



MARYLAND COMMISSIONER OF FINANCIAL REGULATION INDUSTRY ADVISORY REGULATORY ALERT



September 21, 2022

PREPARE TO RENEW YOUR LICENSE

The NMLS License Renewal Process for licensing period 2023 begins on November 1, 2022 and ends December 31, 2022. Licensees that want to be assured that their license renewal request will be timely considered so that they can continue to do business in Maryland in 2023, must submit their license renewal requests by December 17, 2022.

The Office of the Commissioner of Financial Regulation (OCFR) encourages all licensees to review the Maryland NMLS renewal checklist for their license category now and prior to the submission of a renewal application. All requirements set forth in the checklist must be satisfied **before** the renewal application will be approved.

Md. Code Ann., State Government Article §10-226(b), states:

If, at least 2 calendar weeks before a license expires, the licensee makes sufficient application for renewal of the license, the license does not expire until:

- (1) The unit takes final action on the application; and
- (2) Either:
 - (i) The time for seeking judicial review of the action expires; or
 - (ii) Any judicial stay of the unit's final action expires.

Therefore, the Commissioner strongly encourages licensees to submit their license renewal requests by December 17, 2022, which is two calendar weeks prior to expiration. If your renewal request is submitted by that date, and the Commissioner has not acted on the license renewal application by December 31, 2022, the license will remain active, and you may continue conducting business in accordance with the statute.

Maryland has no reinstatement period. Except as provided by regulation for Mortgage Lenders, a licensee that fails to submit a renewal request by December 31, 2022 will no longer be licensed, will see their license status in the NMLS changed to "Terminated-Expired," and must cease conducting Maryland business. Under those circumstances, if they wish to conduct Maryland business after December 31, 2022, they will need to file with the Commissioner a new license application or new registration together with all applicable application and investigation fees. If your renewal request is submitted after December 17,

2022, and the Commissioner has not acted on the license renewal application by December 31, 2022, the license will expire on December 31, 2022, and you must cease conducting business until the renewal is approved. This guidance applies to both companies and individuals (including mortgage loan originators).

REMINDERS

- **Paper Licenses**. In accordance with Maryland law, effective October 1, 2021, paper licenses were eliminated. You will not receive a paper license for 2023. Your NMLS record now functions as your license; as long as your Maryland license is in an approved status in NMLS, your license is valid and active.
- **Registrations**. As with licenses, registrations must be renewed annually. You must review the information in your NMLS record, make any necessary updates to ensure accuracy, and submit a request.

ACTIONS YOU SHOULD TAKE TO RENEW YOUR LICENSE

1) **Ensure that you have sufficient surety bond coverage if required for your license.**

- **Electronic Surety Bond (ESB):**

If your license requires a surety bond, you must provide a single ESB in the required amount. NMLS does not support ESBs within the branch office records. For licensees who have previously submitted or managed surety bonds for branches, you must manage these bonds through a single surety bond at the company level. The surety bond amount must meet the appropriate obligation established by the Commissioner.

NOTE: OCFR will not renew any licensee whose surety is canceled in NMLS.

- **Volume of Business statement:**

If OCFR staff is unable to determine the required bond amount for a mortgage lender license applicant, they may ask for a volume of business statement. If requested, provide that statement promptly to avoid delaying the processing of your application. You do not need to provide a volume of business statement unless it is requested.

2) **Ensure that you are in good standing with the Maryland Department of Assessments and Taxation.**

You must be in good standing with the Maryland Department of Assessments and Taxation in order to renew your license. OCFR will review online records for all licensees required to submit a Maryland good standing certificate and if those records do not reflect that an entity is in good standing with Maryland at the time of that review, the licensee will be required to provide proof of Maryland good standing before the renewal application will be approved.

NOTE: For non-Maryland companies, OCFR will not require proof of Good Standing from the State of Formation at renewal.

3) **Ensure that you have, and will maintain, the required tangible net worth (MORTGAGE**

LENDER licensees only).

For Mortgage Lender licensees, OCFR will review the Mortgage Call Report (MCR) to determine if the license meets the tangible net worth requirement. If it is determined that the entity does not meet the required tangible net worth, the license will be required to submit an **audited, reviewed, or compiled** financial statement (Balance Sheet is acceptable documentation). The financial statement must be prepared by a Certified Public Accountant (CPA) or Accounting Firm and must include a cover letter from the CPA or Accounting Firm. To avoid delays in renewal approval, please promptly provide the statement and letter upon request.

4) COLLECTION AGENCIES: Submit your renewal application timely to avoid an additional fee.

File for renewal on time. Maryland law specifies that Collection Agency licensees who do not obtain or renew a license in a timely manner must pay an additional fee. That law provides as follows:

Md. Code Ann., Business Regulation Article §1-206 – Failure to get license from Department in timely manner:

- In general. - A person who must have a license issued by the Department but does not get the license on time shall pay, in addition to the required license fee, a late fee.
- Amount of late fee - The late fee shall be the sum of:
 - (1) up to 20% of the required license fee for the calendar month following the calendar month when the required license fee is due; and
 - (2) up to 4% of the required license fee for each calendar month or part of a month after that.

5) MORTGAGE LOAN ORIGINATORS

- Licensees who currently are in Approved-Inactive status in the NMLS must submit a renewal in order to have the license status remain in the approved-inactive status.
- Your continuing education must appear in your NMLS record. Course providers have up to seven (7) days to report course completion to NMLS; therefore, the Commissioner encourages you to complete your continuing education as early as possible. Courses completed after December 24 may not appear on your record in time for renewal.
- Your license will not be automatically renewed if you have any outstanding license items in NMLS. Please be sure to clear all license items before submitting your renewal request. Do not assume that your employer will address these license items.

IMPORTANT INFORMATION FOR ALL LICENSE TYPES

Auto-Renewal: The OCFR will auto-renew the following categories via NMLS five (5) days after the request is submitted:

- Collection Agency License
- Consumer Loan License

- Credit Services Business License
- Debt Settlement Services Provider Registration
- Installment Loan License
- Money Transmitter License
- Sales Finance License
- Check Cashier License/Registration
- Mortgage Loan Originators

In order for your license to auto-renew, you must clear any outstanding license items.

FREQUENTLY ASKED QUESTIONS

MORTGAGE LOAN ORIGINATORS

Continuing Education

Q: What is Maryland’s continuing education requirement?

A: Unless you completed pre-licensing education in 2022, you must complete at least 8 hours of continuing education. See details on the [state-specific education chart](#) on the NMLS Resource Center. Your continuing education must be reflected in your NMLS record. Please remember that it may take up to seven days for completed courses to appear in your record.

Am I required to take Continuing Education this year?			
If I completed SAFE Act PE prior to 2022	and I was approved for an initial license prior to 2022	am I required to complete CE in 2022	YES
If I completed SAFE Act PE prior to 2022	and I was approved for an initial license in 2022	am I required to complete CE in 2022	YES
If I completed SAFE Act PE in 2022	and I was approved for an initial license in 2022	am I required to complete CE in 2022	NO

Tax Liability

Q: Can I renew my license if I have an outstanding tax liability with the State of Maryland?

A: No. You must resolve any outstanding personal income tax, business tax and/or unemployment insurance liabilities with the State of Maryland before a renewal application can be approved OCFR. If you have unpaid liabilities, OCFR must receive verification from the Comptroller of Maryland that you have paid, or satisfactorily arranged for payment of, State taxes.

Contact the following, if applicable:

- Income Tax: 410-974-2432
- Business Tax: 410-649-0633

- Unemployment Insurance Tax: 410-767-2699

MORTGAGE LENDERS

Continuing Education

Q: Does Maryland have a continuing education requirement for persons other than mortgage loan originators?

A: Yes. Certain covered employees must complete continuing education annually. Complete the continuing education requirements. Each "covered employee" of a licensee must satisfy the following continuing education requirements:

- 3 hours of federal law and regulations;
- 2 hours of ethics that shall include on instruction on fraud, consumer protection, and fair lending issues;
- 2 hours of training related to lending standards for the nontraditional mortgage product market; and
- 1 hour of instruction on Maryland mortgage-related laws.

A "covered employee" means the manager of each corporate office and branch office licensed, or required to be licensed, by the Agency. A covered employee does not include a manager of the licensee who has been an employee for less than six months before the expiration of date of the licensee's current license *and* has had no prior experience as a manager of any other licensee.

MORE INFORMATION

For assistance in completing the renewal process, contact the NMLS Call Center at 1-855-665-7123. Questions relating to Maryland licensing requirements may be sent to Arlene Williams, Director of Licensing, at (410) 230-6068 or arlenef.williams@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

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