



MARYLAND COMMISSIONER OF FINANCIAL REGULATION INDUSTRY ADVISORY REGULATORY NOTICE



June 26, 2023

IMPORTANT: CHANGES TO MARYLAND LICENSING LAW EFFECTIVE JULY 1, 2023

During its 2023 session, Maryland's General Assembly passed, and Governor Wes Moore has signed, House Bill 686 (567 Md. Laws 2023). The new law takes effect on July 1, 2023 and makes significant changes to Maryland law governing the licensure of financial services providers. This notice provides an overview of certain provisions of the law. The full text of the law may be found [here](#). Licensees should thoroughly review the full text of the new law and are expected to comply with all applicable provisions. *This notice is not intended as a substitute for thorough review of the full text of the law.*

Elimination of Branch Licensure

Effective July 1, 2023, the Office of the Commissioner of Financial Regulation (OCFR) will cease issuing, maintaining, and renewing individual licenses for branch locations, and there will be no license fee associated with those locations. This applies to all business types licensed by OCFR or by the State Collection Agency Licensing Board. Each business will need only a single Maryland license for a given business activity as that license will serve for all locations properly disclosed to OCFR at which the licensee conducts business. After July 1, 2023, newly issued licenses will only reflect the address of the entity's principal executive office.

New Procedures – Licensees must upload to NMLS, in the “Additional Requirements” area, a list of all locations, other than the principal executive office, at which the licensee conducts business. The uploaded list of addresses must include the address of, and any trade name used at, each location. **Mortgage Lender licensees** should also include the name and NMLS ID of the branch manager for any location having a branch manager. A form OCFR has created for the purpose of providing this information may be found [here](#). The list should be updated through the NMLS whenever a new location or trade name is added, changed, or closed/terminated. Licensees may begin uploading lists immediately and all lists must be uploaded on or before July 1, 2023. Note that the law describes various activities which trigger the requirement to list a location. Locations at which employees work remotely in accordance with [COMAR 09.03.02.08](#) (Remote Work for Employees of Licensees) and [COMAR 09.03.09.07](#) (Mortgage Loan Originators: Locations) need not be listed.

The “**Check Cashing Services License – Principal Executive Office Designation (No Activity)**” designation will no longer be effective as of July 1, 2023. Any check cashing service that currently uses that designation will need to obtain a Check Cashing Services license for its principal executive office on or before July 1, 2023, and must list its additional locations as described above or a description of the geographic area in which it will conduct business if it is a mobile unit. This geographic description must be more specific than “Maryland.”

Under the new law, **Money Transmitter licensees** will not need to license self-service financial kiosks individually. These will be treated as additional locations under the new law. If a licensee has a mobile kiosk, or intends to move a kiosk periodically, the licensee should provide a description of the geographic area in which the kiosk will be operated. Again, this geographic description must be more specific than “Maryland.”

Annual Assessment

To ensure that OCFR maintains sufficient funding for its supervisory activities, the new law authorizes OCFR to impose an annual assessment on licensees as needed. Assessments will be based on various factors, including the cost of supervising a particular license category, the type and volume of business conducted by a given licensee, the assets of a given licensee, and any other factor the Commissioner considers appropriate. OCFR WILL NOT IMPOSE AN ASSESSMENT FOR FISCAL YEAR 2024, WHICH BEGINS JULY 1, 2023. Once OCFR begins issuing annual assessments, licensees will receive notice of any assessment via invoice through NMLS and will have 30 days to pay.

Surety Bonds

The new law alters the surety bond requirements for most license types for which surety bonds are required, providing OCFR with greater flexibility in establishing bond amounts. OCFR is reviewing current bonds and will notify any licensee whose required bond amount is changed.

For questions about this advisory, please contact Shereefat Balogun, Assistant Commissioner, at 410-230-6390, or by e-mail at shereefat.balogun@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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