

July 19, 2018



Office of the Commissioner of Financial Regulation (OCFR):

Maryland Volunteer Lawyers Service Webinar Training, July 2018

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Office of the Commissioner of Financial Regulation

Maryland Department of Labor, Licensing & Regulation





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The views expressed in this presentation are those of the presenter(s) alone and do not necessarily reflect the position of the Commissioner of Financial Regulation or the Secretary of the Department of Labor, Licensing & Regulation. This presentation contains general information only, and is not legal advice.



Presentation Topics/Agenda

- OCFR Mission and Overview
- Depository Supervision
- Non-Depository Supervision
- Enforcement Jurisdiction
- Consumer Complaint Process
- How to Submit a Consumer Complaint
- New Legislation Effective October 1
- Contact Information



OCFR Mission

OCFR Mission

Ensure that the citizens of Maryland are able to conduct their financial transactions through safe, sound, and well-managed institutions that comply with Maryland law, including various consumer protection provisions, while providing a flexible, yet sound regulatory environment that promotes fair competition, encourages innovative business development, and supports the economy of Maryland.



Overview of OCFR

- The **Office of the Commissioner of Financial Regulation** (“**OCFR**”) is a division within the Maryland Department of Labor, Licensing & Regulation.
- OCFR is responsible for **chartering, licensing, and supervising** certain individuals and businesses that provide financial services to Maryland consumers.
- OCFR conducts **periodic examinations and investigations** to ensure compliance with state and federal laws and regulations, and to ensure the safety and soundness of these entities.
- OCFR responds to **consumer complaints** against supervised entities, and undertakes **enforcement actions** for violations of laws and regulations.



Depository Supervision

- OCFR supervises and examines 51 state-chartered banks, credit unions, and trusts (as of June 20, 2018).
- OCFR also reviews applications filed by banks, credit unions, and trust companies for new charters, mergers, acquisitions, affiliates, stock conversions, changes in control, branches, foreign bank offices, field of membership changes, and all other approvals required under Maryland law.

For more information, or to look up an institution, visit our website:

<http://www.dllr.maryland.gov/finance/banks/>



Non-Depository Supervision

- OCFR is responsible for the supervision, examination, and/or investigation of the business activities of over 17,700 licensees and registrants (as of June 30, 2018).
- Industries include:

Mortgage Lenders (Brokers, Lenders and Servicers)	Check Cashers	Credit Reporting Agencies	Consumer Lenders
Mortgage Loan Originators	Money Transmitters	Credit Service Businesses	Installment Loan Lenders
Affiliated Insurance Producer-Originators	Debt Collection Agencies	Debt Management Services	Sales Finance Companies

To search for a licensee or registrant, go to

<http://www.dllr.maryland.gov/finance/industry/licsearch.shtml>



Enforcement Jurisdiction

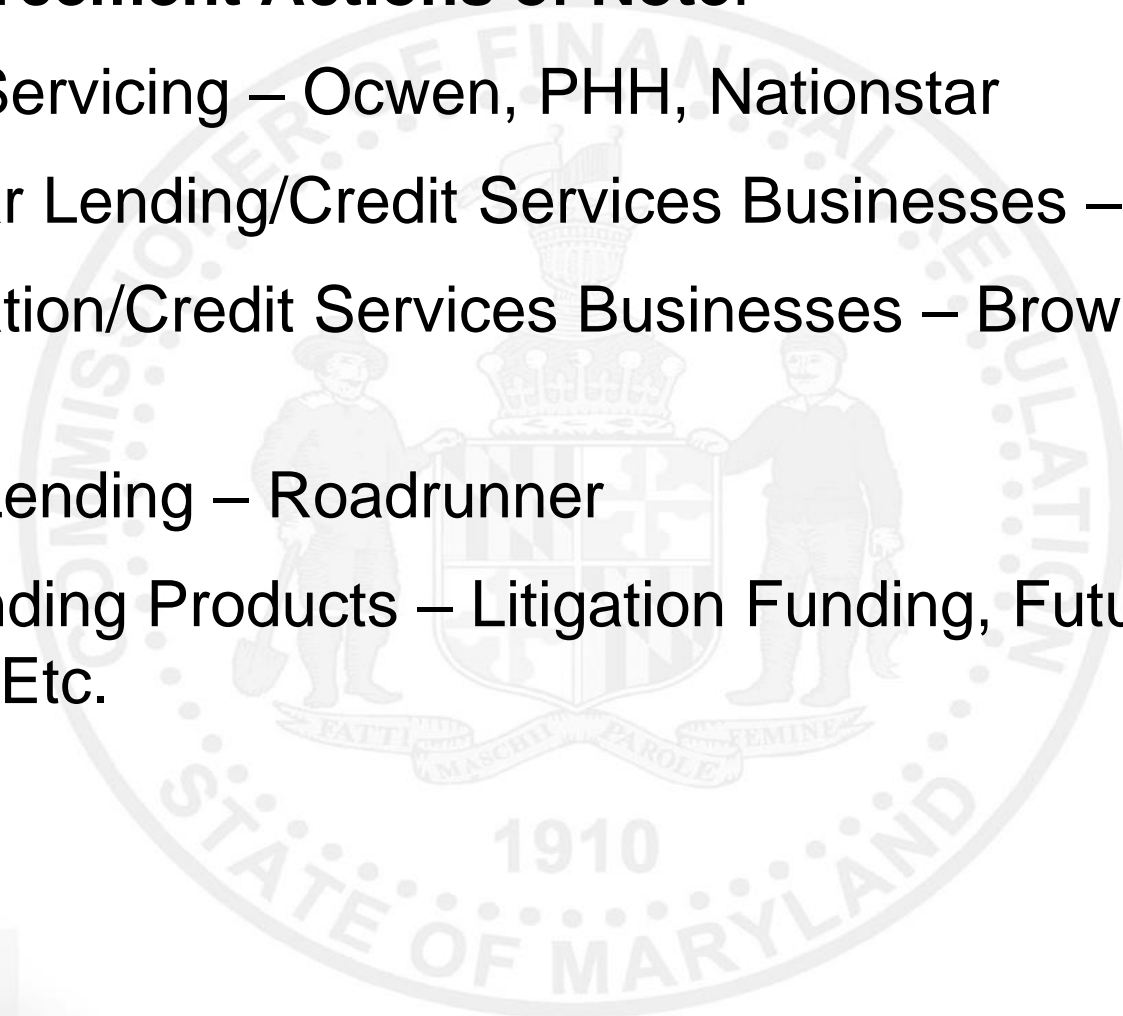
- OCFR's **Enforcement Unit** is the investigatory and enforcement arm of the Commissioner.
- The Enforcement Unit is responsible for investigating fraud-related issues and conducting specialized examinations involving licensed or registered entities, as well as unlicensed business entities and individuals, with the goal of uncovering improper business practices and/or violations of law subject to the jurisdiction of the Commissioner.
- The Enforcement Unit is also tasked with coordinating the enforcement activities brought by the Commissioner, including determining whether action is warranted, referring matters to litigation counsel, and managing the enforcement process should action be taken.



Enforcement Jurisdiction (cont'd)

Recent Enforcement Actions of Note:

- Mortgage Servicing – Ocwen, PHH, Nationstar
- Small Dollar Lending/Credit Services Businesses – CashCall
- Loss Mitigation/Credit Services Businesses – Brown, Brown & Brown
- Auto Title Lending – Roadrunner
- Unique Lending Products – Litigation Funding, Future Income Payments, Etc.





Consumer Complaint Process

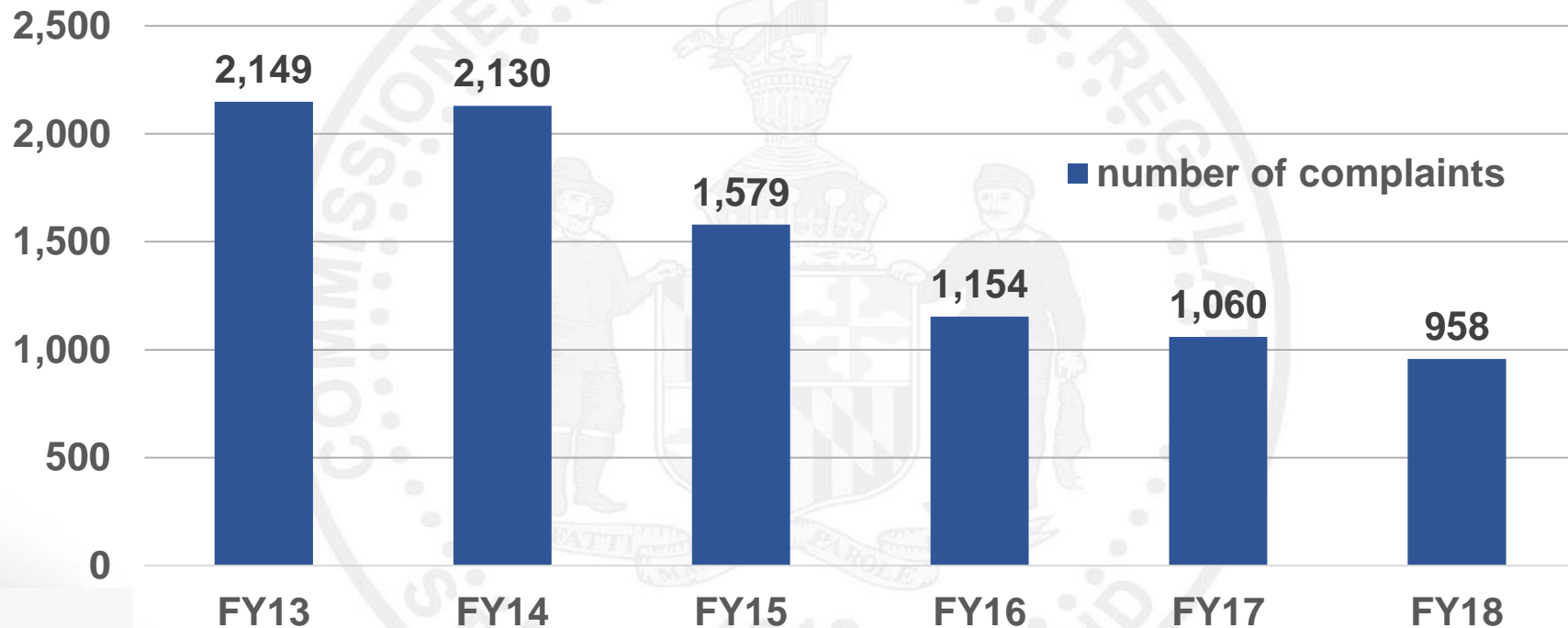
- OCFR's **Consumer Services Unit** investigates and responds to consumer complaints/inquiries involving both licensed and unlicensed persons or entities under the Commissioner's jurisdiction.
- Financial examiner assigned the complaint will forward it to person or entity for written response.
- Financial examiner reviews all information and determines whether the complaint can be mediated and/or whether further action is needed.
- Financial examiner considers issues of harm or potential harm to Maryland consumers generally, as well as specific to the complainant.

NOTE: If violations have occurred, the regulatory action taken may or may not include relief that is personal to the complainant.



Complaint Data

Number of Written Complaints Received by OCFR, by Fiscal Year



Top categories for written complaints opened in FY18:
Mortgage (221), Non-jurisdictional (220), and Debt Relief Services (186)



How to Submit a Consumer Complaint

- Verify that the person or entity is supervised by the Commissioner:
<http://www.dllr.maryland.gov/finance/industry/licsearch.shtml>
Complaints can also be submitted against a person or entity that you believe is engaging in unlicensed activity.
- Download complaint form online:
<http://www.dllr.maryland.gov/forms/frcomplaint.pdf>
- Form is a fillable PDF. Be sure to include copies of supporting documentation when submitting complaint. If you will be the primary point of contact, please also include representation of your authorization to speak on behalf of your client.



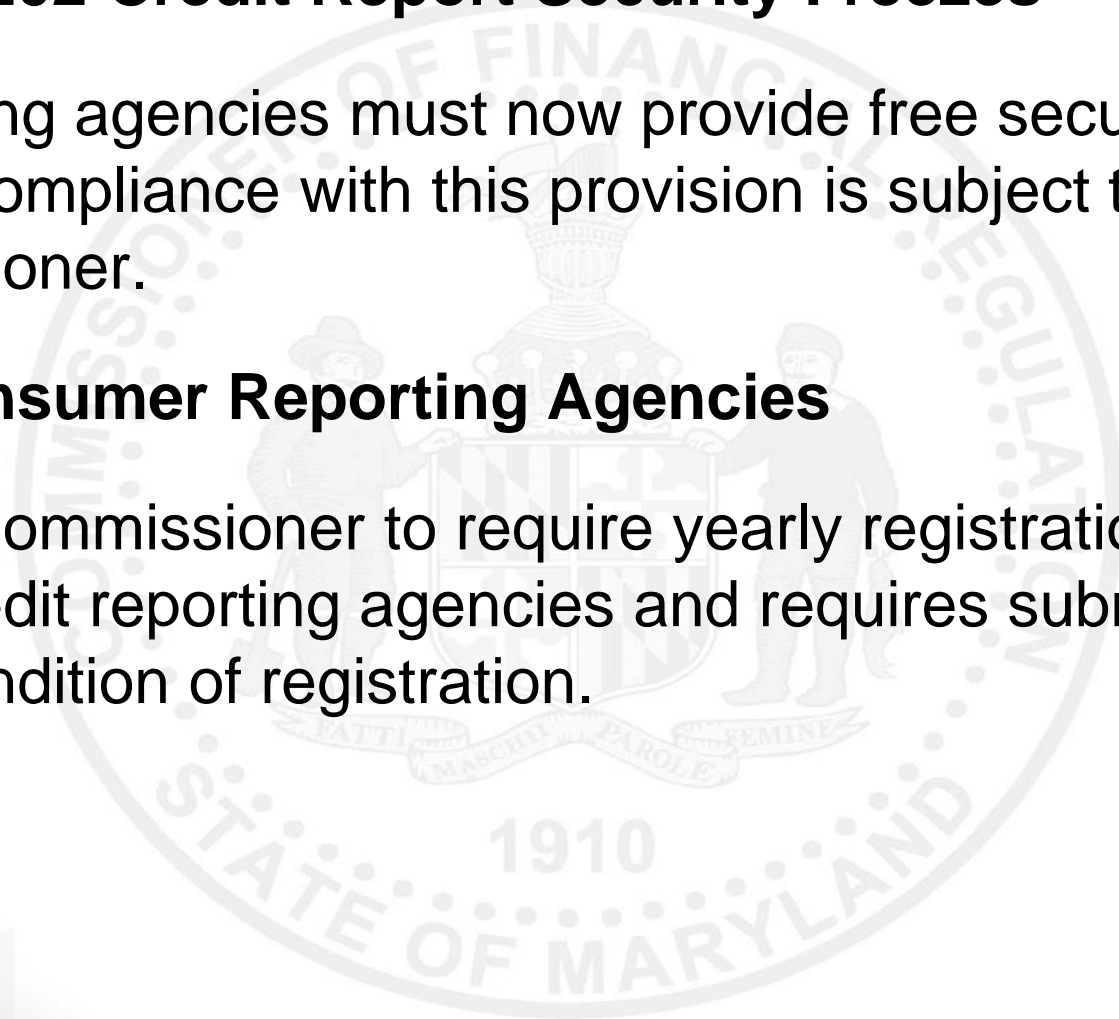
New Legislation Effective October 1

- **HB710/SB202 Credit Report Security Freezes**

Credit reporting agencies must now provide free security freezes and thaws. Compliance with this provision is subject to review by the Commissioner.

- **HB848 Consumer Reporting Agencies**

Permits the Commissioner to require yearly registration of consumer credit reporting agencies and requires submission of a bond as a condition of registration.





New Legislation Effective October 1 (cont'd)

- **HB1297 Consumer Loans and Credit**

Loans under \$25,000 (rather than \$6,000) are now subject to small loan lending requirements in Maryland Consumer Lending Law.

- **HB1634/SB1068 Financial Consumer Protection Act**

The Act establishes a student loan ombudsman in the Office of the Commissioner and requires a study of the Office's ability to regulate fintech firms, among other provisions.

Contact Us

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www.dllr.maryland.gov/finance/



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