



COMMISSIONER OF FINANCIAL REGULATION

ADVISORY NOTICE

REGULATORY ALERT



September 30, 2019

EXEMPTIONS FROM INFORMATIONAL STATEMENT REQUIREMENTS FOR BUSINESSES FACILITATING AND/OR BROKERING CONSUMER LOANS

During its 2019 session, Maryland's General Assembly passed, and Governor Hogan subsequently signed, Senate Bill 68 (88 Md. Laws 2019). The Commissioner of Financial Regulation reminds all Credit Services Businesses (as defined by Md. Commercial Law Code Ann. ("CL") §14-1901(e)) that they, in accordance with Senate Bill 68, are bound by certain information statement requirements under CL §14-1904 and CL §14-1905, respectively, but will be **exempt** from those information statement requirements when the Credit Services Businesses are engaged in obtaining an extension of credit for a consumer, or providing advice or assistance to a consumer with regard to obtaining an extension of credit for the consumer under CL §14-1901(e)(1)(II). This exemption for applicable Credit Services Businesses takes effect October 1, 2019.

Those Credit Services Businesses engaged in the services legally defined above, although exempt from certain information statement requirements under CL §§14-1904 & 1905, are required to provide all consumers with a copy of the written contract between the Credit Services Business and the consumer **before** the consumer executes the contract (see CL §14-1906(c)). Additionally, pursuant to CL §14-1906(a)(3), all contracts involving credit services businesses providing services described in CL §14-1901(e)(1)(II) will need to provide the following information in the contract: (i) a statement of the consumer's right to file a complaint under the Credit Services Businesses Act; (ii) the address of the Commissioner where a consumer can file a complaint; (iii) a statement that a bond exists and the consumer's right to proceed against the bond under the circumstances and in the manner set forth under CL §14-1910; and (iv) the principal business address of the credit services business. These requirements for applicable Credit Services Businesses also takes effect October 1, 2019.

The full text of Senate Bill 68 may be found [here](#). Questions regarding the above may be directed to Jedd Bellman, Assistant Commissioner of Non-Depository Supervision at the Office of the Commissioner of Financial Regulation by email at jedd.bellman@maryland.gov or by telephone at (410) 230-6390 (local) or (888) 784-0136 (toll free).