

## Office of the Commissioner of Financial Regulation

*Many Bills in the 2021 General Assembly pertained to Financial Regulation. Below are the bills that will impact the Office and its licensees.*

Bill Number	Bill Name	Effective Date	Description	Office of Financial Regulation Impact
SB281 Chapter 102	<a href="#">Office of the Commissioner of Financial Regulation - Sunset Extension</a>	Oct 1, 2021	Extends the sunset date for the Office of the Commissioner of Financial Regulation within the Maryland Department of Labor by 10 years to July 1, 2032 and preserves all related statutory and regulatory authority of the OCFR.	Office sunset date extended to July 1, 2032.
SB206 Chapter 249	<a href="#">State Collection Agency Licensing Board - Sunset Extension</a>	Oct 1, 2021	Extends the sunset date for the State Collection Agency Licensing Board (SCALB) within the Office of the Commissioner of Financial Regulation (OCFR) by 10 years to July 1, 2032 and preserves all related statutory and regulatory authority of SCALB.	Board sunset date extended to July 1, 2032.

<p>SB219 Chapter 100</p>	<p><a href="#">Financial Institutions – Commissioner of Financial Regulation – Money Transmissions</a></p>	<p>Oct 1, 2021</p>	<p>Establishes licensing requirements for certain money transmission locations; alters certain net worth requirements for certain applicants for a license to engage in money transmission. Requires an applicant for a license to engage in money transmission to provide the address of each self-service financial kiosk in a certain application. Reduces the fee associated with the establishment of ancillary branches and money transmission kiosks from \$2,000 each to \$1,000 and \$500, respectively. The fee remains \$2,000 for each principal office.</p>	<p>This law, initiated by the Commissioner, harmonizes and modernizes the Maryland Money Transmission Act (MMTA) under §§ 12-401 through 12-431 of the Financial Institutions Article by, among other things, incorporating applicable federal definitions by reference in order to generally align Maryland law with federal law. It updates the definition of “money transmission” to clarify that certain forms of value (e.g., cryptocurrencies and prepaid access system cards) are items of monetary worth and therefore subject to regulation under MMTA. This law also updates the reporting requirements for money transmitters and requires the use of the Nationwide Multistate Licensing System and Registry (NMLS). The law also addresses certain operational processes of licensees by (1) setting forth deadlines for the remittance and/or deposit of funds by authorized delegates (i.e., designated agents) and (2) altering penalties associated with failure to provide a required notice to the Office in a timely manner. The Office will draft administrative procedures in order to facilitate review and processing, and the Commissioner will issue industry guidance via an Advisory. The Office will also adopt administrative policies and procedures and training for the licensing, supervision, consumer services, and enforcement functions within OCFR.</p>
------------------------------	--	--------------------	--	--

<p>SB251 Chapter 101</p>	<p><a href="#">Commissioner of Financial Regulation - Licensing of Nondepository Institutions - Elimination of Paper License Requirements</a></p>	<p>July 1, 2021</p>	<p>Provides for the elimination of paper licenses for non-depository financial institutions, including check cashers, collection agencies, credit services businesses, consumer lenders, debt management services providers, installment lenders, money transmitters, mortgage brokers, lenders, and servicers, mortgage loan originators, and sales finance companies , Requires disclosure of information and establishes other reporting requirements for certain licenses that are provided for through the NMLS.</p>	<p>This law, initiated by the Commissioner, eliminates the requirement that non-depository licensees hold and maintain paper licenses. Paper licenses will be replaced with the credentials that are assigned to them by the NMLS, thereby fully transitioning licensing to an electronic system in lieu of a paper system (e.g., a licensee's NMLS number will serve as their license number). Licensed non-depository entities under the Business Regulation, Commercial Law, and Financial Institution Articles will be able utilize the NMLS system to make disclosures and disseminate relevant licensing information. This law also gives consumers the ability to verify, or otherwise validate, the status of a license electronically through the NMLS Consumer Access website. The Commissioner will issue industry guidance via an Advisory, and the Office will adopt administrative policies and procedures and training for the licensing, supervision, consumer services, and enforcement functions within OCFR.</p>
<p>SB185 HB471 Chapter 410</p>	<p><a href="#">Financial Institutions - Security Questions and Measures</a></p>	<p>Oct 1, 2021</p>	<p>Requires, under Title 1, Subtitle 2 of the Financial Institutions Article, that certain financial institutions – those that require their customers to provide an answer to a security question in connection with the provision of an account – to allow customers to choose from at least two (2) options for each required security question. The law applies prospectively and does not apply to any customer accounts created before its October 1, 2021 effective date.</p>	<p>This law impacts the Office operationally because the Office will be required to modify its examination procedures to ensure that covered institutions comply with the law. The law has no impact on federally-chartered financial institutions. The Commissioner will issue industry guidance via an Advisory. The Office will update internal administrative policies and procedures, particularly around Office examinations, to reflect the law's requirements.</p>

<p>HB1004 Chapter 427</p>	<p><a href="#">Financial Institutions - Commissioner of Financial Regulation - Credit Union Power</a></p>	<p>July 1, 2021</p>	<p>Requires state-regulated credit unions to provide the Commissioner with written notice at least 45 calendar days before engaging in any activity, service, or other practice authorized under federal law, but not expressly authorized under Maryland law. Notice must include a description of the proposed activity, service, or other practice, including (1) the specific authority used and (2) any condition that federal law requires (or allows) with respect to federally-chartered credit unions. Credit unions may begin to perform the activity, service, or other practice on the first business day after the 45th calendar day from the date the Office receives the required notice, unless the Commissioner (1) specifies a different date or (2) prohibits the activity, service, or other practice. The Commissioner may extend the 45-day period under the law if it determines that the credit union’s notice requires additional information or additional time for analysis. The Commissioner retains the power to prohibit a credit union from performing the activity, service, or other practice described in the notice if it determines that the same would (1) adversely affect the safety and soundness of the credit union; (2) be detrimental to the welfare of the general economy of the State; or (3) be detrimental to the public interest or to credit unions.</p>	<p>This law amends the so-called “wild card” law by simplifying the process that a State-chartered credit union must follow to engage in any additional activity, service, or other practice in which federally-chartered credit unions are authorized to engage, thereby easing the administrative tasks on the Office. The law eliminates the existing requirement that State-chartered credit unions must file an application with (and receive the approval of) the Commissioner. Instead, the law allows a State credit union to undertake an action within 45 calendar days after filing a notice of intention to do so with the Commissioner. The law aligns the State with many local states that have similar parity laws. The Office will modify its administrative procedures in order to facilitate prompt notice review and processing. The Commissioner will issue guidance via an Advisory.</p>
-------------------------------	---	---------------------	---	--

<p>SB933 Chapter 193</p>	<p><a href="#">Financial Regulation - Access to Banking and Financial Services - Reporting</a></p>	<p>July 1, 2021  (Due to GA on or before December 31, 2021)</p>	<p>Requires the Commissioner of Financial Regulation to submit a report to the General Assembly (GA) by December 31, 2021 that analyzes the banking environment in the State. That report must include (1) the number and types of State and federal banks and other financial institutions by jurisdiction; (2) identify “banking deserts” in the State – places in which citizens have limited access to financial services or are living in areas without a credit union or bank branch, and (3) recommended strategies to ensure residents of underserved jurisdictions have access to financial services.</p>	<p>The Commissioner will assign staff to assist in the drafting of the report.</p>
<p>SB691 HB861 Chapter 784</p>	<p><a href="#">Real Property - Landlord and Tenant - Reusable Tenant Screening Reports</a></p>	<p>Oct 1, 2021</p>	<p>Requires, under Title 8, new Subtitle 2 of the Real Property Article, that reusable tenant screening reports (reports prepared within the previous 30 days by consumer reporting agencies) contain certain information regarding a prospective tenant of residential property. Requires landlords to provide certain notice to prospective tenants regarding whether or not the landlord accepts reusable tenant screening reports, for landlords <i>are not</i> required to accept reusable tenant screening reports. Prohibits a landlord that accepts a reusable tenant screening report from assessing certain fees. Authorizes a landlord to require a prospective tenant to certify that there has not been a material change to the tenant’s name, address, bankruptcy status, criminal history, or eviction history since the date that the report was generated.</p>	<p>This law has minimal impact on the Office. The Commissioner will issue guidance to consumer reporting agencies via an Advisory.</p>

<p>HB1178 Chapter 512</p>	<p><a href="#">Income Tax – Subtraction Modification – First-Time Homebuyer Savings Accounts</a></p>	<p>July 1, 2021</p>	<p>Allows, under Title 10, Subtitle 2 of the Tax-General Article, a taxpayer to designate an account with a financial institution as a first-time homebuyer savings account. An eligible account holder may claim a subtraction modification for (1) the amount contributed, up to \$5,000, during the taxable year to a designated account and (2) the earnings, including interest and other income on the principal, from the designated account during the tax year. The subtraction modification may be claimed for up to 10 years and for a maximum earnings amount of \$50,000 during the 10-year period. This law takes effect July 1, 2021, and applies to tax year 2021 and beyond.</p>	<p>The Commissioner will issue guidance to both depository institutions and consumers via Advisories.</p>
<p>HB1213 Chapter 426</p>	<p><a href="#">Financial Institutions - Determination of Creditworthiness - Alternative Methods</a></p>	<p>Oct 1, 2021</p>	<p>Requires, under Title 1, Subtitle 2 of the Financial Institutions Article, certain financial institutions (specifically, banking institutions, credit unions, savings and loan associations, community development financial institutions, and specified credit grantors) to adhere to specified federal regulations when evaluating an application for a primary residential mortgage loan or an extension of credit, including consideration of the following verifiable alternative indications of creditworthiness: (1) history of rent or mortgage payments; (2) history of utility payments; (3) school attendance; and (4) work attendance. In addition, upon request by the applicant, any entity subject to the bill's requirements must consider other verifiable alternative indications of creditworthiness presented (or made available) to the entity by the applicant.</p>	<p>The Commissioner will issue guidance to industry stakeholders and consumers via Advisories, and the Office will update internal administrative policies, procedures, and training to reflect the law's requirements.</p>

<p>SB514 HB565</p> <p>Chapter 769</p>	<p><a href="#">Health Facilities - Hospitals - Medical Debt Protection</a></p>	<p>Jun 1, 2021 Jan 1, 2022</p>	<p>Outlines requirements relating to hospital debt collection policies and payment plans and prohibits a hospital from taking specified actions, including charging interest or fees, when collecting debt incurred by certain patients. Hospitals must annually submit its policy on the collection of debts owed by patients as well as a specified report to the Health Services Cost Review Commission (HSCRC), which HSCRC must compile into an annual medical debt collection report. By December 1, 2021, the Maryland Health Care Commission (MHCC) must examine and report on the feasibility of using the State-designated Health Information Exchange (HIE) to support determination of patients' financial status for determining eligibility for free or reduced-cost care or an income-based payment plan. By January 1, 2022, HSCRC must develop and report on guidelines for an income-based payment plan and study the impact on uncompensated care of providing specified refunds or requiring hospitals to forgive specified judgments or strike specified adverse information. The law generally takes effect January 1, 2022; provisions related to HSCRC and MHCC study and reporting requirements take effect June 1, 2021.</p>	<p>This law impacts debt collectors in the event that a hospital delegates their collection activity to them. Under those circumstances, the hospital must require that debt collector to, along with the hospital, be jointly and severally responsible for meeting the hospital debt collection requirements. The State Collection Agency Licensing Board (SCALB) will provide guidance to collection agencies via an Advisory. The Office will update internal administrative policies and procedures to reflect the law's requirements.</p>
---	--	------------------------------------	--	---