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## House Bill 655

Date: March 4, 2020  
Committee: Economic Matters  
Bill Title: Consumer Protection - Automobile Financing Charges - Required Dealer  
Disclosures  
Re: Letter of Information

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House Bill 655 amends the definition of a Credit Services Business set forth in the Maryland Credit Services Business Act to include automobile dealers who participate in the finance charges associated with the purchase of a vehicle. HB 655 provides new standards regarding disclosures, and establishes limits on annual percentage rates a dealer may receive from participating in the finance charges. This bill will have an operational and fiscal impact on the Office of the Commissioner of Financial Regulation (OCFR), given that we anticipate an eventual increase in supervisory and enforcement activity involving this new population of credit services businesses, and anticipate the need to devote resources thereto.

As the definition of “dealer” under Transportation Article, § 15-101(c)(1) refers to vehicles registered under Title 13 of that Article, the number of impacted dealers could cover dealers of motor vehicles, trailers, semi trailers, and pole trailers driven on a highway. Accordingly, the OCFR expects the number of licensed credit services businesses to increase by approximately 1,600, which will be processed in the normal course utilizing the NMLS licensing system. Further, according to Maryland Vehicle Administration, in 2018 there were 334,229 new car sales and 748,596 used car sales in Maryland. Assuming many of these sales involved financing in which the dealer participated in the finance charges, the number of complaints the Agency could receive regarding the new requirements set out in this proposal is assumed to increase, which could result in additional investigatory and enforcement activity.

Thus, given such an anticipated increase in supervisory and enforcement activity involving this new population of credit services businesses, OCFR will require one (1) additional full-time examiner to meet the increased operational burdens.