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## MARYLAND COMMISSIONER OF FINANCIAL REGULATION INDUSTRY ADVISORY REGULATORY NOTICE

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October 21, 2020

### **CONSUMER REPORTING AGENCIES: SURETY BONDS AND TRANSITION OF REGISTRATION TO NMLS**

On August 14, 2020, the Commissioner of Financial Regulation published a proposed regulation regarding consumer reporting agencies, which may be found [here](#). The regulation has been adopted as proposed, and took effect on October 19, 2020. The regulation includes the requirement for registered consumer reporting agencies to transition their registrations to the Nationwide Multistate Licensing System, commonly known as NMLS. Additionally, the regulation implements the statutory requirements regarding surety bonds, as specified in Md. Code Ann., Commercial Law Article §14-1217.

Registrants may begin submitting transition requests on November 1, 2020; however, they are permitted to establish their NMLS accounts today, and begin to prepare their registrations for submission. Companies will be expected to transition to the NMLS by December 31, 2020 and the Office is prepared to work with them during this timeframe if assistance or additional time is requested.

NMLS is a nationwide system for financial services licensing and registration. Established in 2008, it is used by all states for the licensing or registration of various types of financial services providers. It is a secure, web-based system which allows a business or individual to create a single record, shared by all states using the system, instead of submitting an entire license or registration application to each state individually. It allows licensees and registrants to update their information directly, at any time. And, it greatly simplifies the renewal process, because it relies on the information already in the system as the renewal application. The system is operated on behalf of the states by the State Regulatory Registry LLC, a subsidiary of the Conference of State Bank Supervisors.

Registrants will be required to create and maintain an account in NMLS, provide certain required information, and upload certain required documents to NMLS. (NOTE: a registrant who already has an NMLS account need not create a new account and will be able to complete the transition using the existing account; but, they will still be required to provide the information or documents specifically required for this registration.) While registrants will not be able to request transition of their registrations until November 1, 2020, as stated above, they are free to create their NMLS accounts at any time, and are encouraged to do so prior to November 1. A checklist of required information and documents for the transition is available [here](#). The checklist includes the surety bond requirements.

**Note:** The required surety bond amount is based on the number of reports an agency has prepared as a percentage of the population of Maryland published by the United States Census Bureau. The Commissioner will use the population figure from the most recently completed census. Currently, that is the 2010 census figure, which is 5,773,794. This figure will be published on the Commissioner's website. Bonds must be provided in the form of an NMLS electronic surety bond (ESB). Nearly all major sureties participate in the NMLS ESB program. More information on ESBs is available on the [Electronic Surety Bond page](#) in the NMLS Resource Center.

NMLS makes available information and training materials to assist new users. The [NMLS Resource Center](#) is the primary source for information, and provides access to [training workshops](#). New users are encouraged to review [this pre-recorded webinar](#) to learn about creating an NMLS account and requesting a registration. Additionally, users may contact the NMLS Call Center at 1-855-NMLS-123 (1-855-665-7123) for live assistance when needed. Please be aware that the Commissioner's staff cannot provide assistance with use of the NMLS system; please call the NMLS Call Center if such assistance is needed.

There will be no fee for the transition to the NMLS from the current paper-based system. Registrations for 2021 must be done via NMLS; renewal will not be permitted outside of NMLS. The transition will serve as the renewal. There will be no fee for renewals.

For questions about this advisory, please contact Betty Yates, Assistant Director of Licensing, by phone at (410) 230-6150 or by e-mail at [betty.yates@maryland.gov](mailto:betty.yates@maryland.gov).

*The Office of the Commissioner of Financial Regulation, a division of the Maryland Department of Labor, is Maryland's banking and financial services regulatory agency. For more information, please visit our website at [www.labor.maryland.gov/finance](http://www.labor.maryland.gov/finance).*



Office of the Commissioner of Financial Regulation