

Office of the Commissioner of Financial Regulation

Many Bills in the 2022 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
HB804 SB252 Chapter 106 Chapter 107	Commissioner of Financial Regulation – Enhanced Consumer Protections and Enforcement Tools	July 1, 2022	Prohibits a “regulated person” (generally, a nonbank financial institution) from (1) issuing an advertisement or making a representation that is false, misleading, or deceptive; (2) imposing, as a condition for a loan, a restriction on obtaining credit, property, or service from a competitor unless the restriction is reasonably necessary to secure the loan; (3) imposing, as a condition for a service, a restriction on obtaining credit, property, or service from a competitor; or (4) engaging in an act or a practice that is anticompetitive, unfair, deceptive, abusive, or injurious to the public interest. The new law also makes several technical changes to the Office of the Commissioner of Financial Regulation’s enforcement powers and confidentiality requirements.	This law, initiated by the Commissioner, fills a gap within the Office’s enforcement authority by extending existing limits against unfair, deceptive, and anti-competitive actions to <u>all</u> regulated entities (rather than just banking institutions) and therefore enhances the Office’s ability to effectively participate in multi-state, networked supervisory activities. The Office will modify its examination procedures to ensure that covered institutions comply with the law and will update internal administrative policies and procedures to reflect the law’s requirements.
SB175 Chapter 227	Fiduciary Institutions - Investigation of Financial Abuse and Financial Exploitation - Records Disclosure	Oct 1, 2022	Requires fiduciary institutions to disclose certain financial records to an adult protective services (APS) program at the Department of Human Services (DHS) that investigates suspected financial abuse or financial exploitation. In addition, the new law authorizes an APS agency or a law enforcement agency to share specified information with a fiduciary institution that files a report of suspected financial abuse or financial exploitation.	This law, initiated by DHS, has minimal impact on the Office, however its requirements aim to better synchronize the various provisions of current State and Federal law by eliminating perceived legal gaps between the two sets of law and enhancing communication between fiduciary institutions, APS programs, and law enforcement all to help authorities reduce the financial exploitation of vulnerable adults. The Office will issue an Advisory regarding the new law and its requirements for fiduciary institutions.

<p>SB425 HB568</p> <p>Chapter 650</p>	<p>Real Estate Associate Brokers and Salespersons - Compensation - Payment from Title Insurance Producer</p>	<p>Oct 1, 2022</p>	<p>This law requires that during property settlement, a licensed title insurance producer may, on behalf of a real estate broker (and in accordance with a written disbursement authorization provided by the real estate broker), pay compensation to (1) an associate real estate broker; (2) a real estate salesperson; or (3) a business entity formed by salespersons and associate brokers.</p>	<p>This law does not impact the Office directly, however, the Commissioner initiated discussions with the Maryland Insurance Administration (MIA) to determine whether any mandates of this new law are inconsistent with the provisions of the Real Estate Settlement Procedures Act (RESPA) or otherwise impact the Office's authority over mortgage brokers. The OCFR will follow the implementation efforts of the MIA and as deemed appropriate, issue notices to applicable institutions regarding the new law.</p>
<p>HB128</p> <p>Chapter 618</p>	<p>Debt Settlement Services – Student Education Loan Debt Relief – Disclosures and Prohibitions</p>	<p>Oct 1, 2022</p>	<p>Requires a debt settlement services provider engaged in the business of student education debt relief to include a disclosure on both their debt settlement services agreement and their service advertisements that the company is not affiliated with the U.S. Department of Education and is not a lender. Also, prohibits debt settlement services providers engaged in student education loan debt relief from (1) advising (expressly or by implication) student loan borrowers cease making scheduled loan payments to (or cease communicating with) the borrower's student loan servicer or (2) accessing or obtaining a borrower's student aid information in violation of federal law. Violation of the Maryland Debt Settlement Services Act, and hence the law's new provisions, will be considered as an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), and subject to MCPA's civil and criminal penalty provisions.</p>	<p>This law has minimal impact on the Office; however, its requirements do effect debt settlement service providers that are subject to the Office's jurisdiction. The Maryland Student Loan Ombudsman will monitor student education debt relief related complaints and will refer any matter that may be deemed as abusive, unfair, deceptive, or fraudulent to the Commissioner for further investigation and potential civil enforcement or criminal prosecution. The Ombudsman will issue an Advisory to consumers and the Office will issue an Advisory to licensees.</p>

<p>HB305 Chapter 648</p>	<p>Financial Institutions - Presumption of Property Abandonment - Revisions</p>	<p>Oct 1, 2022</p>	<p>Alters the method by which specified property held by a banking or financial organization (or a business association) may be considered abandoned. Under this new law, property is presumed abandoned three years <u>after the later</u> of (1) the date the holder is deemed to no longer have a valid address for the owner of the property or (2) pursuant to current law, the date the owner has last interacted with the banking or financial organization (or business association) through specified actions.</p>	<p>This law has minimal impact on the Office; however, the Office will modify its examination procedures, to the extent necessary, to ensure that covered institutions comply with the law and incorporate the changes into their procedures and training. Further, the OCFR will follow the implementation efforts of the Comptroller's Office and as deemed appropriate, issue notices to depository institutions regarding the new law.</p>
<p>HB1097 Chapter 654</p>	<p>Task Force on Property Appraisal and Valuation Equity</p>	<p>Jun 1, 2022</p>	<p>Establishes a Task Force on Property Appraisal and Valuation Equity to be staffed by the Department of Housing and Community Development (DHCD). The task force must address the persistent misevaluation and undervaluation of minority-owned property by (1) studying strategies and actions that will: help ensure that governmental oversight and industry standards and practices further valuation equity; increase training of appraisers to combat valuation bias; remove barriers to entry into the appraisal profession by minorities; assist in the development of a model for a meaningful reconsideration of value process; reduce or eliminate bias related to automated valuation models and alternative property valuation methods; and (2) identify legislative or other policy recommendations that will provide a comprehensive and coordinated approach for reducing bias in valuations, through enforcement, compliance, or other methods. The Task Force must report its findings and recommendations to the Governor and the General Assembly by October 31, 2023, and the Task Force Terminates June 1, 2024.</p>	<p>This law requires the Secretary of Labor, or the Secretary's designee, to participate in the Property Appraisal and Valuation Equity Task Force. The Commissioner will work with the Office of the Secretary, as well as Labor's Division of Occupational and Professional Licensing, to determine whether there will be any impact upon the Office and/or issue any necessary guidance regarding the Task Force's findings.</p>