

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 281

(Chair, Finance Committee)(By Request - Departmental -
Labor)

Finance

Economic Matters

Office of the Commissioner of Financial Regulation - Sunset Extension

This departmental bill extends the termination date for the Office of the Commissioner of Financial Regulation (OCFR) within the Maryland Department of Labor by 10 years to July 1, 2032.

Fiscal Summary

State Effect: Special fund revenues and expenditures for OCFR are maintained beyond FY 2022.

Local Effect: None.

Small Business Effect: The Maryland Department of Labor has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law/Background: OCFR supervises the activities of the financial services industry through periodic on-site examinations and off-site monitoring programs. The mission of OCFR is to ensure that the citizens of Maryland are able to conduct their financial transactions through safe, sound, and well-managed institutions that comply with Maryland law, while providing a flexible, yet sound regulatory environment that promotes fair competition, encourages innovative business development, and supports the economy of Maryland.

OCFR is responsible for chartering and supervising Maryland trust companies, State-chartered banks, and State-chartered credit unions; licensing and supervising State-licensed financial entities, including mortgage lenders, mortgage brokers, mortgage servicers, mortgage loan originators, affiliated insurance producer-originators, check cashers, money transmitters, consumer debt collection agencies, consumer lenders, installment lenders, sales finance businesses, credit services businesses, and debt management companies; and registering and supervising credit reporting agencies and debt settlement companies, to ensure compliance with the laws and regulations of Maryland.

OCFR provides assistance to consumers by investigating complaints of questionable business practices involving State-chartered, licensed, and registered financial institutions under its supervision and authority. OCFR advises that it also conducts outreach focused on foreclosure and mortgage delinquencies in the State. Additionally, OCFR helps to connect Maryland consumers to effective financial education available through the State and nationally.

Maryland Program Evaluation Act

OCFR is one of approximately 60 regulatory entities and activities subject to termination unless reauthorized periodically through statute. Under the Maryland Program Evaluation Act, these entities may also be subject to an evaluation by the Office of Program Evaluation and Government Accountability (OPEGA) within the Department of Legislative Services prior to their termination. However, OPEGA may conduct an evaluation only if directed by specified entities or by legislation. OCFR is scheduled to terminate July 1, 2022; OPEGA was not asked to conduct an evaluation prior to its termination. Accordingly, OCFR has requested reauthorizing legislation.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - January 12, 2021
rh/mcr Third Reader - February 2, 2021

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Office of the Commissioner of Financial Regulation - Sunset Extension;

BILL NUMBER: SB 281

PREPARED BY: Joe Cunningham, Director of Legislative Response & Special Projects

PART A. ECONOMIC IMPACT RATING

This agency estimates that these proposed bill(s):

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

N/A.