

Office of the Commissioner of Financial Regulation

Many bills in the 2018 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
HB 187	Financial Institutions – Non-Depository Special Fund - Expansion	June 1, 2018	Requiring certain revenue, fees, and examination and investigation fees and assessments relating to the licensure of collection agencies, consumer lenders, installment lenders, sales finance companies, mortgage lenders, check cashing services, and credit services businesses to be credited to the Non-depository Special Fund; altering the composition and the purpose of the Fund; etc.	This law provides for the transferring of licensing fees and revenue from Financial Regulation from the General Fund to the Non-Depository Special Fund and provides that the Non-Depository Special Fund is to be spent to cover the direct and indirect costs of fulfilling the regulatory and statutory duties of the Commissioner and Maryland Collection Agency Licensing Board under relevant Maryland law.
HB 1511/ SB 566	Credit Regulation - Mortgage Brokers - Finder's Fee	Oct 1, 2018	Altering a certain provision of law limiting the amount of a finder's fee that may be charged by a mortgage broker obtaining a mortgage loan with respect to the same property more than once within a 24-month period.	Under this law, Mortgage brokers who obtain a loan more than once on a property in a 24-month period may receive up to a cumulative 8% in finder's fees. Compliance with this provision is subject to review by the Commissioner.
SB 755	Credit Regulation - Escrow Accounts - Water and Sewer Facilities Assessments	Oct 1, 2018	Authorizing a certain lending institution that makes a certain loan secured by a certain first mortgage or first deed of trust to create a certain escrow account solely for the payment of water and sewer facilities assessments on a certain request; providing that certain provisions of law do not apply to the payment of water and sewer facilities assessments under a certain direct reduction method; providing that funds in a certain escrow account for use for certain purposes may not be used in a certain manner; etc.	This law allows a borrower to authorize an escrow account solely for the payment of water and sewage assessments. The lender must have been paid an amount sufficient to make the payment, and have the bill in hand. The establishment of the escrow account is at the option of the lending institution. Compliance with this provision by state chartered or licensed lenders is subject to review by the Commissioner.

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HB 710/ SB 202	Consumer Protection - Credit Report Security Freezes - Notice and Fees	Oct 1, 2018	Prohibiting a consumer reporting agency from charging a fee for the placement of a security freeze requested by a consumer or a certain consumer representative; prohibiting a consumer reporting agency from charging a fee for the temporary lift or removal of a security freeze that has been placed on the consumer's credit report; and altering the contents of a certain notice that must be included with a certain summary of rights provided to a consumer.	Under this law, credit reporting agencies now offer free security freezes and thaws for life. Compliance with this provision is subject to review by the Commissioner.
HB 848	Commissioner of Financial Regulation - Consumer Reporting Agencies	Oct 1, 2018	Altering a certain prohibition on a consumer bringing a certain action or proceeding against a consumer reporting agency; altering the manner in which a consumer may place, temporarily lift, or remove a security freeze; requiring a consumer reporting agency to develop certain procedures involving the use of certain secure connections to receive and process certain requests; authorizing a consumer reporting agency to develop certain electronic methods; establishing the Non-depository Special Fund for certain purposes; etc.	This law permits the Commissioner to require consumer credit reporting agencies to register yearly through the NMLS as may be required by the Commissioner; requires submission of a bond or alternative, as determined by the Commissioner, as a condition of registration; enhances the Commissioner's investigatory powers and allows the Commissioner to take certain actions against consumer reporting agencies; includes supervision of credit reporting agencies as an authorized use of the Non-Depository special fund.
HB 1297	Commercial Law - Consumer Loans and Credit - Miscellaneous Provisions	Jan 1, 2019	Authorizing a lender to elect to make a certain loan to a borrower under certain circumstances; providing that certain provisions of law do not apply to certain loans under certain circumstances; prohibiting an unlicensed person from making a covered loan; providing that certain loans are void and unenforceable under certain circumstances; prohibiting certain persons from collecting or attempting to collect in a certain manner certain money or enforcing or attempting to enforce a certain contract in a certain manner; etc.	This law states that unlicensed people cannot make a covered loan. Loans under \$25,000 (rather than \$6,000) are now subject to small loan lending requirements in Maryland Consumer Lending Law. This law prohibits someone from lending \$25,000 or less if they are not licensed or exempt from Maryland Consumer Loan Law. Violations result in a loan becoming void and unenforceable.

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HB 1634/ SB 1068	Financial Consumer Protection Act of 2018	Oct 1, 2018	Altering the definition of "unfair or deceptive trade practice" to be "unfair, abusive, or deceptive trade practice"; providing that unfair, abusive, or deceptive trade practices include violations of the federal Military Lending Act or the federal service members Civil Relief Act; providing the purpose of the Act is to support enforcement by and funding of the Office of the Attorney General and the Commissioner of Financial Regulation to protect state residents when conducting financial transactions and receiving certain services; etc.	This law enhances the Commissioner's regulatory and penalty powers and allows the Commissioner to take certain actions in case of violations of law. The law allows the Commissioner to bring certain actions under Dodd-Frank provisions, provides for additional funding to the Office of the Commissioner for enforcement activity, establishes a student loan ombudsman in the Office of the Commissioner to oversee provisions of the bill concerning student loan servicers, requires the Commissioner to report on the implementation and effectiveness of the ombudsman position and to study the Office's ability to regulate fintech firms and to also issue a report thereon.
SB 42	Courts – Consumer Debt Collection Actions – Statute of Limitations	Oct 1, 2018	Clarifying that any payment toward, written or oral affirmation of, or any other activity on a certain debt that occurs after the expiration of the statute of limitations applicable to the consumer debt collection action does not revive or extend the limitations period; and providing that a certain provision of law may not be interpreted to affect the statute of limitations applicable to a cause of action arising from a certain agreement or payment plan entered into before the expiration of a certain statute of limitations.	This law establishes that a payment toward, oral or written mention of, or any action toward a debt does not extend the limitations period on a debt. Compliance with this provision by state chartered or licensed lenders or debt collectors is subject to review by the Commissioner.

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HB 78/ SB 222	Foreclosed Property Registry - Updated Information- Notice to Local Governments	Jan 1, 2019	Requiring the Department to establish procedures that require a foreclosure purchaser to submit to the Foreclosed Property Registry any change to certain information within 21 days after the change is known to the purchaser; requiring the Department to notify, by electronic means, on receipt of an initial registration or any change to certain information, authorized users from the county and the municipal corporation in which the property is located; and providing for a delayed effective date.	Under this law, DLLR is to modify its internet based Foreclosed Property Registry, establish procedures for foreclosure purchasers to submit any changes to certain information to the registry, and create a process of sending notices of changes to authorized Registry users.