



Maryland Licensing Workgroup



Office of Financial Regulation (OFR)

Meeting #1

November 7, 2025



Agenda-in-Brief

November 7, 2025

- Welcome and Briefing Video
- Introductions
- Open Meetings Act and Ethics Requirements
- Workgroup Duties and Projected Timeline
- Overview of Existing Licensing Framework
- Survey Results and Member Comments
- Final Thoughts and Next Steps

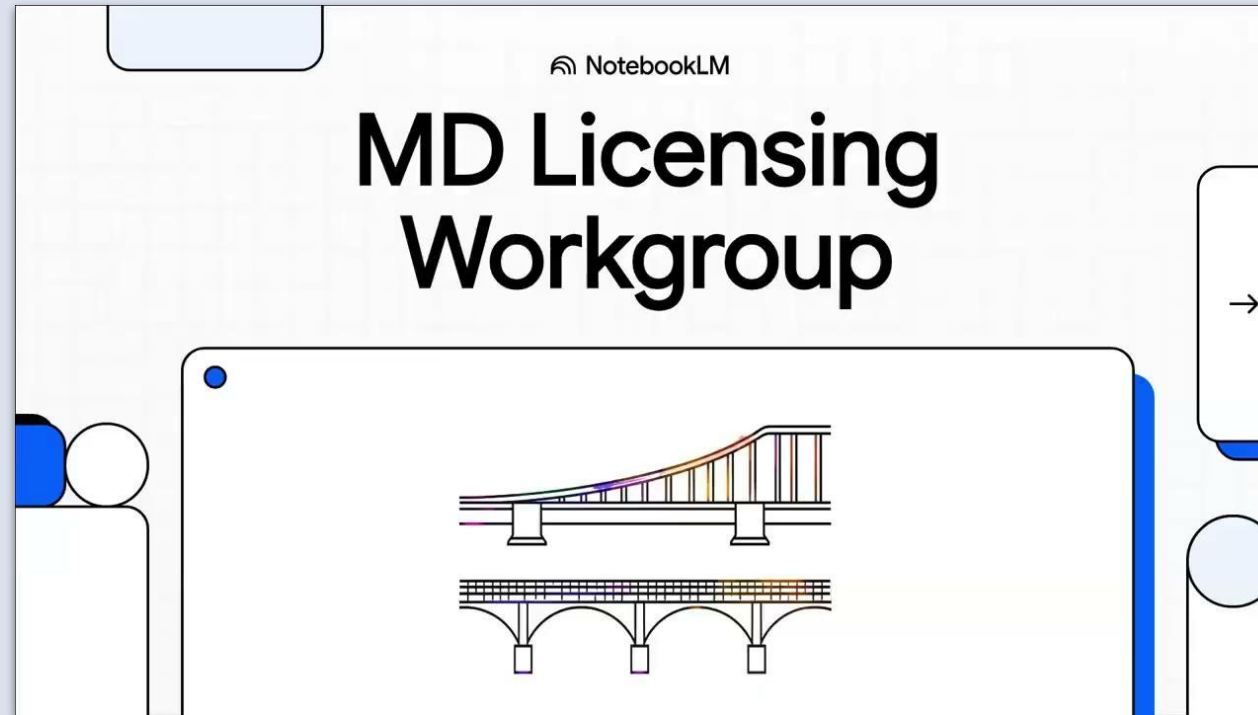


Office of Financial Regulation
www.labor.maryland.gov/finance



Welcome and Briefing Video

Tony Salazar,
Commissioner and Chair



Introductions

All

(Workgroup Members, Staff, and Attendees)



Maryland Open Meetings Act and Public Ethics Law

Emily Hanson
Assistant Attorney General



Office of Financial Regulation
www.labor.maryland.gov/finance



Open Meetings Act Purpose

“It is essential to the maintenance of a democratic society that, except in special and appropriate circumstances: (1) public business be conducted openly and publicly; and (2) the public be allowed to observe (i) the performance of public officials; and (ii) the deliberations and decisions that the making of public policy involves.”

- Maryland General Provisions Article § 3-102



Scope and Requirements

The law applies to a public body when it is meeting, *except* where the meeting is for:

- An administrative function;
- A judicial function;
- A quasi-judicial function; or
- A chance encounter, social gathering, or any other occasion not intended to evade the Act.

What makes the Maryland Licensing Workgroup a public body?

- Consists of two or more individuals;
- Created by State statute.

The Open Meetings Act requires:

- Notice
- Agenda
- Upon request, an interpreter



Closed Sessions & Minutes

There are certain situations in which a public body may meet in a closed session.

- The presiding officer must read a written statement about the reason for closing the session and the public body must vote to meet in closed session.
- Can only discuss the matter agreed to in the vote of the public body.

NOTE: OFR does not anticipate that this Workgroup will need to meet in a closed session.

A public body must prepare and make available session minutes whether open or closed.

A closed session only needs to issue a statement of:

- The time and place of the closed session;
- The vote of each member on closing the session;
- A citation on the reason for closing the session; and
- Topics presented, people present, and action taken.



Who is a “Public Official”?

An individual who...is appointed to a board, if the Ethics Commission determines under § 5-208 of this title that:

(i) the individual, acting alone or as a member of an executive unit, has decision-making authority or acts as a **principal advisor to an individual with decision-making authority**:

1. in **making State policy in an executive unit**; or
2. in exercising quasi-judicial, regulatory, licensing, inspecting, or auditing functions; and

(ii) the individual's duties are not essentially administrative and ministerial;



Ethics Reporting Requirements

Annual ethics disclosures must be made by **April 30th of each year for the prior year.**

NOTE: Because Working Group members are receiving de minimis compensation, what they are required to report is more limited.



Office of Financial Regulation
www.labor.maryland.gov/finance



Workgroup Duties and Projected Timeline

Amy Hennen
*Assistant Commissioner,
Policy & Engagement*



Summary of Statutory Duties

The Workgroup shall study the following:

- All licensing statutes and regulations adopted under those statutes concerning the provision of financial services in Maryland.
- The need for, and the effectiveness of, the existing licensing and registration system for actively licensed financial service providers in Maryland.
- Whether there is any benefit to expanding the existing licensing or registration systems to financial service providers not already subject to those requirements.

The Workgroup shall make recommendations regarding:

- The licensing and registration systems for actively licensed financial service providers in Maryland.
- The expansion of the existing licensing or registration systems to financial service providers not already subject to those requirements.



Summary of Statutory Duties (cont'd)

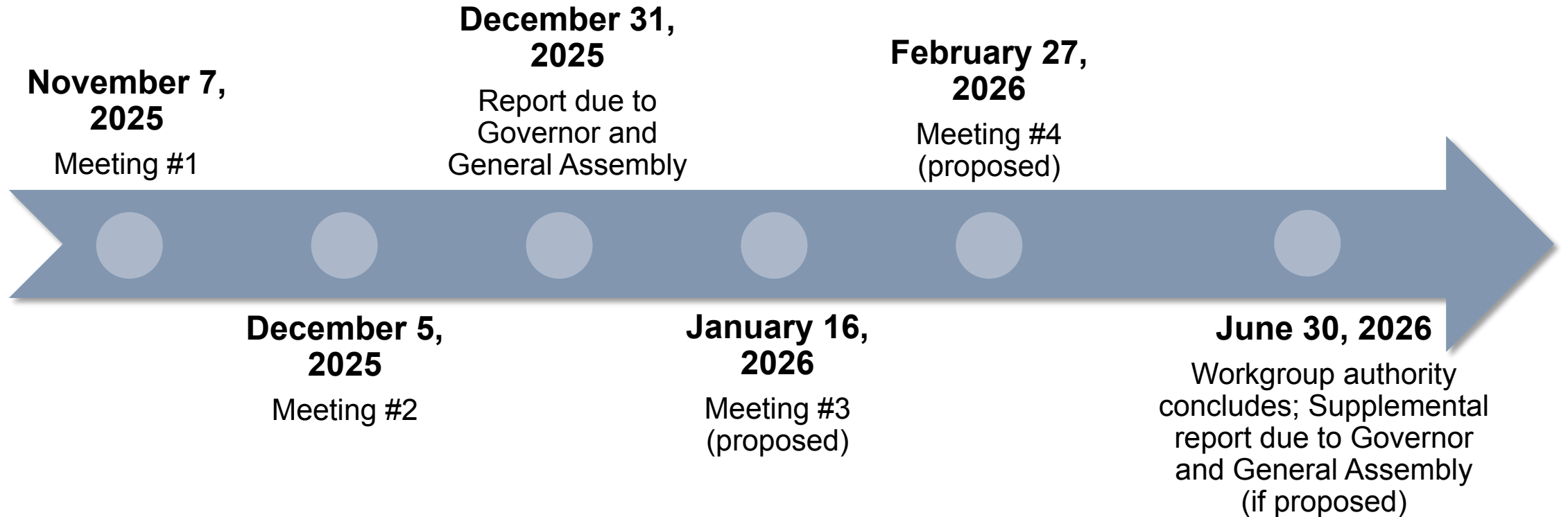
The Workgroup shall consider the potential impacts, costs, and benefits of its recommendations on:

- Maryland residents;
- Entities facilitating, brokering, making, servicing, or acquiring loans in Maryland;
- Availability of credit in Maryland;
- Cost of credit in Maryland, as compared to other states; and
- Capital markets, including the volume of secondary market transactions.

The Workgroup shall report its findings and recommendations to the Governor and the General Assembly on or before December 31, 2025.



Projected Timeline & Key Dates



Overview of Existing Licensing Framework

Cliff Charland

*Assistant Commissioner,
Financial Services Licensing & Supervision*

Arlene Williams

Director of Licensing



Networked Supervision & Multistate Collaboration

Networked supervision and multistate collaboration are critical components of OFR's licensing and supervision strategy.

- State financial regulators develop model laws; implement common standards and best practices; and share resources, knowledge, and expertise.
- States maintain their independence and the authority to enforce own laws and consumer protections.
- States and regulated entities benefit from improved risk detection and mitigation for industries engaging in activities at a national scale.
- OFR participates in a multistate licensing agreement for money services businesses.



Office of Financial Regulation
www.labor.maryland.gov/finance



System of Record

Nationwide Multistate Licensing System & Registry (NMLS)

- For licensing and registration of nondepository financial service companies and individuals (mortgage, money services, consumer finance, debt services), and for registration of depository institutions and their subsidiaries.
- Owned and operated by the Conference of State Bank Supervisors (CSBS) on behalf of all state financial regulators, as required by state and federal law (SAFE Act of 2008).
- Through NMLS, companies and individuals apply for, amend, renew, and surrender licenses and submit registrations; and regulators review and approve license applications and registrations and manage state requirements and procedures.
- [NMLSConsumerAccess.org](https://www.NMLSConsumerAccess.org) is a public-facing website for consumers to confirm their financial service provider is authorized to conduct business in their state.

Certain functions for OFR's licensing and supervision activities rely upon a 30+ years old **AS/400 legacy system** (i.e., data downloads, exam scheduling, billing calculations, and numerical reports). OFR is actively working to move these functions off the legacy system and expects to complete this transition within the next calendar year.



OFR Licensing Unit

- Receives, reviews, and investigates applications for licensing and registration; receives and responds to industry inquiries.
- Ensures that applicants comply with Maryland laws and regulations, including continuing education, financial stability, and other suitability requirements.
- Annual license renewal is from November to February. Unit preparations begin before November and often include hiring temporary staff to assist with additional workload.
- Requests for initial license and registration approvals, license surrenders, and license amendments are received and processed throughout the year.
- Licensing is one of ten OFR units/functions that are supported all or in part by the Nondepository Special Fund.
 - Unit's FY 2026 budget is estimated at \$2,115,000 (with \$1,438,180 for salary/fringe for and \$676,820 for all other costs).
 - Unit currently has 14 positions—1 Director, 1 Assistant Director, and 12 analysts. There are currently 3 vacancies (Assistant Director and two analyst positions); all are in the hiring pipeline.



Fiscal Year Data—Summary Tables

Number of Licensees, by Type

Fiscal Years 2025, 2024 and 2023 (Fiscal Years End June 30th)

License Type	FY 2025	FY 2024	FY 2023
Check Cashing Service	111	122	246
Collection Agency	1,045	1,065	1,561
Consumer Loan	158	165	234
Credit Service Business	73	69	70
Debt Management Service	17	18	25
Installment Loan	135	130	182
Money Transmitter	234	226	274
Mortgage Lender	1,122	1,127	3,257
Mortgage Loan Originator	13,532	12,452	13,294
Sales Finance	1,118	1,069	1,060
Total (Licensees)	17,545	16,443	20,203



Fiscal Year Data—Summary Tables (cont'd)

Number of Registrants, by Type

Fiscal Years 2025, 2024 and 2023 (Fiscal Years End June 30th)

Registration Type	FY 2025	FY 2024	FY 2023
Check Casher	48	46	44
Consumer Reporting	59	59	55
Debt Settlement Service	41	39	37
Mortgage Lender-Exempt	12	12	17
Student Financing Company	22	15	n/a
Total (Registrants)	182	171	153

Total (All)

Fiscal Years 2025, 2024 and 2023 (Fiscal Years End June 30th)

All Types	Total FY 2025	Total FY 2024	Total FY 2023
Total	17,727	16,614	20,356



Fiscal Year Data—Summary Tables (cont'd)

Penalty & Recovery Amounts, by Product Type or Activity

Fiscal Years 2025 and 2024 (Fiscal Years End June 30th)

Product Type or Activity	FY 2025		FY 2024	
	Penalties	Consumer Recoveries	Penalties	Consumer Recoveries
Consumer Loans	\$2,750	\$34,832	\$45,000	\$210,978
Credit Reporting	-	\$37	-	-
Credit Services	\$345,000	\$3,538,118	\$225,000	-
Debt Services	\$80,364	\$41,582	\$636,000	\$3,734
Maryland-Chartered Bank	-	\$106,330	-	\$1,230
Maryland-Chartered Credit Union	-	\$40,233	-	\$13,991
Money Services	\$1,647,396	\$103,556	\$216,136	\$24,733
Mortgage Assistance Relief Services	-	-	\$60,000	\$28,171
Mortgage Lender	\$984,551	\$139,404	\$81,700	\$195,752
Mortgage Loan Originator	-	-	\$2,100	-
Sales Financing	\$2,000	-	-	-
Student Loans	-	-	-	\$17,482
Total	\$3,062,061	\$4,004,092	\$1,265,936	\$496,071



Fiscal Year Data—Summary Tables (cont'd)

Number of Closed Consumer Complaints, by Product Type or Activity

Fiscal Years 2025 and 2024 (Fiscal Years End June 30th)

Product Type or Activity	FY 2025	FY 2024
Consumer Loans	169	105
Credit Reporting	82	92
Credit Services	4	5
Debt Services	145	136
Maryland-Chartered Bank	20	12
Maryland-Chartered Credit Union	117	101
Money Services	60	73
Mortgage	187	210
Non-Jurisdictional	174	298
Student Loan	69	50
Whistleblower	5	2
Total	1,032	1,084



Summary of Licensure Requirements

License	Statute	Activities (<i>see full spreadsheet for details and exemptions</i>)
Check Cashing Service	FI §12-101 <i>et seq</i>	Accepting or cashing, for compensation, a payment instrument.
Collection Agency	BR §7-301 <i>et seq</i>	Engaging directly or indirectly in the business of collecting a consumer claim.
Consumer Loan	FI §11-201 <i>et seq</i>	Making a loan governed by Maryland Consumer Loan Law—Credit Provisions.
Credit Services Business	CL §14-1901 <i>et seq</i> — refers to FI §11-201 <i>et seq</i>	Selling, providing, or representing to sell or provide, services that improve a consumer's credit record; or obtaining, advising or assisting a consumer with obtaining, an extension of credit.
Debt Management Service	FI §12-901 <i>et seq</i>	Receiving funds from a consumer for the purpose of distributing the funds among the consumer's creditors in payment of the consumer's debts.
Installment Loan	FI §11-301 <i>et seq</i> — refers to FI §11-201 <i>et seq</i>	Making or acquiring a loan or extension of credit under § 12-103(a)(3) or (c) or Title 12, Subtitle 9, or Subtitle 10 of the Commercial Law Article.
Money Transmitter	FI §12-401 <i>et seq</i>	Selling or issuing payment instruments or prepaid access or receiving and transferring currency, funds, or other value that substitutes for currency.
Mortgage Lender	FI §11-501 <i>et seq</i>	Making, brokering, servicing, or acquiring a mortgage loan.
Mortgage Loan Originator	FI §11-601 <i>et seq</i>	Taking a mortgage loan application or negotiating the terms of a mortgage loan.
Affiliated Insurance Producer-MLO	FI §11-603.1	Same as MLO, but applicable to an individual licensed as an insurance producer and employed as such by an insurer under common control with a financial institution/lender.
Sales Finance Company	FI §11-401 <i>et seq</i>	Acquiring, investing in, or lending money on the security of, an interest in an installment or retail credit agreement or in a secured home improvement transaction between other parties.



Summary of Registration Requirements

Registration	Statute	Activities (see <i>full spreadsheet for details and exemptions</i>)
Check Casher	FI §12-105.1	Accepting or cashing, for compensation, a payment instrument; as incidental to the retail sale of goods or services, within the interior of the business, charging no more than 1.5% or \$1, and meeting other requirements.
Consumer Reporting Agency	CL §14-1215	Assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties.
Debt Settlement Service Provider	FI §12-1001 <i>et seq</i>	Provides or offers to provide any service represented directly or indirectly to renegotiate, reduce or alter the debt terms between a consumer and unsecured creditors or collectors.
Exempt Collection Agency	BR §7-102(b)(10)	Person collecting debt for another person, related by common ownership, and not in the principal business of collecting debts.
Exempt Mortgage Company	FI §11-502(c)	Subsidiaries and affiliates of any bank, credit union, etc. or other-state bank with a branch accepting deposits in Maryland; and nonprofits who sponsor MLOs through NMLS.
Student Financing Company	FI §12-1101 <i>et seq</i>	Extending credit to a consumer for postsecondary education, or a purchaser, assigner or holder of credit; and not made, insured or guaranteed under federal Higher Education Act.
Virtual Currency Kiosk Operator	FI §12-1201 <i>et seq</i>	A person operating one or more virtual currency kiosks (as defined below).
Virtual Currency Kiosk (Fixed Location or Mobile)	FI §12-1201 <i>et seq</i>	A stand-alone automated platform through which a consumer may deposit or receive cash or use a credit or debit card to obtain virtual currency services; does not include money transmission.



Survey Results and Member Comments

Tony Salazar,
Commissioner and Chair

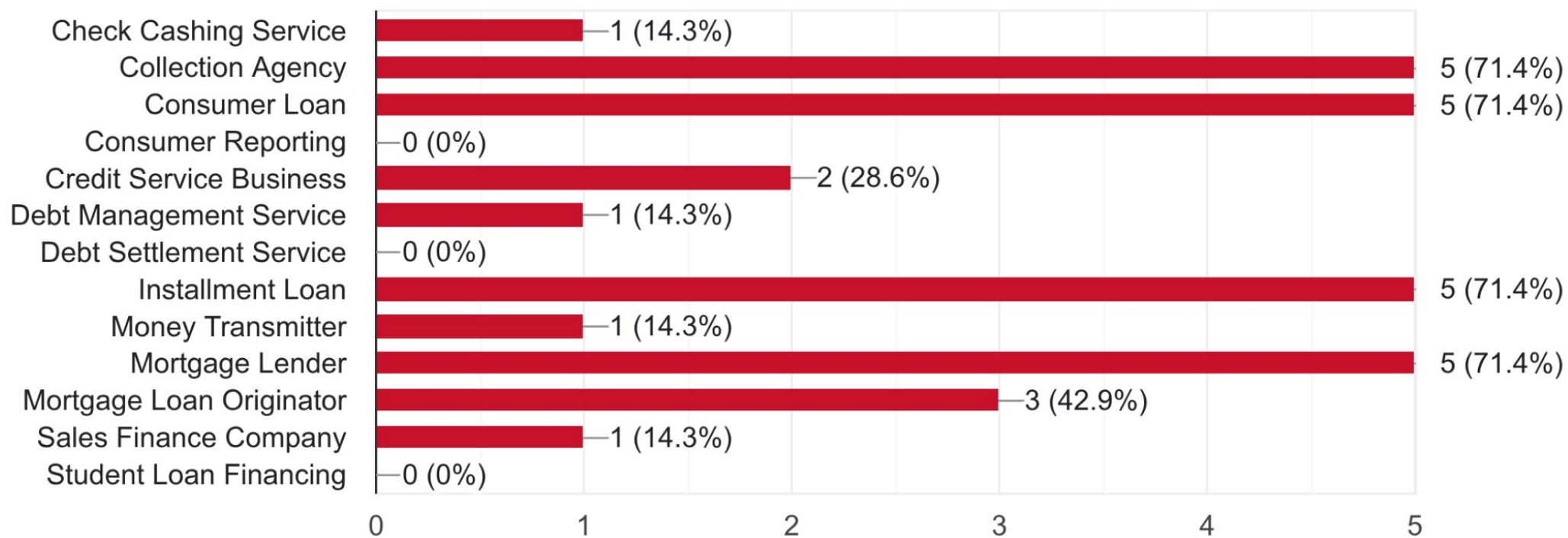
Workgroup Members



Member Survey Responses

Please indicate which existing Maryland license or registration categories you believe are most critical for the Workgroup to discuss. (select all that apply)

7 responses



Final Thoughts and Next Steps

Tony Salazar,
Commissioner and Chair

Next Meeting:
December 5, 2025 at 10:00am

Workgroup web page:
www.labor.maryland.gov/finance/frmdlicensingworkgroup.shtml

