS OF A STUDENT EDUCATION LOAN;**

16 **(2) APPLYING THE PAYMENTS ACCORDING TO THE STUDENT**
 17 **EDUCATION LOAN TERMS; AND**

18 **(3) PERFORMING OTHER ADMINISTRATIVE SERVICES.**

19 **(C) “STUDENT EDUCATION LOAN” MEANS ANY LOAN, NOTWITHSTANDING**
 20 **ANY ELECTION OF LAW OR DESIGNATION OF STATUS IN ANY CONTRACT, USED**
 21 **MAINLY FOR FINANCING EDUCATION OR OTHER SCHOOL-RELATED EXPENSES.**

22 **(D) “STUDENT LOAN BORROWER” MEANS:**

23 **(1) A RESIDENT OF THE STATE WHO HAS RECEIVED OR AGREED TO**
 24 **PAY A STUDENT EDUCATION LOAN; OR**

25 **(2) AN INDIVIDUAL WHO SHARES REPAYMENT RESPONSIBILITY WITH**
 26 **A RESIDENT DESCRIBED UNDER ITEM (1) OF THIS SUBSECTION.**

1 **(E) (1) “STUDENT LOAN SERVICER” MEANS A PERSON, REGARDLESS OF**
2 **LOCATION, RESPONSIBLE FOR SERVICING A STUDENT EDUCATION LOAN TO A**
3 **STUDENT LOAN BORROWER.**

4 **(2) “STUDENT LOAN SERVICER” INCLUDES:**

5 **(I) A TRUST ENTITY PERFORMING OR RECEIVING THE BENEFIT**
6 **OF STUDENT LOAN SERVICING; AND**

7 **(II) A PERSON CONDUCTING DEBT COLLECTION ACTIVITIES IN**
8 **THE STATE.**

9 **12-1102.**

10 **THIS SUBTITLE DOES NOT APPLY TO:**

11 **(1) A BANKING INSTITUTION, A CREDIT UNION, A NATIONAL BANKING**
12 **ASSOCIATION, AN OTHER-STATE BANK, OR AN OTHER-STATE CREDIT UNION;**

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

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

17 **12-1103.**

18 **A PERSON MAY NOT ENGAGE IN STUDENT EDUCATION LOAN SERVICING**
19 **UNLESS THE PERSON:**

20 **(1) IS LICENSED BY THE COMMISSIONER UNDER THIS SUBTITLE; OR**

21 **(2) IS EXEMPT FROM LICENSING UNDER THIS SUBTITLE.**

22 **12-1104.**

23 **(A) TO APPLY FOR A LICENSE, AN APPLICANT SHALL SUBMIT AN**
24 **APPLICATION ON THE FORM THAT THE COMMISSIONER PROVIDES.**

25 **(B) THE APPLICATION SHALL INCLUDE:**

26 **(1) A NONREFUNDABLE LICENSE FEE OF \$1,000;**

27 **(2) A NONREFUNDABLE INVESTIGATION FEE OF \$800;**

1 **(3) A NOTARIZED FINANCIAL STATEMENT OF THE APPLICANT**
2 **PREPARED BY A CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC ACCOUNTANT, THE**
3 **ACCURACY OF WHICH IS ATTESTED TO BY SOMEONE AUTHORIZED TO EXECUTE THE**
4 **DOCUMENTS;**

5 **(4) A HISTORY OF CRIMINAL CONVICTIONS OF THE APPLICANT AND**
6 **EACH PARTNER, MEMBER, OFFICER, DIRECTOR, AND PRINCIPAL EMPLOYEE OF THE**
7 **APPLICANT; AND**

8 **(5) ANY OTHER INFORMATION THAT THE COMMISSIONER REQUESTS.**

9 **(C) AN APPLICANT SHALL NOTIFY THE COMMISSIONER IN WRITING OF ANY**
10 **CHANGE IN THE INFORMATION PROVIDED UNDER SUBSECTION (B) OF THIS SECTION**
11 **NOT LATER THAN 10 DAYS AFTER THE OCCURRENCE OF THE EVENT THAT RESULTS**
12 **IN THE CHANGE OF INFORMATION.**

13 **12-1105.**

14 **(A) AFTER THE FILING OF THE APPLICATION IS COMPLETE, THE**
15 **COMMISSIONER SHALL INVESTIGATE:**

16 **(1) THE FINANCIAL CONDITION AND RESPONSIBILITY OF THE**
17 **APPLICANT;**

18 **(2) THE FINANCIAL AND BUSINESS EXPERIENCE OF THE APPLICANT;**

19 **(3) THE CHARACTER OF THE APPLICANT;**

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

22 **(5) THE GENERAL FITNESS OF THE APPLICANT.**

23 **(B) IF REQUESTED BY THE COMMISSIONER TO COMPLETE THE**
24 **INVESTIGATION REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, AN**
25 **APPLICANT OR A PARTNER, A MEMBER, AN OFFICER, A DIRECTOR, OR A PRINCIPAL**
26 **EMPLOYEE OF THE APPLICANT SHALL PROVIDE FINGERPRINTS FOR SUBMISSION TO**
27 **THE FEDERAL BUREAU OF INVESTIGATION, AND ANY OTHER GOVERNMENT AGENCY**
28 **OR GOVERNMENTAL ENTITY AUTHORIZED TO RECEIVE THIS INFORMATION FOR A**
29 **STATE, A NATIONAL, OR AN INTERNATIONAL CRIMINAL HISTORY BACKGROUND**
30 **CHECK.**

1 **(C) AN APPLICANT REQUIRED TO PROVIDE FINGERPRINTS UNDER THIS**
2 **SECTION SHALL PAY ANY PROCESSING FEE OR OTHER REQUIRED FEE.**

3 **12-1106.**

4 **(A) THE COMMISSIONER SHALL ISSUE A LICENSE TO AN APPLICANT IF:**

5 **(1) THE APPLICANT MEETS THE REQUIREMENTS OF THIS SUBTITLE;**

6 **(2) THE COMMISSIONER FINDS:**

7 **(I) THE APPLICANT'S FINANCIAL CONDITION IS SOUND; AND**

8 **(II) THE APPLICANT WILL CONDUCT BUSINESS:**

9 **1. HONESTLY;**

10 **2. FAIRLY;**

11 **3. EQUITABLY;**

12 **4. CAREFULLY;**

13 **5. EFFICIENTLY;**

14 **6. IN A MANNER CONSISTENT WITH THE PURPOSES OF**
15 **THIS SUBTITLE; AND**

16 **7. IN A MANNER COMMANDING THE COMMUNITY'S**
17 **CONFIDENCE AND TRUST;**

18 **(3) THE APPLICANT, AND, IF APPLICABLE, THE APPLICANT'S**
19 **PARTNER, SENIOR EXECUTIVE, OR SHAREHOLDER WITH AT LEAST 10% OF EACH**
20 **CLASS OF THE CORPORATION'S SECURITIES, IS QUALIFIED AND OF GOOD**
21 **CHARACTER; AND**

22 **(4) NO ONE ON BEHALF OF THE APPLICANT HAS KNOWINGLY MADE A**
23 **MATERIAL MISSTATEMENT OR AN OMISSION IN THE APPLICATION.**

24 **(B) IF AN APPLICANT DOES NOT MEET THE REQUIREMENTS OF THIS**
25 **SUBTITLE, THE COMMISSIONER SHALL:**

26 **(1) DENY THE APPLICATION;**

1 **(2) NOTIFY THE APPLICANT IMMEDIATELY OF THE DENIAL OF THE**
2 **APPLICATION; AND**

3 **(3) KEEP THE LICENSE FEE AND THE INVESTIGATION FEE.**

4 **12-1107.**

5 **(A) UNLESS A LICENSE IS RENEWED, SURRENDERED, SUSPENDED, OR**
6 **REVOKED, A LICENSE ISSUED UNDER THIS SUBTITLE EXPIRES AT THE END OF**
7 **SEPTEMBER 30 OF THE ODD-NUMBERED YEAR IMMEDIATELY FOLLOWING ITS**
8 **ISSUANCE.**

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

11 **(1) IS OTHERWISE ENTITLED TO BE LICENSED;**

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

14 **(3) SUBMITS TO THE COMMISSIONER A RENEWAL APPLICATION ON**
15 **THE FORM THAT THE COMMISSIONER REQUIRES CONTAINING ALL OF THE**
16 **INFORMATION REQUIRED UNDER AN INITIAL APPLICATION UNDER § 12-1104 OF**
17 **THIS SUBTITLE.**

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

20 **(D) A LICENSEE SHALL NOTIFY THE COMMISSIONER IN WRITING OF ANY**
21 **CHANGE IN THE INFORMATION PROVIDED UNDER SUBSECTION (B) OF THIS SECTION**
22 **NOT LATER THAN 10 DAYS AFTER THE OCCURRENCE OF THE EVENT THAT RESULTS**
23 **IN THE CHANGE OF INFORMATION.**

24 **(E) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, IF A LICENSEE**
25 **FILES A RENEWAL APPLICATION ON OR BEFORE THE LICENSE EXPIRATION DATE,**
26 **THE INITIAL LICENSE REMAINS EFFECTIVE UNTIL THE COMMISSIONER:**

27 **(1) ISSUES A RENEWAL LICENSE; OR**

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

1 **(F) THE COMMISSIONER MAY REFUSE TO APPROVE A RENEWAL LICENSE**
2 **APPLICATION FOR THE SAME REASONS THE COMMISSIONER MAY DENY AN INITIAL**
3 **LICENSE APPLICATION UNDER § 12-1106 OF THIS SUBTITLE.**

4 **12-1108.**

5 **(A) THE COMMISSIONER MAY DEEM AN APPLICATION UNDER § 12-1104 OR**
6 **§ 12-1107 OF THIS SUBTITLE ABANDONED IF THE APPLICANT FAILS TO RESPOND TO**
7 **ANY REQUEST FOR INFORMATION AUTHORIZED UNDER THIS SUBTITLE.**

8 **(B) THE COMMISSIONER SHALL NOTIFY AN APPLICANT IN WRITING THAT IF**
9 **THE INFORMATION REQUESTED IS NOT SUBMITTED WITHIN 60 DAYS AFTER THE**
10 **REQUEST DATE, THE APPLICATION WILL BE DEEMED ABANDONED.**

11 **(C) THE COMMISSIONER SHALL KEEP THE LICENSE FEES INCLUDED WITH**
12 **AN APPLICATION DEEMED ABANDONED UNDER THIS SECTION.**

13 **(D) ABANDONMENT OF AN APPLICATION UNDER THIS SECTION MAY NOT**
14 **PRECLUDE AN APPLICANT OR A LICENSEE FROM SUBMITTING A NEW INITIAL**
15 **APPLICATION IN ACCORDANCE WITH § 12-1104 OF THIS SUBTITLE.**

16 **12-1109.**

17 **(A) (1) WITHIN 15 DAYS AFTER A LICENSEE CEASES ENGAGING IN**
18 **SERVICING IN THE STATE, THE LICENSEE SHALL:**

19 **(I) SURRENDER ITS LICENSE; AND**

20 **(II) NOTIFY THE COMMISSIONER IN WRITING.**

21 **(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS**
22 **SUBSECTION SHALL:**

23 **(I) IDENTIFY THE LOCATION WHERE THE RECORDS OF THE**
24 **LICENSEE WILL BE STORED; AND**

25 **(II) INCLUDE THE NAME, MAILING ADDRESS, AND TELEPHONE**
26 **NUMBER OF AN INDIVIDUAL AUTHORIZED TO PROVIDE ACCESS TO THE RECORDS.**

27 **(B) THE SURRENDER OF A LICENSE UNDER SUBSECTION (A) OF THIS**
28 **SECTION DOES NOT REDUCE OR ELIMINATE THE LICENSEE'S CIVIL OR CRIMINAL**
29 **LIABILITY ARISING FROM ACTS OR OMISSIONS OCCURRING BEFORE THE**

1 SURRENDER, INCLUDING ANY ACTIONS THAT THE COMMISSIONER MAY TAKE
2 AGAINST A LICENSEE UNDER THIS SUBTITLE.

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

7 12-1110.

8 (A) A LICENSEE SHALL USE THE NAME AND BUSINESS ADDRESS SPECIFIED
9 ON ITS LICENSE.

10 (B) A LICENSEE SHALL:

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

12 (2) NOTIFY THE COMMISSIONER IN WRITING OF ANY CHANGE IN ITS
13 ADDRESS BEFORE THE LICENSEE CHANGES ITS ADDRESS.

14 (C) THE COMMISSIONER MAY ISSUE MORE THAN ONE LICENSE TO A
15 LICENSEE.

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

17 12-1111.

18 (A) EXCEPT AS OTHERWISE PROVIDED IN FEDERAL LAW, A FEDERAL
19 STUDENT EDUCATION LOAN AGREEMENT, OR A CONTRACT BETWEEN THE FEDERAL
20 GOVERNMENT AND A LICENSEE, A LICENSEE SHALL PRESERVE:

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

22 (2) EACH COMMUNICATION WITH A STUDENT LOAN BORROWER.

23 (B) A LICENSEE SHALL PRESERVE THE RECORDS AND COMMUNICATIONS
24 UNDER SUBSECTION (A) OF THIS SECTION FOR:

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

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

1 **(II) THE SALE, ASSIGNMENT, OR OTHER TRANSFER OF THE**
2 **SERVICING OF A STUDENT EDUCATION LOAN; OR**

3 **(2) A LONGER PERIOD IF OTHERWISE REQUIRED BY LAW.**

4 **(C) (1) THE COMMISSIONER MAY INVESTIGATE AND INSPECT THE**
5 **RECORDS OF A LICENSEE.**

6 **(2) FOR THE PURPOSES OF THIS SUBSECTION, A LICENSEE SHALL:**

7 **(I) MAKE ANY RECORDS REQUESTED BY THE COMMISSIONER**
8 **AVAILABLE; OR**

9 **(II) SEND COPIES OF ANY RECORDS REQUESTED BY THE**
10 **COMMISSIONER TO THE COMMISSIONER WITHIN 5 BUSINESS DAYS AFTER THE**
11 **REQUEST.**

12 **(3) IF REQUESTED BY A LICENSEE, THE COMMISSIONER MAY EXTEND**
13 **THE TIME A LICENSEE HAS TO SEND RECORDS REQUESTED UNDER PARAGRAPH**
14 **(2)(II) OF THIS SUBSECTION.**

15 **(4) A LICENSEE SHALL SEND ANY RECORDS BY:**

16 **(I) REGISTERED MAIL;**

17 **(II) CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR**

18 **(III) ANY EXPRESS DELIVERY CARRIER THAT PROVIDES A DATED**
19 **DELIVERY RECEIPT.**

20 **12-1112.**

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

24 **12-1113.**

25 **(A) A LICENSEE MAY NOT:**

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

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

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

7 **(4) OBTAIN PROPERTY BY FRAUD OR MISREPRESENTATION;**

8 **(5) KNOWINGLY MISAPPLY OR RECKLESSLY APPLY STUDENT**
9 **EDUCATION LOAN PAYMENTS TO THE OUTSTANDING BALANCE OF A STUDENT**
10 **EDUCATION LOAN;**

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

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

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

23 **(9) NEGLIGENCELY MAKE ANY FALSE STATEMENT OR OMIT ANY**
24 **MATERIAL FACT IN CONNECTION WITH:**

25 **(I) ANY INFORMATION OR REPORTS FILED WITH A**
26 **GOVERNMENT AGENCY; OR**

27 **(II) ANY INVESTIGATION CONDUCTED BY THE COMMISSIONER**
28 **OR ANY OTHER GOVERNMENT AGENCY.**

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

32 **12-1114.**

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

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

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

8 **(I) RESOURCES;**

9 **(II) STANDARDIZED OR UNIFORM METHODS OR PROCEDURES;**

10 **AND**

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

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

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

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

21 **(II) INCORPORATE THE AUDIT REPORT IN THE REPORT OR**
22 **EXAMINATION OR INVESTIGATION, OR OTHER WRITING.**

23 **12-1115.**

24 **(A) THE COMMISSIONER MAY CONDUCT INVESTIGATIONS AND**
25 **EXAMINATIONS FOR THE PURPOSES OF:**

26 **(1) APPROVING OR DENYING AN INITIAL OR RENEWAL LICENSE**
27 **APPLICATION UNDER THIS SUBTITLE;**

28 **(2) OBTAINING ANY INFORMATION REQUIRED BY THIS SUBTITLE;**
29 **AND**

1 **(3) DISCOVERING ANY VIOLATIONS OF THIS SUBTITLE.**

2 **(B) THE COMMISSIONER SHALL REVIEW, INVESTIGATE, OR EXAMINE ANY**
3 **LICENSEE OR OTHER PERSON SUBJECT TO THIS SUBTITLE AS OFTEN AS NECESSARY**
4 **TO CARRY OUT ITS PURPOSE.**

5 **(C) (1) THE COMMISSIONER SHALL HAVE FULL ACCESS TO ANY BOOKS,**
6 **ACCOUNTS, RECORDS, FILES, DOCUMENTS, INFORMATION, OR EVIDENCE RELEVANT**
7 **TO AN INQUIRY OR INVESTIGATION UNDER THIS SECTION REGARDLESS OF THE**
8 **LOCATION, POSSESSION, CONTROL, OR CUSTODY OF THE BOOKS, ACCOUNTS,**
9 **RECORDS, FILES, DOCUMENTS, INFORMATION, OR EVIDENCE.**

10 **(2) RECORDS THAT THE COMMISSIONER MAY HAVE ACCESS TO**
11 **UNDER PARAGRAPH (1) OF THIS SUBSECTION INCLUDE:**

12 **(I) CRIMINAL, CIVIL, AND ADMINISTRATIVE HISTORY;**

13 **(II) PERSONAL HISTORY AND EXPERIENCE;**

14 **(III) CREDIT HISTORY; AND**

15 **(IV) ANY OTHER INFORMATION NECESSARY OR RELEVANT TO AN**
16 **INQUIRY OR INVESTIGATION UNDER THIS SUBSECTION.**

17 **(D) THE COMMISSIONER MAY DIRECT, SUBPOENA, OR ORDER:**

18 **(1) EXAMINATION UNDER OATH OF ANY PERSON WHOSE TESTIMONY**
19 **MAY BE REQUIRED; AND**

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

22 **(E) THE COMMISSIONER MAY:**

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

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

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

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

7 **(2) A PERSON MAY REMOVE A DOCUMENT:**

8 **(I) BY COURT ORDER; OR**

9 **(II) WITH THE CONSENT OF THE COMMISSIONER.**

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

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

19 **12-1116.**

20 **THE COMMISSIONER MAY ENFORCE THIS SUBTITLE AGAINST A STUDENT**
21 **LOAN SERVICER WHO:**

22 **(1) IS DOING BUSINESS IN THE STATE; AND**

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

26 **12-1117.**

27 **(A) (1) THIS SUBSECTION APPLIES TO:**

28 **(I) ANY VIOLATION OF THIS SUBTITLE; OR**

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

3 **(2) THE COMMISSIONER MAY:**

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

6 **(II) TAKE ANY OTHER ACTION AGAINST THE LICENSEE**
7 **RESPONSIBLE FOR THE VIOLATION OR ACTION.**

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

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

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

14 **(I) COMMITTED FRAUD;**

15 **(II) ENGAGED IN DISHONEST ACTIVITIES; OR**

16 **(III) MADE ANY MISREPRESENTATION.**

17 **(C) THE COMMISSIONER SHALL PROVIDE A LICENSEE:**

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

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

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

25 **12-1118.**

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

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

3 **(2) THE OVERALL EFFECTIVENESS OF THE STUDENT LOAN**
4 **OMBUDSMAN POSITION; AND**

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

7 **12-1119.**

8 **THE COMMISSIONER SHALL ADOPT REGULATIONS TO CARRY OUT THIS**
9 **SUBTITLE.**

10 SECTION 3. AND BE IT FURTHER ENACTED, That:

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

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

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

20 SECTION 4. AND BE IT FURTHER ENACTED, That the Maryland Financial
21 Consumer Protection Commission established under Chapters 18 and 781 of the Acts of
22 2017 shall:

23 (1) study cryptocurrencies and other blockchain technologies; and

24 (2) include recommendations for State actions to regulate cryptocurrencies
25 in its 2018 report to the Governor and the General Assembly.

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

31 SECTION 6. AND BE IT FURTHER ENACTED, That the publisher of the
32 Annotated Code of Maryland, in consultation with and subject to the approval of the
33 Department of Legislative Services, shall correct, with no further action required by the

1 General Assembly, cross-references and terminology rendered incorrect by this Act or by
2 any other Act of the General Assembly of 2018 that affects provisions enacted by this Act.
3 The publisher shall adequately describe any correction that is made in an editor's note
4 following the section affected.

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