

issuing checks, drafts, and money orders for a fee. Persons who wish to transact such business in Maryland must procure an annual license from the Commissioner. All such persons must report periodically to the Commissioner on agent charges, financial structure, and other conditions relative to their functions under the Law (Code Financial Institutions Article, secs. 12-401 through 12-424).

Eligible tax-exempt financial institutions may apply to the Commissioner of Financial Regulation to be supervised and examined by the Commissioner (Code Financial Institutions Article, sec. 12-701). These institutions must be nonstock corporations exempt from taxes under the Internal Revenue Code (sec. 501 (c)(3)), as amended; and financial institutions engaged solely in extending credit and loans to socially or economically disadvantaged businesses for their business and commercial development. In addition, a majority and all controlling members of such financial institutions must be persons designated and approved by any banking institution or national banking association.

The office of the Commissioner of Financial Regulation also handles consumer complaints against institutions under its jurisdiction.

Appointed by the Secretary of Labor, Licensing, and Regulation with the approval of the Governor, the Commissioner of Financial Regulation holds office at the pleasure of the Secretary (Code Financial Institutions Article, sec. 2-401).

#### BANKING BOARD

(410) 333-6808

The Banking Board was established in 1935 (Chapter 489, Acts of 1935). The Board advises the Commissioner of Financial Regulation on any matter concerning the business of any State banking institution. The Board also assists the Commissioner with approval or disapproval of applications by banking institutions and foreign banking corporations. If the Commissioner does not follow the Banking Board's advice, the Commissioner must notify the Board in writing of the reason for the action.

The Board is composed of the Comptroller of the Treasury and seven members appointed to six-year terms by the Governor with the advice of the Secretary of Labor, Licensing, and Regulation (Code Financial Institutions Article, secs. 2-201 through 2-204).

#### CONSUMER CREDIT REGULATION

The regulation of consumer credit began in 1939 under the jurisdiction of the Bank Commissioner (Chapter 741, Acts of 1939). It was reformed under the Administrator of Loan Laws in 1941 (Chapter 289, Acts of 1941). In 1970, the office was renamed Commissioner of Small Loans and, in 1974, Commissioner of Consumer Credit (Chapter 402, Acts of 1970; Chapter 457, Acts of

1974). In 1996, these responsibilities were assigned to the Commissioner of Financial Regulation.

The Commissioner of Financial Regulation licenses, registers, and regulates consumer loan companies, sales finance companies, retail credit card financing companies, installment loan lenders, debt collectors, credit grantors, and mortgage brokers, lenders, and servicers. In addition, the Commissioner administers the Maryland Credit Services Businesses Act, the Consumer Credit Reporting Agencies Law, the Maryland Equal Credit Opportunity Act, and the Denial of Credit Disclosure Act. The Commissioner has co-jurisdictional authority on unfair or deceptive trade practices and generally enforces the consumer protection laws governing credit. To discover violations of the law, the office regularly examines and investigates these companies. The office also maintains a complaint section which answers telephone inquiries and investigates complaints from consumers and the business community regarding irregularities or violations.

Upon the filing of a written letter of complaint, the Commissioner has authority to conduct an investigation and, after a formal hearing, can issue cease and desist orders, and award restitution. The Commissioner also may suspend or revoke a license upon finding an illegal activity (Code Financial Institutions Article, secs. 11-101 through 11-524; Commercial Law Article, secs. 12-514, 12-631, 12-916, 12-1016, 14-1218, 14-1706, 14-1911).

#### COLLECTION AGENCY LICENSING BOARD

H. Robert Hergenroeder, Jr., *Chair*

501 St. Paul Place  
Baltimore, MD 21202—2272 (410) 333-6801

The Collection Agency Licensing Board began as part of the office of the Commissioner of Consumer Credit in 1977 (Chapter 319, Acts of 1977). In 1996, the Board was placed under the Commissioner of Financial Regulation.

The Board regulates debt collection agencies. It issues, suspends, and revokes licenses; reprimands licensees; and receives and investigates written complaints from consumers. It may hold a hearing on allegations of violations of the Consumer Debt Collection Act by a debt collection agency. The Board also mediates disputes between consumers and debt collection agencies and may subpoena witnesses for attendance and testimony. In the mediation process, it may recommend monetary compensation to the consumer.

The Board's five members are appointed to four-year terms by the Governor with Senate advice and consent. Chaired by the Commissioner of Financial Regulation, the Board serves without compensation. Authorization for the Board continues until July 1, 2002 (Code Business Regulation Article, secs. 7-201 through 7-206).