



MARYLAND COMMISSIONER OF FINANCIAL REGULATION INDUSTRY ADVISORY REGULATORY GUIDANCE



July 15, 2021

Financial Institutions – Money Transmissions

During the 2021 session, the General Assembly passed [Senate Bill 219](#), which becomes effective on October 1, 2021, and amends Md. Code Ann., Financial Institutions (“FI”) § 12-401, *et. seq.*, for the purpose of modernizing Maryland’s Money Transmission Act (“MMTA”) in order to keep pace with significant changes in the money transmission industry. The new law, in pertinent part:

Lowers Fees for Branches and “Self-Service Financial Kiosks” - Current law does not differentiate the cost of licensing a money transmitter’s main location from that of its branches or self-service financial kiosks. Currently, licensees pay a \$2,000 fee for each individual branch and self-service financial kiosk. Under the new law, the fee schedule reduces the fee for a subsequent branch to \$1,000, and the fee for an automated self-service financial kiosk to \$500.

Clarifies Qualifications for Money Transmission License Applicants – The new law clarifies that applicants for licensure must satisfy the Commissioner that they maintain a certain “tangible” net worth, computed according to generally accepted accounting principles, of at least \$150,000, plus an additional net worth value of \$10,000 for each additional branch location or authorized delegate, up to a maximum of \$500,000.

Centralizes Reporting Requirements within the NMLS – Current law mandates the filing of annual and semi-annual, paper call reports outside the NMLS. The new law requires licensees to file NMLS MSB Call Reports electronically through the NMLS. Thus, the 2020 Annual Report, which was due on April 30, 2021, and the next semi-annual paper report, covering January 1 through June 30, 2021, will be due 45 days after June 30 (August 14, 2021) are the final paper reports. The first report under the new law will cover the third quarter of 2021, covering July 1 through September 30, and will be due 45 days thereafter (November 14, 2021).

Revises Mandatory Penalties for Compliance Violations – Current law requires licensees to obtain OCFR approval prior to changing their approved place of business. If a licensee fails to timely notify OCFR of a location change, or makes the change without OCFR approval, in addition to any other sanctions provide for under Maryland law, they are subject to a mandatory penalty of \$500 and cancellation of their license. The new law retains the fine, but eliminates the automatic loss of the license.

Increases Remittance Time for Prepaid Access – Current law requires authorized delegates to remit funds they receive for prepaid access within 48 hours after the next regular business day after receipt. The new law expands the period to five (5) business days.

Please Note:

By law, a money transmission license covers only one location. Thus, each location (including self-service financial kiosks) must have a license. Licensees should ensure that each of their Maryland locations are properly licensed.

Similarly, licensees are reminded that they are required by statute to post a notice on their website(s) that provides the OCFR's toll-free number and informs consumers that the OCFR will accept questions and complaints from Maryland residents at that number.. Under the new law, this notice is required to be included on any website or mobile application through which these services are offered – or on the outside of any self-service financial kiosk.

Contact

For questions about this advisory or the new law, please contact Sabrina Brown, Director of Money Services and Consumer Credit Supervision by phone at (410) 230-6091 or by email at sabrina.brown@maryland.gov.

The Office of the Commissioner of Financial Regulation, a division of the Maryland Department of Labor, is Maryland's consumer financial protection agency and financial services regulator. For more information, please visit our website at www.labor.maryland.gov/finance.



Office of the Commissioner of Financial Regulation