STATE OF MARYLAND
OFFICE OF THE COMMISSIONER OF FINANCIAL REGULATION

DEPARTMENT OF LABOR, LICENSING AND REGULATION
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BALTIMORE, MARYLAND 21202

ANNUAL REPORT

FOR FISCAL YEAR ENDING

JUNE 30, 2017

Presented to:

LARRY HOGAN
GOVERNOR

BOYD K. RUTHERFORD
LIEUTENANT GOVERNOR

ANTONIO P. SALAZAR
COMMISSIONER

TERESA M. LOURO
DEPUTY COMMISSIONER

OFFICE OF STATE BANK COMMISSIONER established 1910
OFFICE OF COMMISSIONER OF CONSUMER CREDIT established 1941
Reorganized in 1996 as the OFFICE OF THE COMMISSIONER OF FINANCIAL REGULATION

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OFFICE MISSION & ACCREDITATION

MISSION

The Office of the Commissioner of Financial Regulation ("Office") supervises the activities of the financial services industry under its regulatory authority through periodic on-site examinations and off-site monitoring programs. The mission of the Office is to 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.

ACCREDITATION

Since July 13, 1992, the Office has been accredited by the Conference of State Bank Supervisors ("CSBS") in its regulation of state chartered banks. The Office is proud of this accreditation, and was recently granted recertification on July 10, 2017 after demonstrating compliance with the approval standards established by CSBS. CSBS is a national organization that represents the interests of state banking departments. State banking departments must undergo a re-accreditation examination every five years and submit annual assessment updates in order to retain certification. The CSBS Accreditation Program is designed to encourage the standardization of supervision and regulation of state-chartered banks, identify weaknesses, and capitalize on the strengths of state banking departments. The process assists the Office in effectively carrying out its responsibilities of chartering and supervising State-chartered financial institutions, of ensuring industry safety and soundness, legal and regulatory compliance, and providing responsive services.

The Office requested accreditation for its mortgage supervision program from the CSBS and American Association of Residential Mortgage Regulators ("AARMR") through their Accreditation Program. This Program is designed to encourage the standardization of supervision and regulation of state licensed mortgage brokers, lenders and servicers, as well as identify weaknesses, and capitalize on the strengths of all state mortgage examination units. Recently, the Office upgraded its practices related to the industry to more effectively carry out its responsibilities of licensing and supervising State regulated mortgage lending activities, of ensuring industry safety and soundness, legal and regulatory compliance, and providing responsive service. The Office was awarded accreditation on August 31, 2016.

HIGHLIGHTS OF THE OFFICE – FISCAL YEAR 2017

During Fiscal Year ("FY") 2017 the Office continued to promote a safe and healthy financial services system and to protect Maryland consumers through examinations, investigations, outreach, complaint resolution, and enforcement activity to address violations of law.

Banks and Credit Unions: Continuing a trend of the last several years, both banks and credit unions have increased their capital levels during the past year. Non-performing assets at their institutions have decreased while overall earnings have improved. Consolidation in the banking industry continued to be strong among State-chartered banking institutions.

Strength in the Mortgage Industry: The Mortgage industry remained strong during the fiscal year as the number of licensed mortgage companies and loan officers increased 4% over fiscal year 2016. The Non-Depository Licensing Unit is fully utilizing the Nationwide Multistate Licensing System ("NMLS") platform. The General Assembly passed, and Governor Hogan signed, Chapter 253 Laws of Maryland which authorized the Commissioner of Financial Regulation's ("Commissioner") to transfer the remaining license categories onto the NMLS beginning in July 2017. This multistate platform will benefit both the regulated industries as well as consumers by making information transparent across state lines. During the fiscal year, the Office received a five-year mortgage supervision accreditation as administered and assigned by the AARMR and the CSBS.

Consumer Complaints: Complaints were down for the fifth year decreasing over 56%. This downward trend indicates that companies are more compliant and the economy has improved for consumers across all industries regulated by the Commissioner.

Foreclosure: The Office continues to administer the Notice of Intent to Foreclose electronic system and the Foreclosed Property Registry ("Registry"). While foreclosures continue to trend down in number, the Office still delivered outreach to more than 79,000 homeowners facing foreclosure, a slight increase over last fiscal year. The Office also increased its outreach to local government offices regarding use of the Registry which logs information about properties sold at foreclosure for purposes of assisting code enforcement, in maintaining these properties, and preventing neighborhood decay. The Office has initiated an overhaul of both databases to make them more user friendly. New registrations in the Registry are down over 23% from last year to 11,461.

Agency Funding: Chapter 341 of the Laws of Maryland 2016 consolidated three special funds; money transmission, debt management, and mortgage into one new Non-Depository Special Fund making accounting easier and more efficient. The Attorney General's Mortgage Settlement Special Fund was concluded during the fiscal year.

LEGISLATIVE HIGHLIGHTS SUMMARY

Sandy Small, Assistant Attorney General, Counsel to the Commissioner
Kevin McGivern, Assistant Attorney General, Counsel to the Commissioner

House Bill 182 (Chapter 253) completes the transfer of all licenses issued by the Commissioner to the NMLS electronic licensing system. Prior to passage of the bill, the NMLS was used for mortgage-related licenses and money transmitter licenses. The bill requires seven categories of licensees (check cashers, debt management companies, collection agencies, consumer lenders, installment lenders, sales finance companies, and credit service businesses) to obtain and maintain a valid unique identifier issued by NMLS, transfer existing licensing information to NMLS on or after July 1, 2017, and process licensing applications and requests through the register with NMLS. The bill also: (1) establishes that licenses are generally valid for one-year terms; (2) eliminates the requirement for a State criminal history records check for mortgage lenders, check cashers, debt management services companies, and money transmitters; (3) alters application requirements and fees for certain licensees; (4) establishes a process for renewing or surrendering a license for certain licensees; and (5) authorizes the Commissioner to share information about licensees with certain State and federal regulatory officials. The bill takes effect July 1, 2017.

Senate Bill 924 (Chapter 479) standardizes surety bond requirements for the following licensing categories: (1) collection agencies; (2) consumer lenders; (3) mortgage lenders; (4) money transmitters; (5) debt management companies; and (6) debt settlement companies. The standardized requirements relate to the issuance and cancellation of a bond, claims against a bond, and the liability of a surety (note: the amount of the bond differs depending on type of license and/or amount of business transacted). The bill also authorizes certain penalties imposed against a licensee or registrant to be collected and paid from the proceeds of a bond. The bill takes effect June 1, 2017.

Senate Bill 206/House Bill 718 (Chapter 265) reduce from 50% to at least 30% the percentage of directors of a State-chartered commercial bank who are required to be residents of the State. The Commissioner is responsible for chartering and supervising State-chartered banks, credit unions, and trust companies. Under Maryland law, the business and affairs of a State-chartered commercial bank must be managed by a board of directors, and each bank must have at least 5 and not more than 30 directors. The bills take effect October 1, 2017.

Senate Bill 884 (Ch. 18) establishes the Maryland Financial Consumer Protection Commission, staffed by the Department of Legislative Services. The Commission must (1) assess the impact of potential changes to federal financial industry laws and regulations, budgets, and policies, including changes to specified federal financial regulatory agencies and the Dodd-Frank Wall Street Reform and Consumer Protection Act; and (2) issue recommendations for federal and State actions that are intended to protect residents of the State when conducting financial transactions and receiving financial services. The commission must submit two reports with its findings and recommendations to the Governor and General Assembly by December 31, 2017, and December 31, 2018. The Commissioner is to be a member of the commission. The bill takes effect June 1, 2017.

Senate Bill 527/House Bill 1270 (Chapter 723) limit fees and charges for unsecured open end credit plans offered by specified credit grantors, when combined with any interest charged, to an effective rate of 33% per annum simple interest. A revolving "open end" credit plan is a plan in which the credit grantor permits the borrower to make multiple purchases or loans over time. The amounts are charged to the borrower's account, and the borrower is allowed to pay the amounts charged over time. The credit grantor, in turn, may charge interest and/or finance charges on the amounts due under the plan. The bills take effect July 1, 2017.

Senate Bill 392 (Chapter 484) establishes that compliance with federal mandated disclosures to borrowers for mortgage transactions (mortgage loan estimated disclosures and mortgage closing disclosures) satisfy disclosure requirements under Maryland law. Current State and federal law require a mortgage lender to make specified disclosures regarding closed end credit agreements. The Commissioner advised that the current federal disclosure requirements render the Maryland disclosures duplicative and unnecessary. The disclosures required for some mortgages, such as reverse mortgages, are not altered under the bill and must continue to abide by State requirements. Additionally, the Commissioner must monitor requirements implemented by the federal Consumer Financial Protection Bureau ("CFPB") relating to disclosures provided to borrowers of mortgage loans under federal regulations. The Commissioner must notify the Governor and the General Assembly if the Commissioner determines that federal disclosure requirements are proposed to be modified (or have been modified) to be less stringent or less consumer friendly. The bill takes effect July 1, 2017.

House Bill 974 (Chapter 518) expands the Maryland Personal Information Protection Act (MPIPA) to impose additional duties on a business to protect an individual's personal information, including requiring a business to take reasonable steps to protect the information of employees or former employees when a business is destroying records that contain personal information.
The bill alters or expands definitions of "encrypted", "health information", and "personal information". The bill requires a business to take specified actions in the event that an individual's personal information is compromised and the compromise permits access by another to the individual's email account. A violation of the bill's provisions is an unfair or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA's civil and criminal penalty provisions. The bill takes effect January 1, 2018.

Senate Bill 270/House Bill 212 (Chapter 828) prohibit a consumer reporting agency from charging a fee for a placement of a security freeze if the consumer has not previously requested the placement of a security freeze from the consumer reporting agency. State law defines a "security freeze" as a restriction placed on a consumer's consumer report at the request of the consumer that prohibits a consumer reporting agency from releasing the report, or any information derived from the report, without the authorization of the consumer. A consumer reporting agency may charge a reasonable fee of up to $5 for each placement, temporary lift, or removal of a security freeze. A consumer reporting agency may not charge a fee for a security freeze to a consumer who has obtained a report of alleged identity fraud or for a minor for whom a consumer report already exists. The bills take effect October 1, 2017.

Senate Bill 875/House Bill 1048 (Chapter 348) require a person authorized to make a sale in an action to foreclose a mortgage or deed of trust on residential property to provide the Department of Labor, Licensing and Regulation ("Department") with a notice of foreclosure within seven days of the filing of an order to docket or a complaint to foreclose. The notice must be in the form the Department requires, which may be in the form of a registration with the Foreclosed Property Registry currently administered by the Department. The Department may provide access to a notice of foreclosure only to local jurisdictions, the agencies of local jurisdictions, and representatives of state agencies. The Department or a local jurisdiction may provide information for a specific property to a person who owns property on the same block or a homeowner's association ("HOA") or condominium in which the property is located. The bills prevent local jurisdictions from enacting a law requiring a notice to be filed with a unit of government to register residential properties that are subject to foreclosure. The bills also express legislative intent that the bills do not repeal any local law enacted prior to January 1, 2017 that requires a notice substantially similar to the notice of foreclosure described in the bills to be filed with the local jurisdiction. The bills take effect October 1, 2018.

Senate Bill 247/House Bill 26 (Chapter 347) require the person authorized to make a sale in an action to foreclose a mortgage or deed of trust on residential property to give written notice of the proposed sale to a condominium or HOA that has recorded, at least 30 days before the date of the proposed sale, a statement of lien against the property under the Maryland Contract Lien Act. In the event of a postponement or cancellation of a sale to foreclose a mortgage or deed of trust, the bills require the trustee of the property to provide written notice to the record owner and, if applicable, to a condominium or HOA that was notified of the foreclosure sale, within 14 days after the postponement or cancellation. The bills take effect October 1, 2017.

Senate Bill 1033/House Bill 702 (Chapter 617) allows a secured party to petition a circuit court for leave to immediately file an action to foreclose a mortgage or deed of trust on residential property on the basis that the property is vacant and abandoned. The court may find that a property is vacant and abandoned if (1) the court finds that the mortgage or deed of trust on the property has been in default for 120 days or more; (2) no mortgagor or grantor has filed with the court an answer or objection that would preclude the court from entering a final judgment and a decree of foreclosure; (3) no mortgagor or grantor has filed with the court a written statement that the property is not vacant and abandoned; and (4) the court finds that at least three from a non-exhaustive list of enumerated circumstances are true as to the property. If the court rules that a property is vacant and abandoned, the secured party may file an action for immediate foreclosure and must serve the foreclosure documents in a specified manner. The record owner or occupant has 20 days after service is made to challenge a circuit court's finding that the residential property is vacant and abandoned. Vacant and abandoned residential property, whether resulting from foreclosure or other circumstances, often becomes a nuisance to the community, which, in turn, lowers the value of properties in the community as a whole and may encourage criminal activity on and near the property. In addition, abandoned and vacant property generally do not generate tax revenue for the local government and may, in fact, become a costly drain on local government resources (e.g., enforcement of public safety laws and ongoing nuisance abatement such as weed cutting, removal of dumped garbage, rodent control, and boarding up of windows). The bills take effect October 1, 2017.

Senate Bill 376/House Bill 595 (Chapter 521) limit the applicability of current recordation requirements to only a deed other than a mortgage, deed of trust, or an assignment or release of a mortgage or deed of trust. The bills also expressly state that a mortgage, deed of trust, or an assignment or release of a mortgage or deed of trust prepared by any attorney or one of the parties named in the instrument may be recorded without the required certification. Under current law, a deed, mortgage, or deed of trust may not be recorded unless it bears either (1) the certification of an attorney that the instrument has been prepared by an attorney or under an attorney's supervision or (2) a certification that the instrument was prepared by one of the parties named in the instrument. The bills take effect October 1, 2017.

Senate Bill 753/House Bill 861 (Chapter 242) establish procedures for joining an individual who is or is believed to be deceased and is required to be named as a defendant in an action to foreclose the right of redemption on a property purchased at tax sale. The bills take effect October 1, 2017.

Senate Bill 531/House Bill 269 (Chapter 638) codify the Housing Counselor and Aftercare Program, currently in the Department of Human resources ("DHR"), as the Housing Navigator and Aftercare Program, and transfer the program, contingent on House Bill 134, to the Department of Housing and Community Development ("DHCD"). The stated purpose of the program is to assist families and individuals who are experiencing, or who are in imminent danger of, a housing crisis in obtaining and maintaining permanent housing. Beginning in fiscal 2019, the program is funded with an annual appropriation of $516,828, subject to the limitations of the State budget. The bills take effect October 1, 2017.

Senate Bill 367 (Chapter 231) extends through the end of calendar year 2018 the favorable tax treatment under Maryland law for discharged mortgage debt related to owner-occupied principal residences. The deduction is capped at $100,000 for an individual and $200,000 for a married couple filing a joint return or an individual filing as head of household or as a surviving spouse. The federal Mortgage Debt Relief Act has expired and applies only to debt that was discharged before January 1, 2017. The bill takes effect July 1, 2017.

DEPOSITORY SUPERVISION

Banks, Credit Unions and Trust Companies Annual Overview

Teresa M. Louro, Deputy Commissioner

The Office supervises 54 institutions, of which 40 are Maryland state chartered banks, eight are credit unions, and four are non-depository trust companies, as well as Anne Arundel Economic Development Corporation and American Share Insurance Corporation ("ASI") of Dublin, Ohio, a private provider of deposit insurance to credit unions.

Banks

Maryland's banking industry continues to improve and prosper, with improved asset quality, stronger earnings and increased capital augmentation. Mergers and acquisitions steadily continued throughout the reporting period with four banks having been acquired, yet overall total assets under supervision grew from $30.9 billion from FY 2016 to $34.0 billion as of FY 2017. The Office also had institutions convert from a federal charter to a State-charter. In correlation, capital increased from $3.4 billion to $3.9 billion, over the same period, through internal equity accretion and/or capital raises. The asset quality of Maryland banks improved significantly with non-performing assets having decreased significantly from 1.08% in FY 2016 to 0.85% in FY 2017, with the trend continuing. Banks achieved better earnings performance with the overall return on assets ("ROA") steadily increasing from 0.85% in FY 2015 to 0.94% in FY 2016 and to 1.03% as of FY 2017. The allowance for loan and lease losses level has increased as a result of asset growth, yet provision expenses have decreased because of improved asset quality. Maryland banks continue to play a vital role in the economy, particularly in terms of lending to consumers and small businesses and serving the banking community.

Safety and soundness examinations are full scope, and include assessing the banks' investment portfolios, capital, earnings, liquidity, management, risk management practices, and focusing heavily on asset quality, specifically commercial real estate concentration, as well as information technology and cybersecurity. During FY 2017, the Office terminated one formal enforcement action that was issued to address weaknesses and regulatory concerns. Enhanced regulatory supervision and oversight continues to include: weekly teleconference calls held with an institution(s); and visitations and targeted examinations conducted between scheduled examinations to evaluate and assess compliance with enforcement actions and/or concerns detected during off-site monitoring practices.

Looking forward, Maryland state chartered banks will continue to manage through a low but rising interest rate environment, manage organic loan growth, but with heavy competition, manage net interest margins, and strive to operate efficiently. Interest rate risk, liquidity, marijuana banking, cybersecurity, the proposed Current Expected Credit Loss Standard (CECL) and the Bank Secrecy Act (BSA) are hot topics that will continue to receive attention. Succession planning for boards of directors, management and key positions and corporate governance are also areas of focus. The Office is committed to assisting banks in managing these areas. The Commissioner and Deputy Commissioner remain in active dialogue with bank management teams throughout the state and seek outreach opportunities.

Credit Unions

The Office supervises eight Maryland state-chartered credit unions, as well as ASI, a private provider of credit union deposit insurance. Of the eight credit unions, six are federally insured through the National Credit Union Share Insurance Fund, and the other credit unions are insured by ASI. Each credit union receives a full scope on-site examination, supplemented by a quarterly monitoring program. Targeted visitations are also performed, as deemed necessary.

The credit union industry remains sound. As in the case of state-chartered banks, the current economic environment continues to have a positive impact on credit union trends. Overall, credit unions' total assets increased to $5.7 billion, total loans increased to $4.2 billion, shares and deposits to $4.9 billion and total capital to $602 million as of FY 2017. Net worth represents 11.98% of total assets. In FY 2017, loan growth increased by 11%, while assets under supervision increased by approximately 5.5%. During the same period, non-performing loans have improved and asset quality is stronger. Net interest margins improved and credit unions, as a group, continue to operate profitably, as reflected in an ROA of 0.58%, a 1 basis point increase from FY 2016.

Non-Depository Trust Companies

Maryland's four state-chartered non-depository trust companies continue to perform well. Managed and non-manager assets continue to grow with total assets-under-management increasing from $290 billion in FY 2016 to $329 billion in FY 2017. Safety and soundness examinations continue to be full scope focusing on asset management, earnings, capital, management, operations, internal controls and audit, BSA, compliance, information technology and cybersecurity, as well as hard to value assets. These trust companies continue to monitor volatility and economic conditions in the United States and global stock markets, and manage their institutions accordingly.

Consolidated Statement of Financial Condition State Chartered Banks
As of June 30, 2017 & 2016 (in thousands)

ASSETS	FY 2017	FY 2016	% Change
Cash & Balances Due From Depository Institutions:			
Non-Interest Bearing & Currency/Coin	$457,821	$426,709	7.29%
Interest Bearing Balances	$1,321,677	$1,007,923	31.13%
Securities	$3,820,310	$3,825,527	(0.14%)
Federal Funds Sold and Securities Purchased Under Agreements to Sell	$81,564	$81,469	0.12%
Loans and Leases, Net of Unearned Income	$26,668,799	$23,696,672	12.54%
(Allowance for Loan and Lease Losses)	($263,253)	($254,373)	3.49%
Trading Account Assets	$11,508	$9,527	20.79%
Premises and Fixed Assets (including capitalized leases)	$373,671	$359,655	3.90%
Other Real Estate Owned	$80,950	$92,171	(12.17%)
Intangible Assets	$450,738	$401,620	12.23%
Other Assets	$1,014,757	$954,201	6.35%
Total Assets	**$34,018,541**	**$30,855,474**	**10.25%**
LIABILITIES			
Deposits:			
In Domestic Offices	$27,478,399	$25,124,361	9.37%
Federal Funds Purchased & Repurchase Agreements	$456,732	$445,003	2.64%
Trading Liabilities	$5,444	$9,527	(42.86%)
Subordinated Debt	$30,560	$36,000	(15.11%)
Other Borrowed Money	$1,962,747	$1,655,159	18.58%
Other Liabilities	$195,648	$215,436	(9.19%)
Total Liabilities	**$30,129,530**	**$27,485,486**	**9.62%**
EQUITY CAPITAL			
Perpetual Preferred Stock	$37,268	$37,268	0%
Common Stock	$271,827	$262,527	3.54%
Surplus	$2,071,432	$1,766,408	17.27%
Undivided Profits and Capital Reserves	$1,508,484	$1,303,785	15.70%
Total Equity Capital	**$3,889,011**	**$3,369,988**	**15.40%**
Total Liabilities and Equity	**$34,018,541**	**$30,855,474**	**10.25%**

Ratios from Consolidated Statements of Financial Condition of All State-Chartered Banks

Fiscal Years 2015-2017

Period Ending June 30th	FY 2017	FY 2016	FY 2015
Return on Assets	1.03%	0.94%	0.85%
Net Interest Margin	3.77%	3.76%	3.76%
Total Loans to Total Deposits	96.10%	94.32%	90.55%
Total Loans to Core Deposits	111.85%	108.54%	103.32%
Total Loans to Total Assets	77.62%	76.80%	73.95%
ALLL to Total Loans	0.99%	1.06%	1.14%
Noncurrent Loans to Total Loans	0.78%	1.00%	1.18%
Tier 1 Leverage Capital	10.59%	9.95%	10.20%
Tier 1 Risk-Based Capital	12.40%	11.90%	12.45%
Total Risk-Based Capital	13.41%	13.02%	13.59%
Common Equity Tier 1 Capital	12.26%	11.75%	12.26%

Prior Period End Totals
For Fiscal Years Ending June 30th
(in thousands)

Year	Total Assets	Total Loans	Securities	Total Deposits	Total Capital
2017	**$34,018,542**	**$26,405,546**	**$3,820,310**	**$27,478,399**	**$3,889,011**
2016	$30,855,474	$23,696,672	$3,825,527	$25,124,361	$3,369,988
2015	$28,478,385	$21,060,087	$3,933,505	$23,258,555	$3,184,490
2014	$25,528,399	$18,403,723	$3,985,378	$20,778,710	$2,795,578
2013	$25,085,295	$17,541,355	$4,261,162	$20,630,717	$2,607,918
2012	$24,878,161	$17,398,087	$4,128,600	$20,394,192	$2,560,059
2011	$23,190,053	$16,269,862	$3,662,011	$18,840,036	$2,309,382

Trust Assets Reported by State-Chartered Trust Companies
Fiscal Year Ended June 30, 2017
(in thousands)

Full Service Trust Companies	Managed	Non-Managed	Custodial	Total
First United Bank & Trust	$716,786	$56,306	$2,251	$775,343
Sandy Spring Bank	$1,161,556	$140,268	$16,433	$1,318,257
Total Assets - Full Service	**$1,878,342**	**$196,574**	**$18,684**	**$2,093,600**

Non-Depository Trust Companies	Managed	Non-Managed	Custodial	Total
Brown Investment Advisory and Trust Co.	$5,611,475	$601,517	$0	$6,212,992
Chevy Chase Trust Company	$10,210,254	$18,346,662	$3,251,202	$31,808,118
NewTower Trust Company	$9,998,102	$0	$0	$9,998,102
T. Rowe Price Trust Company	$89,843,795	$194,817,393	$0	$284,661,188
Total Assets - Non-Depository	**$115,663,626**	**$213,765,572**	**$3,251,202**	**$332,680,400**
Grand Total - Full Service & Non-Dep.	**$117,541,968**	**$213,962,146**	**$3,269,886**	**$332,774,000**

Consolidated Statement of Financial Condition – State-Chartered Credit Unions

Comparative Figures for Fiscal Years Ending June 30th

(in thousands)

ASSETS	FY 2017	FY 2016	% Change
Cash & Balances Due From Depository Inst.	$417,253	$401,908	3.8%
Investments & Securities	$852,427	$965,803	-11.7%
Total Loans	$4,178,893	$3,759,515	11%
Allowance for Loan and Lease Losses	($33,247)	($30,795)	8.0%
Premises and Fixed Assets	$76,732	$114,582	-33.0%
Other Assets	$177,865	$132,307	34.4%
Total Assets	**$5,669,924**	**$5,343,323**	6.1%
LIABILITIES			
Members' Shares and Deposits	$4,978,223	$4,692,960	6.1%
Borrowed Money	$37,880	$19,358	95.7%
Other Liabilities	$51,754	$44,123	17.3%
Total Liabilities	**$5,037,417**	**$4,756,441**	5.9%
Total Net Worth	**$602,066**	**$586,882**	2.6%
Total Liabilities and Equity	**$5,669,924**	**$5,343,323**	6.1%

Additional Information as of June 30th	FY 2017	FY 2016
Net Worth to Total Assets	10.62%	10.78%
Net Worth to Members' Shares & Deposits	12.1%	12.28%
Total Loans to Total Assets	73.7%	65.58%
Total Loans to Members' Shares & Deposits	84.0%	74.73%
ALLL to Total Loans	0.79%	0.93%
Return on Assets (annualized)	0.58%	0.57%

Selected Balance Sheet Items – State-Chartered Credit Unions
As of June 30, 2017
(in thousands)

	Total Assets	Total Loans	Shares & Deposits	Total Capital
ASI Private Share Insurance				
Fort Meade Community Credit Union*	$32,206	$6,433	$30,445	$1,766
Post Office Credit Union of MD, Inc.	$32,970	$5,144	$24,256	$8,703
*Assets as of 3/31/17				
National Credit Union Share Insurance				
Central Credit Union of MD, Inc.	$43,377	$15,564	$38,905	$4,301
Destinations Credit Union	$60,447	$31,226	$52,336	$7,704
HAR-CO Credit Union	$192,280	$119,183	$173,395	$17,934
Municipal Employees Credit Union of Baltimore, Inc.	$1,189,489	$729,835	$1,027,026	$134,944
Point Breeze Credit Union	$763,665	$387,733	$657,392	$102,435
State Employees Credit Union of MD, Inc.	$3,355,489	$2,882,749	$2,974,489	$324,279
Total All State Chartered Credit Unions	**$5,669,924**	**$4,178,893**	**$4,978,223**	**$602,066**

Prior Period End Totals

For Fiscal Years Ending June 30th

(in thousands)

Year	Total Assets	Total Loans	Shares & Deposits	Total Capital
2017	**$5,669,924**	**$4,178,893**	**$4,978,223**	**$602,066**
2016	$5,343,323	$3,759,515	$4,692,960	$586,882
2015	$5,209,730	$3,416,507	$4,572,049	$561,533
2014	$5,089,764	$3,151,477	$4,466,368	$532,551
2013	$4,845,974	$2,987,325	$4,241,898	$485,439
2012	$4,602,641	$2,773,682	$4,001,697	$471,070
2011	$4,261,030	$2,522,571	$3,655,934	$438,800

DEPOSITORY CORPORATE ACTIVITIES

Annual Overview

Marcia A. Ryan, Assistant Commissioner

The Office began the fiscal year with regulatory responsibility for 41 banks with combined assets of $30.86 billion. As of June 30, 2017, following a number of mergers and charter conversions, the total number of Maryland-chartered banks decreased to 40, though combined assets increased to $34.02 billion. The Office also has regulatory responsibility for four Maryland-chartered non-depository trust companies with $333 billion in trust assets; eight State-chartered credit unions with combined assets of $5.7 billion; and one not-for-profit SBA guaranteed lending corporation.

Applications were received throughout the fiscal year from Maryland-chartered institutions seeking approval to implement various corporate changes to their organizations or to expand their business activities, including: applications to convert two federal savings banks to Maryland bank charters; nine mergers; three bank affiliates; three wild card proposals; twelve new branches; eleven representative office permits; and a wide range of other corporate applications, including applications from out-of-state financial institutions interested in conducting business in Maryland. The overall volume of corporate applications received this year was slightly higher than last year. We continue to see a small, but steady number of merger applications and expect to see additional consolidation in the industry.

Every five years the Banking Unit must undergo a rigorous review and examination conducted by the Conference of State Bank Supervisors. The Banking Unit was first accredited in July 1992, and has successfully retained that rating ever since. CSBS completed their most recent re-evaluation in May and in July 2017 notified the Commissioner that the Banking Unit had been approved for reaccredited.

The Office continues to see ongoing interest in the Maryland bank charter:

- Colombo Bank - The Office was pleased to welcome Colombo Bank into Maryland's state banking system in May 2017 following the Bank's successful conversion to a Maryland chartered commercial bank. Colombo Bank, which was originally established in Baltimore in 1914, is headquartered in Rockville. As of June 30, 2017, Colombo Bank has assets of $206.3 million, with five branches in Montgomery County, Baltimore, and Washington, D.C.

- Hamilton Bank – The Office is currently working with the Bank to convert from a federal stock savings bank to a Maryland-chartered commercial bank. Hamilton Bank has been serving the Baltimore area since its founding in 1915. As of June 30, 2017, the Hamilton Bank has total assets of $511.30 million, and operates eight branches in Central Maryland. We anticipate approving Hamilton Bank's conversion application in the fourth quarter of 2017.

  We look forward to working with each of these long-established community banks as they continue to provide essential financial services and other beneficial support to their local communities.

Looking ahead to FY 2018, we will be working with a federally-chartered bank and two federal credit unions that have each notified the Office of their interest to convert to Maryland charters. These conversions reflect the Office's commitment to maintaining a vibrant and healthy State-chartered banking and credit union system.

BANKS, CREDIT UNIONS and TRUST COMPANIES
Activity on Select Applications
Fiscal Year Ended June 30, 2017

CHARTER CONVERSIONS

Institution Name	Main Office	Former Name	Approval
HAR-CO COMMUNITY BANK To convert from a State-chartered credit union to a State-chartered mutual savings bank	Bel Air, MD	HAR-CO Credit Union	Withdrawn 04/19/17
COLOMBO BANK To convert from a federally-chartered capital stock savings bank to a State-chartered commercial bank	Rockville, MD	Colombo Bank	05/05/17
HAMILTON BANK To convert from a federally-chartered capital stock savings bank to a State-chartered commercial bank	Baltimore, MD	Hamilton Bank	Pending

MERGERS and ACQUISITIONS

Surviving Institution Main Location	Merged/Acquired Institution Main Location	Approval
DBC BANCSHARES, INC. Damascus, MD	Damascus Community Bank Damascus, MD	08/17/16
REVERE BANK Laurel, MD	Monument Bank Rockville, MD	09/16/16
FARMERS and MERCHANTS BANCSHARES, Inc. Upperco, MD	Farmers and Merchants Bank Upperco, MD	10/18/16
CENTRAL CREDIT UNION of MARYLAND Baltimore, MD	Perry Point Federal Credit Union Baltimore, MD	02/10/17
ACNB CORPORATION Gettysburg, PA	New Windsor Bancorp, Inc. Taneytown, MD	04/21/17
ACNB BANK Gettysburg, PA	New Windsor Bank Taneytown, MD	04/21/17
OLD LINE BANCSHARES, INC. Bowie, MD	DCB Bancshares, Inc. Damascus, MD	06/14/17
OLD LINE BANK Bowie, MD	Damascus Community Bank Damascus, MD	06/14/17
KOPERNIK BANK Baltimore, MD	St. Casimir’s Savings Bank Baltimore, MD	06/27/17

NAVY FEDERAL CREDIT UNION Vienna. VA	Ft. Meade Community Credit Union Ft. Meade, MD	06/27/17

AFFILIATES

Institution Name Main Location	Affiliate	Approval
DAMASCUS COMMUNITY BANK Damascus, MD	DBC Bancshares, Inc. Damascus, MD	08/17/16
FARMERS and MERCHANTS BANK Upperco, MD	Farmers and Merchants Bancshares, Inc. Upperco, MD	10/18/16
FREDERICK COUNTY BANK Frederick, MD	Two North Market, LLC Frederick, MD	02/18/17

MISCELLANEOUS

Institution Name	Application	Approval
MIDWEST TRUST COMPANY Overland, KS	To Exercise Trust Powers in Maryland d/b/a The Family Heritage Trust Co.	08/08/16
MIDDLETOWN VALLEY BANK Middletown, MD	Request for Permissible Holding Period Extension for OREO property in Boonsboro, MD	11/07/16
REPUBLIC BANK Phoenix, AZ	To act as an out-of-state escrow depository for title insurers and to establish a Maryland Affordable Housing Trust Account	01/13/17
SHORE UNITED BANK Easton, MD	Purchase and Assumption of Northwest Bank’s Maryland branches in Owings Mills, Elkridge, and Arbutus	03/02/17
FARMERS BANK of WILLARDS Willards, MD	Request for approval to implement a Capital Stock Repurchase Plan	03/27/17
POINT BREEZE CREDIT UNION Baltimore, MD	Wild Card Application – To establish a Charitable Donation Account funded by institutional insurance investments	05/08/17
BANK of OCEAN CITY Ocean City, MD	Request for approval to implement a Capital Stock Repurchase Plan	06/26/17

STATE-CHARTERED COMMERCIAL BANKS and SAVINGS BANKS

Principal Location, Assets, and CRA Ratings

As of June 30, 2017

Bank Name	Principal Location	Total Assets (in thousands)	No. of Branches	CRA Rating
Bank of Glen Burnie	Glen Burnie	$396,047	8	Satisfactory
Bank of Ocean City	Ocean City	$316,751	6	Satisfactory
Calvin B. Taylor Banking Company	Berlin	$500,641	11	Satisfactory
Carroll Community Bank	Sykesville	$171,297	3	Outstanding
Cecil Bank	Elkton	$207,893	9	Satisfactory
CFG Community Bank	Baltimore	$642,286	3	Satisfactory
Chesapeake Bank and Trust Co, The	Chestertown	$101,813	3	Satisfactory
Colombo Bank	Rockville	$206,255	5	Satisfactory
Columbia Bank	Columbia	$2,401,071	31	Satisfactory
Community Bank of the Chesapeake	Waldorf	$1,389,326	12	Satisfactory
Congressional Bank	Potomac	$885,747	9	Satisfactory
County First Bank	La Plata	$236,196	5	Satisfactory
Damascus Community Bank	Damascus	$313,257	5	Satisfactory
EagleBank	Bethesda	$7,228,725	21	Satisfactory
1880 Bank	Cambridge	$323,306	6	Satisfactory
Farmers and Merchants Bank	Upperco	$400,569	7	Satisfactory
Farmers Bank of Willards	Willards	$352,147	7	Satisfactory
First Mariner Bank	Baltimore	$975,212	14	Satisfactory
First United Bank and Trust	Oakland	$1,305,072	23	Satisfactory
Frederick County Bank	Frederick	$404,609	5	Satisfactory
Glen Burnie Mutual Savings Bank	Glen Burnie	$93,265	1	Satisfactory
Harbor Bank of Maryland	Baltimore	$252,829	7	Satisfactory
Harford Bank	Aberdeen	$342,883	8	Satisfactory
Hebron Savings Bank	Hebron	$569,296	13	Satisfactory
Howard Bank	Ellicott City	$1,104,119	13	Satisfactory
Kopernik Bank	Baltimore	$97,354	1	Satisfactory
Maryland Financial Bank	Towson	$63,166	1	N/A
Middletown Valley Bank	Middletown	$311,624	6	Satisfactory
Midstate Community Bank	Baltimore	$165,116	1	Satisfactory
New Windsor State Bank	New Windsor	$320,591	7	Satisfactory
North Arundel Savings Bank	Pasadena	$44,952	1	Satisfactory
Old Line Bank	Bowie	$1,789,834	22	Satisfactory
Peoples Bank, The	Chestertown	$242,199	7	Outstanding
Provident State Bank, Inc.	Preston	$398,654	9	Satisfactory
Queenstown Bank of Maryland	Queenstown	$487,671	8	Satisfactory
Revere Bank	Laurel	$2,043,941	11	Satisfactory
Saint Casimir Savings Bank	Baltimore	$87,524	4	Needs Improvement
Sandy Spring Bank	Olney	$5,260,929	44	Satisfactory
Shore United Bank	Easton	$1,346,948	20	Satisfactory
Woodsboro Bank	Woodsboro	$237,427	7	Satisfactory
Total 40		**$34,018,542**	**386**	

STATE-CHARTERED CREDIT UNIONS

Assets and Field of Membership Type
As of June 30, 2017

Credit Union Name	Principal Location	Total Assets (in thousands)	No. of Branches	Field of Membership Type
Central Credit Union of Maryland	Towson	$43,377	1	Multiple Common Bond
Destinations Credit Union	Parkville	$60,447	2	Multiple Common Bond
Fort Meade Community Credit Union *	Fort Meade	$32,206	2	Community Common Bond
HAR-CO Credit Union	Bel Air	$192,280	3	Multiple Common Bond
Municipal Employees Credit Union of Baltimore (MECU)	Baltimore	$1,189,489	11	Multiple Common Bond
Point Breeze Credit Union	Hunt Valley	$763,665	3	Multiple Common Bond
Post Office Credit Union of MD, Inc.	Baltimore	$32,971	1	Single Common Bond
State Employees Credit Union of Maryland, Inc. (SECU)	Linthicum	$3,355,489	22	Multiple Common Bond
Total	8	**$5,669,924**	**45**	

* Assets as of 3-31-17

STATE-CHARTERED NON-DEPOSITORY TRUST COMPANIES

Location and Business Type
As of June 30, 2017

Trust Company Name	Principal Location	Trust/Fiduciary Business Purpose
Brown Investment Advisory and Trust Co.	Baltimore	Investment Advisory Services
Chevy Chase Trust	Bethesda	Investment Management/ Financial Planning
New Tower Trust Company	Bethesda	Trustee for Multi-Employer Property Trust
T. Rowe Price Trust Company	Baltimore	Investment Management

NATIONAL BANKS AND FEDERAL SAVINGS BANKS HEADQUARTERED IN MARYLAND

Principal Location and Total Assets
As of June 30, 2017

Bank	Principal Location	Type of Charter	Total Assets (in thousands)
Arundel Federal Savings Bank	Glen Burnie, MD	FSB	$447,446
Bay Bank, FSB	Lutherville, MD	FSB	$651,412
Bay-Vanguard Federal Savings Bank	Baltimore, MD	FSB	$171,006
Capital Bank, N.A.	Rockville, MD	NB	$976,692
Chesapeake Bank of Maryland	Parkville, MD	FSB	$182,474
Eastern Savings Bank, FSB	Hunt Valley, MD	FSB	$335,677
First Shore Federal Savings & Loan Assoc.	Salisbury, MD	FSB	$304,072
Hamilton Bank	Baltimore, MD	FSB	$511,293
Homewood Federal Savings Bank	Baltimore, MD	FSB	$55,980
Jarrettsville Federal Savings &Loan Assoc.	Jarrettsville, MD	FSB	$124,329
Madison Bank of Maryland	Forest Hill, MD	FSB	$141,463
Presidential Bank, FSB	Bethesda, MD	FSB	$566,997
Rosedale Federal Savings &Loan Assoc.	Nottingham, MD	FSB	$830,741
Severn Savings Bank, FSB	Annapolis, MD	FSB	$772,375
Total: 14			**$6,071,957**

NON-DEPOSITORY LICENSING

Annual Overview

Jedd Bellman, Assistant Commissioner

The Licensing Unit ("Unit") is responsible for the licensing and registration of non-depository financial services providers including mortgage lenders, brokers, servicers, and originators, money transmitters, debt management services providers, debt settlement services providers, check cashers, consumer lenders, sales finance companies, installment loan companies, credit service businesses, and collection agencies. At the completion of FY 2017, the Office licensed 17,248 individuals and/or business entities and registered 39 individuals and/or business entities. During FY 2017, the Unit increased its overall number of licensed and registered individuals and business entities, including increasing the number of mortgage lender, mortgage loan originator, consumer loan, credit services business, and collection agency licenses, and increasing the number credit reporting agency and debt settlement services registrants.

The Unit continues to fully utilize the Nationwide Multistate Licensing System and Registry ("NMLS") for mortgage lender, mortgage loan originator and money transmitter applications, renewal applications, and other licensing requests. Unit staff continues to be actively engaged in various NMLS working groups to allow full system utilization of new initiatives.

During its 2017 session, the General Assembly passed, and Governor Hogan signed, House Bill 182 (253 Md. Laws 2017). The bill takes effect July 1, 2017 and requires, among other things, that debt management services providers, check cashers, consumer lenders, sales finance companies, installment loan companies, credit service businesses, and collection agencies that are licensed by the Office, to transition to the NMLS. By utilizing the NMLS technological and operational infrastructure to manage the licensing and oversight of all license categories brings efficiencies to the Unit and in the end will reduce regulatory burden and maximize customer service. Some expected efficiencies to be realized in the upcoming fiscal year include:

- Savings through having NMLS process state fees;
- More complete maintenance of electronic records;
- Ease of coordination with other participating state agencies; and
- Streamlined renewal processing;
- Better protection for consumers by weeding out bad players in the industries covered; and
- Providing a single platform and process for out of state companies to apply for a license and conduct business in Maryland.

To facilitate this transition, licensees are required to enter certain required information into the NMLS system, and to upload certain records to the system, between August 1 and September 30, 2017. As of the close of FY 2017, the Office was preparing both internally and with NMLS staff for the transition.

During its 2017 session, the General Assembly also passed, and Governor Hogan signed, Senate Bill 924 (479 Md. Laws 2017), which standardized surety bond requirements for the various licensing categories. The standardized requirements relate to the issuance and cancellation of a bond, claims against a bond, and the liability of a surety. The bill also authorizes certain penalties imposed against a licensee or registrant to be collected and paid from the proceeds of a bond. The bill took effect June 1, 2017. In conjunction with the standardization of bond requirements, and the transition to the NMLS, the Unit will begin accepting electronic surety bonds through the NMLS, with new applicants mandated to obtain an electronic surety bonds to meet state bonding requirements. By utilizing electronic surety bond functionality through the NMLS, the Unit will realize greater efficiencies for the licensing process by allowing for the centralized tracking of surety bond requirements and the maintenance of surety bond information validated by authorized surety companies and/or surety bond producers.

As part of the Office's ongoing efforts to improve processes, the Unit began a comprehensive review of all policies, procedures, and protocol with the goal of streamlining outdated practices, eliminating redundant or unnecessary practices and maximizing overall efficiency in the licensing process while ensuring the necessary information is obtained to meet statutory obligations. As part of this project, a new and updated licensing manual will be developed so as to provide better and more consistent training tools with regard the Unit's obligations with regard to the licensing process. This project is expected to be completed in FY 2018.

New Business Licensees and Total Current Business Licensees by Category

Fiscal Years 2017 & 2016

License category	New Licensees FY 2017	New Licensees FY 2016	Total Licensees FY 2017	Total Licensees FY 2016
Affiliated Insurance Producer-Mortgage Loan Originator	14	4	65	56
Check Casher	53	134	375	421
Collection Agency	158	200	1,694	1,571
Consumer Loan	25	50	183	170
Credit Service Business	8	8	21	16
Debt Management	0	0	28	34
Installment Loan	22	20	167	180
Money Transmitter	5	15	149	152
Mortgage Lender	715	495	2,340	2,235
Mortgage Loan Originator	4,092	3,385	11,321	10,859
Registered Exempt Mtg. Lender	0	2	15	16
Sales Finance	103	164	820	849
TOTAL	5,195	4,477	17,178	16,559

New Business Registrants and Total Business Registrants by Category

Fiscal Years 2017 & 2016

License category	New Registrants FY 2017	New Registrants FY 2016	Total Registrants FY 2017	Total Registrants FY 2016
Credit Reporting Agencies	17	2	39	22
Debt Settlement Services	9	2	43	34
TOTAL	26	4	82	56

NON-DEPOSITORY SUPERVISION

Annual Overview

Jedd Bellman, Assistant Commissioner

The Non-Depository Supervision Unit ("Unit") supervises the more than 17,300 licensees that provide credit and other non-depository financial services to Maryland consumers. These financial service providers include mortgage lenders, brokers, servicers, and originators, money transmitters, debt management services providers, debt settlement services providers, collection agencies, credit reporting agencies, check cashers, consumer lenders, sales finance companies, credit service businesses, and installment loan companies. Many of the non-depository financial institutions regulated by the Commissioner offer a number of products and services, and hold multiple licenses.

Given current examination authority, the Unit maintains a regular examination program for mortgage service providers, money transmitters, and debt management services providers. Additionally, given a pattern of identified compliance risks associated with the check cashing industry, the Unit prioritized check cashers for supervisory investigations this fiscal year. During FY 2017, the Unit's examination and investigation activity resulted in the collection of fines and civil penalties of approximately $10,250 and restitution to consumers of approximately $25,124.

In FY 2017, the Unit continued to refine the improvements made to its examination and investigation management system during FY 2016, adding additional tracking and reporting capabilities. The updates to the system have further enhanced the ability of the Unit to more efficiently and effectively monitor the progress of examinations and investigations, the scheduling of those examinations and investigations, and the overall workflow of the Unit.

Mortgage Supervision

The Unit supervises the business activities of licensed mortgage lenders, brokers, servicers, and loan originators in the State. Companies that maintain a Maryland Mortgage Lender License are licensed to conduct mortgage lending, brokering, and servicing activity with regard to Maryland residential mortgage loans. Individuals that maintain a Maryland Mortgage Loan Originator License are employees of a mortgage lender licensee, and are licensed to originate mortgage loans in the State. The Unit is responsible for conducting compliance examinations of licensed mortgage lenders, whose range of services, coupled with the multitude of laws and regulations governing the extension of credit and the servicing of debt obligations thereafter, require complex review and analysis. In addition to Maryland lending and credit laws, examiners evaluate compliance with federal laws, including the Real Estate Settlement Procedures Act, the Truth in Lending Act, the Secure and Fair Enforcement for Mortgage Licensing ("SAFE") Act of 2008, and state foreclosure laws.

Pursuant to Maryland law, the Commissioner is required to examine new licensees within 18 month of licensure and at least once during any 36-month period thereafter. The Unit in FY 2017 commenced examination of 585 licenses timely, which was 100% of the total that came due during the year, and completed examination of 561 licensees. Additionally, a team within the Unit met regularly throughout FY 2017 to improve upon the Examination and Policies & Procedures manuals introduced in FY 2016 in order to create greater efficiencies in the examination process. For example, certain checklists have been reorganized to better match the typical examination work flow, and a new sampling standard allows examiners to review fewer loan files while still ensuring confidence in the results of the reviews. These increases in efficiency allow examiners to focus additional attention on other aspects of the examination process (especially areas of heightened risk), resulting in more thorough examinations.

The Unit continues to take an active role in multi-state examinations of mortgage lenders, brokers, and/or servicers. In FY 2017, the Unit participated in two joint examinations with other states under the auspices of the AARMR and the CSBS Multi-State Mortgage Committee ("MMC"). The Unit also continued to coordinate and share examination findings with the CFPB under the terms of a 2013 coordination framework.

The Unit continued in FY 2017 with its comprehensive review of the regulations pertaining to mortgage lending and servicing in the State. This review is intended to update and modernize those regulations to address industry and consumer advocate concerns, while eliminating outdated regulations and otherwise improving the efficiency and effectiveness of mortgage supervision. While the Unit had anticipated issuing the final regulations in FY 2017, additional discussions with stakeholders, intended to ensure that all reasonable concerns have been adequately addressed, have extended the process into the first half of FY 2018.

During FY 2017, the Office received mortgage supervision accreditation as administered and assessed through the AARMR/CSBS accreditation program. Under the SAFE Act, an accredited agency is presumed by the federal government to be compliant with the performance standards for state regulatory authorities specified in the Act. The conduct of examinations in accordance with these standards provides two significant benefits: 1) it results in examinations which are more efficient, effective, and comprehensive and which will better conform to current best practices for mortgage regulators; and 2) it results in improved communication between the Unit and the licensees it examines while reducing the regulatory burden on the most compliant companies. Accreditation is valid for five years, and the Office provides annual updates to AARMR and CSBS.

Employees of the Unit continue to maintain their professional competence through training and awareness of legislative updates. The Unit's more tenured Examiners continue to maintain Certified Mortgage Examiner certifications issued by CSBS, while several newer examiners received certification in FY 2017. Additionally, the Unit sent five examiners to AARMR's Spring 2017 Training School in Louisville, Kentucky, which focused on topics including the use of NMLS data analytics, effective communication through examination reports, current compliance issues, examining for general safety and soundness, understanding risk management programs, and analyzing a licensee's liquidity.

In FY 2017, the Unit continued to have an employee appointee on the MMC, and had an employee re-elected to another term on the Board of Directors of AARMR. This representation, along with the continued participation in MMC examinations, ensures that the Unit plays an active role within the state regulatory community and provides meaningful input into coordinated mortgage supervision nationwide.

Money Transmission Supervision

Money transmitters transmit funds electronically and provide: money orders, travelers' checks, bill payer services, accelerated mortgage payment services (bi-weekly mortgage payment services) and prepaid stored value cards. Money transmitters continue to find new and innovative ways to use changing technology to meet consumers' needs. Prepaid cards are the fastest growing payment method in the United States. As the prepaid card industry continues to expand, the Unit continues to see the emergence of a diverse set of products that range from reloadable stored value cards for the deposit of refund anticipation loans to mobile wallets. Prepaid cards are designed to disburse government payments, reloadable incentives, bank turndown solutions, family budgeting tools, ATM usage, and bill payment; for some businesses, these cards have replaced traditional paychecks to employees whose wages are not disbursed via direct deposit. The Internet has also seen an increase in companies that offer online funds transfers, bill payments and deposits or reloadable payments onto prepaid cards.

In an effort to stay up to date with the changing industry through examination, oversight, and leveraging of resources through partnerships, examiners continue to participate in the Money Transmitter Regulators Association ("MTRA") joint examination committee where national licensees are strategically examined by a multi-state team of examiners; in FY 2017, the Unit participated in four multi-state examinations of money transmitters. Money transmitters are considered money service businesses under federal law and are thus required to adhere to BSA and Anti-Money Laundering ("AML") regulations. As a result, Unit examiners continue to participate in programs with the U.S. Internal Revenue Services and U.S. Treasury Department's Financial Crimes Enforcement Network. The goal of these programs is to achieve consistency with the BSA requirements in order to deter money laundering.

Employees of the Unit maintain professional development through training and industry updates. Unit Examiners maintain certifications issued by the CSBS as Certified Money Service Examiners and the Association of Certified Fraud Examiners as Certified Fraud Examiners. Additionally, in FY 2017, four members of the Unit staff attended training schools sponsored by MTRA. Since 2003, the Office has had a staff member represent Maryland on the MTRA Board of Directors, bringing a national perspective to the industry for the state. During FY 2017, the Unit commenced 13 examinations of Maryland Money Transmission Licenses and as part of those examinations conducted 104 authorized delegate site visits.

Debt Management Supervision

Debt management companies are licensed in Maryland and provide consumers access to structured payment plans that permit these consumers to repay debt over time with some accommodation from their creditors. More specifically, with the assistance of a trained credit counselor or certified credit counselor an agreement is entered into with the consumer's creditor(s) that provides full repayment over a 36-month to 60-month time frame in exchange for concessions by the creditors. Concessions typically reduce payments and interest rates. Debt management companies not only assist Maryland consumers in managing their debt through a tailored debt management plan to meet their financial needs but also provide financial education and additional resources to promote healthier financial decisions in the future. In FY 2017, through the efforts of the examination staff, the Unit commenced five examinations of Maryland Debt Management Licensees.

Check Cashers Supervision

Check casher licensees provide check cashing services which is the act of cashing a consumer's check for a fee. The allowable fee amount is established under State law. Check cashers who cash checks totaling more than $1,000 for a single person in a single day are also considered money service businesses under federal law and are required to adhere to the BSA and AML laws and regulations.

Some licensees are large national chains with as many as 68 store locations in the State; others are small businesses with only one or several employees. In recent years, check cashers have better leveraged new technologies, such as utilizing automated check cashing machines. The use of automated check cashing machines in many instances decreases operating costs while increasing the convenience for Maryland consumers to obtain check cashing services. During FY 2017, through the efforts of the examination staff, the Unit commenced 71 license investigations of Maryland Check Cashing Service Licensees.

ENFORCEMENT

Annual Overview

Jedd Bellman, Assistant Commissioner

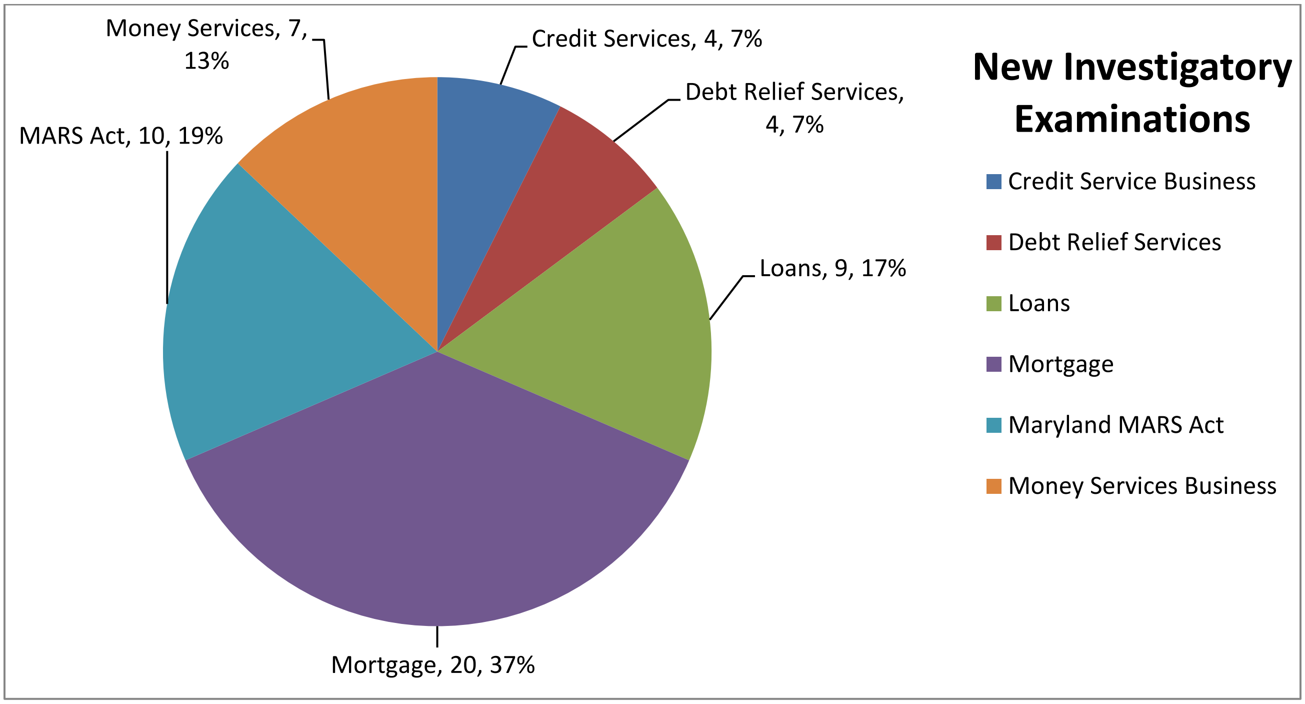
The Enforcement Unit ("Unit") is the investigatory and enforcement arm of the Commissioner. The Enforcement Unit generally investigates fraud-related issues and conducts specialized examinations involving Maryland-chartered banks, credit unions, and trust companies, licensed financial institutions, individuals, and unlicensed business entities, with the goal of uncovering and addressing improper business practices and/or violations of law subject to the jurisdiction of the Commissioner. The 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 process when action may be taken.

In FY 2017, the Unit continued to identify areas where it could improve its operations and more efficiently and effectively devote resources to meet the mission of the Office. Accomplishments towards this goal included evaluating, improving and streamlining systems used as a part of the investigative process. Case category and case type codes used in the Unit's case management system were reviewed and updated for Office consistency. In addition, two investigative tools were evaluated for redundancy, which resulted in the elimination of one of the tools.

In FY 2017, the Unit continued to focus attention on better leveraging resources so as to efficiently and effectively tackle those matters of most importance. To that end, case consolidation continued, including the closing of non-viable cases and the referral of matters to other governmental agencies better equipped to handle those cases, which resulted in 61 cases being closed in FY 2017.

In FY 2017, 20 new investigations involving mortgage related complaints were received. A majority of these cases were due to mortgage licensees failing to respond to their examination questionnaire. Mortgage assistance relief related cases remained consistent from last year making up 19% of all new cases for this fiscal year.

In FY 2017, the Unit continued to pursue complaints involving money services businesses and debt relief services businesses, as well as activity in the debt collection area.



During FY 2017, through the efforts of the investigatory examination staff, the Unit completed approximately 36 investigations, nine of which were referred to litigation counsel in the Attorney General's office for administrative action. Based on Unit referrals, the Commissioner issued 19 enforcement actions that include charge letters, summary orders to cease and desist, settlement agreement and consent orders, final orders and/or summary suspensions of licenses. Of the 19 enforcement actions, the Commissioner issued a total of 17 final orders and consent orders directing respondents to provide consumer refunds of approximately $1.3 million and to remit to the State civil penalties of approximately $1.7 million.

The Unit continues to maintain and develop its relationships with local, state, and federal law enforcement officials.

NON-DEPOSITORY OPERATIONS COMMITTEE

Annual Overview
Clifford Charland, Chair

The Non-Depository Operations Committee (“Committee”) is a newly created body within the Office, that began meeting in November 2016. The Committee’s primary function is communication, upward to Senior Management, and downward to units engaged in non-depository supervisory activity. The Committee may make recommendations for consideration by a unit or as otherwise required by the Commissioner. Further, under certain circumstances, the Committee may assist a unit in making decisions should that unit request Committee involvement.

The Committee is composed of the directors of each of the operational units that support the Office’s non-depository supervision program. This includes the directors from the Licensing Unit, Non-Depository Supervision Unit, Enforcement Unit, Consumer Services Unit, and Outreach Unit. The Committee meets monthly. During these meetings, members of the Committee provide information on activities in progress within their respective units, in order to ensure that each unit is familiar with the needs and concerns of, and any challenges facing, the other units within the Office. Members also share information regarding industry trends identified within each unit; these may include issues such as an increasing number of consumer complaints regarding a given issue, or increasing questions regarding the interpretation of a particular statute. This sharing of information has resulted in improved accountability across the Office, and increased cooperation and sharing of insights and resources among the units.

The Committee is also tasked with collecting and analyzing data to determine what practices, policies, procedures, regulatory outcomes, and systems can be improved upon or if necessary, created to reach the strategic goals set by the Commissioner. The evaluation of the data received will aid the Committee in ascertaining the current strengths, weaknesses, and blind spots of the Office. In addition, a more exhaustive review of data will help determine where any gaps in data retrieval and/or reporting may be occurring, allowing for the use and possible sharing of other agency resources so that a more complete picture is reported and gaps are closed. This process is to facilitate continued improvement in the overall operations and strategic objectives of the non-depository activity of the Commissioner. To that end, the Committee is currently engaged in a project to identify data which will assist in more effectively managing the operations of the units within the Office and aid in more effectively identifying external trends of concern to the Commissioner, and to develop a means of efficiently collecting, compiling, and reporting the data. In FY 2017, a working group within the Committee worked with each member of the Committee individually to determine what data points are currently available, and what additional data points not currently available would be useful in ensuring the efficient and effective operations of each unit. Work on this project will continue into FY 2018.

Additionally, the Committee will, in FY 2018, begin providing quarterly reports to Senior Management, that will outline trends discovered and recommendations on actions needed, up to and including, regulatory priorities, outreach strategies, process improvements, and staff training needs.

CONSUMER SERVICES

Annual Overview

Jedd Bellman, Assistant Commissioner

The Consumer Services Unit ("Unit") is responsible for investigating consumer inquiries and complaints involving financial services providers in the State of Maryland with a goal of resolving those complaints. During FY 2017, the Unit continued to assist Maryland consumers with a diverse range of issues involving their financial services providers. The Unit continues to strive to reduce the time to resolution on complaint issues by ongoing improvements to the operational processes and procedures. Additionally, the Unit continues to collaborate with other Office units so as to better utilize consumer inquiry and complaint data to identify and respond to licensee specific issues, conduct and practices specific issues, industry segment specific issues, and emerging issues.

Consolidated Written Consumer Complaint Analysis

Fiscal Years Ending June 30th

Complaint Category	2017	2016	2015	2014	2013
Collection Agencies	205	261	375	504	615
Non-Jurisdictional *	233	262	280	204	203
Mortgage	228	274	405	683	687
Credit Reporting Company	124	90	193	219	278
Consumer Loans **	107	157	206	374	532
Maryland Bank & Credit Union	102	62	69	67	65
Miscellaneous	61	48	51	79	38
TOTAL ANNUAL COMPLAINTS	1,060	1,154	1,579	2,130	2,418

* Complaints received against national banks, federal thrifts, federal credit unions and out-of-state banks.

** Formerly reported separately as Payday Loan and General Consumer Loan Complaints.

FORECLOSURE PREVENTION AND OUTREACH

Annual Overview

Jedd Bellman, Assistant Commissioner

The Outreach Unit ("Unit") is responsible for conducting outreach to a variety of audiences including consumers, industry, government partners, and other stakeholders with regard to issue areas impacting the jurisdiction of the Office. Consumer financial education responsibilities are geared towards connecting Maryland consumers to effective financial education opportunities, including proactively educating Maryland consumers on the basics of making sound financial decisions, informing Maryland consumers of their rights under State law, and providing Maryland consumers with referral information about local consumer service providers. The Outreach Unit is also responsible for administering the Maryland Foreclosed Property Registry ("Registry") and oversight of the Notice of Intent to Foreclose ("NOI") electronic system. Additional foreclosure-related responsibilities include outreach to homeowners, industry, and government partners on state foreclosure laws and resources.

In FY 2017, Unit staff represented the Office at 25 outreach events, stakeholder meetings, and conferences. As part of the Unit's responsibilities to increase awareness of the Registry among Maryland's municipal and county officials, Unit staff participated in the summer and fall conferences of the Maryland Municipal League ("MML") and the summer and winter conferences of the Maryland Association of Counties ("MACo"). At these conferences the Director of Foreclosure Administration gave presentations to MML and MACo members on the foreclosure process and the Registry. The Unit also provides information to consumers and consumer groups to increase their knowledge of consumer laws and protections. Highlighted events included participation in a discussion about student loans and servicing with the CFPB; Senior Forums on reverse mortgages in Essex, Parkville, Baltimore City and Arbutus; Frederick Pro Bono Day; and meetings held by the Financial Education & Capability Commission.

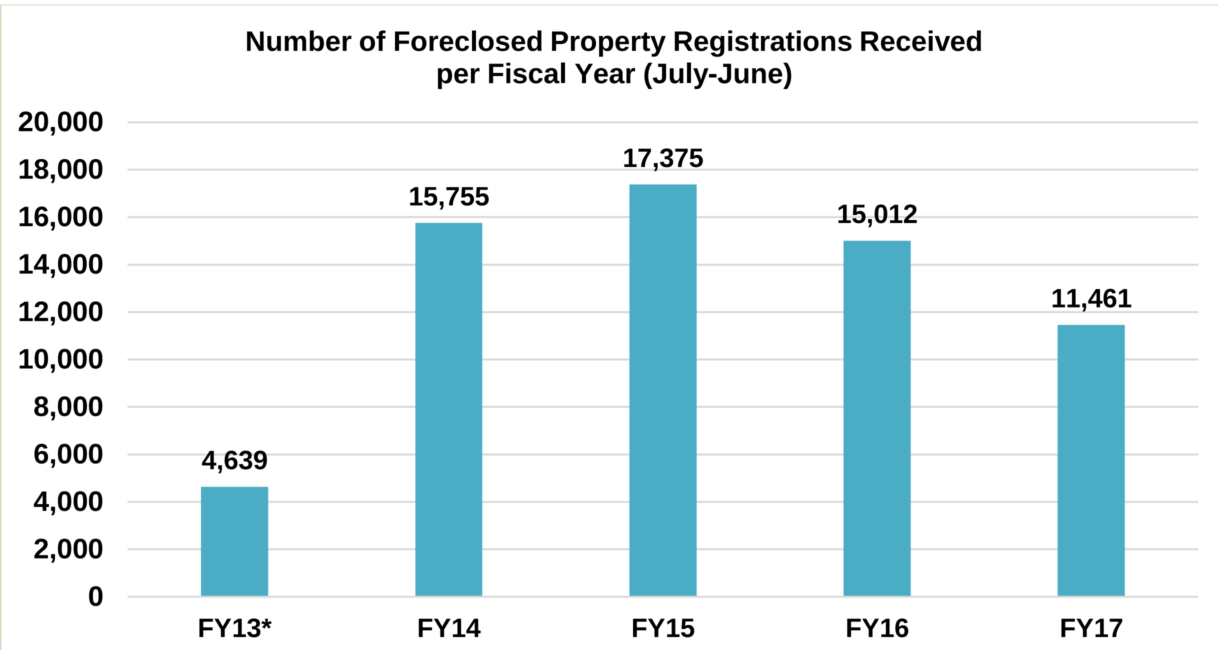
Consumer Financial Education and Outreach

The Director of Consumer Financial Education and Outreach ("Outreach Director") is responsible for the identification of consumer financial service trends and issues as well as connecting Maryland consumers to effective financial education. During FY17, the Outreach Director wrote the Office's consumer financial education section found on the Office's website. The consumer financial education section includes basic tips on such things as budgeting, credit, debt and owning a home. In addition to the consumer resources section, the Outreach Director was the project lead for a complete rewrite and redesign of the entire Office's website which was conducted and completed during FY 2017. The Outreach Director also worked with President and Chief Executive Officer, John M. Hamilton of Municipal Employee Credit Union of Baltimore, Inc. to do a financial education seminar for high school students as part the summer Youth Works program.

Foreclosure Administration and Outreach

The Director of Foreclosure Administration is responsible for coordinating the Office's response to issues surrounding residential real property foreclosures. In FY 2017, the Director of Foreclosure Administration and staff continued to work to improve the services provided by the Office as related to foreclosure and mortgage delinquencies in the State. The Unit manages two statewide online foreclosure databases, communicates with Maryland homeowners and industry agents, conducts a number of foreclosure outreach activities on behalf of the Office, and represents the Office at federal, state, and local events.

One of the Unit's primary responsibilities is overseeing and administering the Registry. The Registry is an online database created by the General Assembly during its 2012 session to assist Maryland jurisdictions dealing with foreclosure-related blight. Purchasers of foreclosed properties must enter their contact information and other relevant property details into the Registry after a foreclosure sale. By identifying the parties responsible for foreclosed properties during the time period between a foreclosure sale and deed recordation, the Registry can facilitate code enforcement, nuisance abatement, law enforcement functions, emergency services, and other activities under the responsibility of local authorities. A total of 289 local and state government officials have direct access to the Registry data; 51 of these users were added during FY 2017. As of June 30, 2017, there were 64,242 entries in the Registry. In FY 2017, the Unit received 11,461 registrations, which is a decrease of 3,551 from FY 2016. For the number of property registrations received each fiscal year, see below.[1]



*Registry went into effect October 2012.

The Unit is also responsible for overseeing and administering NOI electronic system. Any party pursuing a foreclosure on residential real property in the State must send an NOI to the borrower at least 45 days prior to docketing a foreclosure action. Additionally, Maryland law requires the party to furnish to the Commissioner an electronic copy of the NOI. The Office processes the NOI data and uses it to generate outreach packets which are mailed directly to homeowners at-risk of foreclosure. These packets encourage homeowners to contact their mortgage servicer, provide nonprofit referral information, and caution homeowners against loss mitigation scams. The packets are mailed weekly. In FY 2017, the Office received 79,498 NOIs, which is an increase of 8,826 from FY 2016. For the number of NOIs received by the Commissioner each fiscal year, see below.

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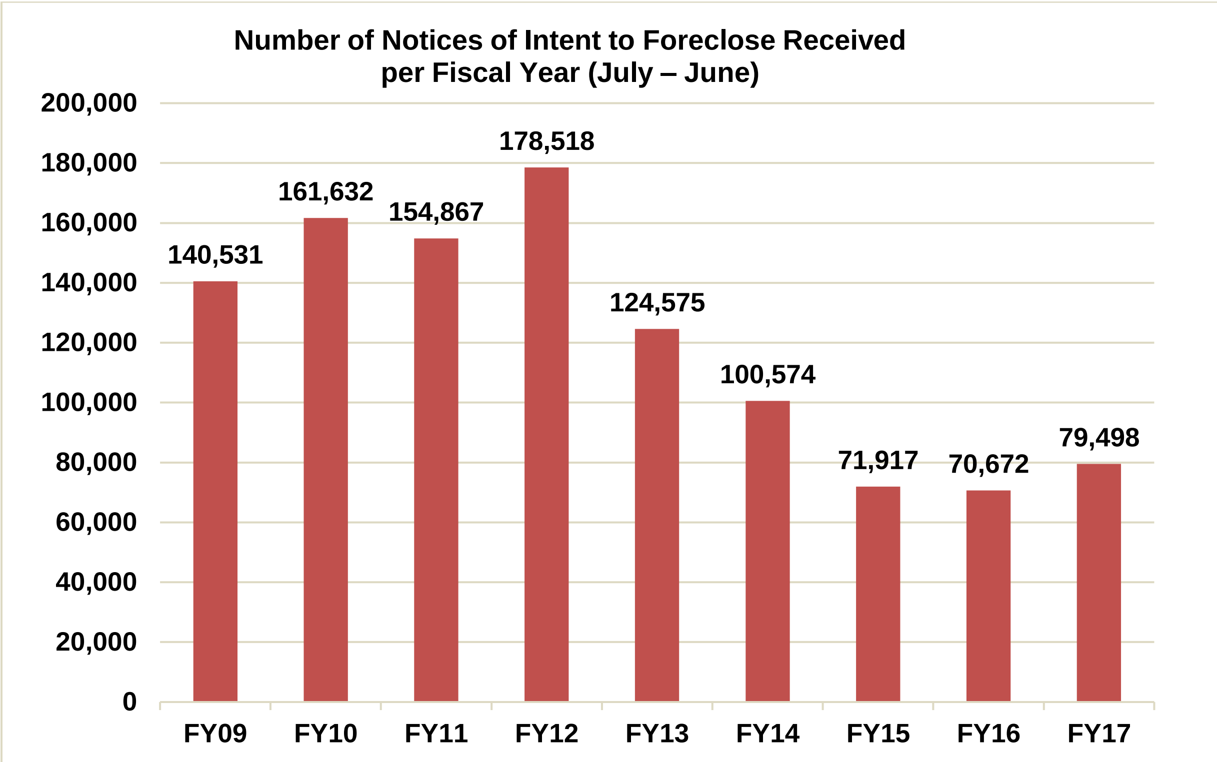
1 Note that the property registration numbers for FY 2013, FY 2014, FY 2015, and FY 2016 in the graph have been revised from the 2016 Annual Report. These revisions are due to changes in how system reports are generated. The revised numbers reflect these changes and are not material to the operations of the Unit.



In summary, the following chart lists the total numbers of NOIs and property registrations received by the Unit in the fiscal year.

Fiscal Year	# of New NOIs Received	# of Foreclosed Property Registrations Received*
2009	140,531	n/a
2010	161,632	n/a
2011	154,867	n/a
2012	178,518	n/a
2013	124,575	4,639*
2014	100,574	15,755
2015	71,917	17,375
2016	70,672	15,012
2017	79,498	11,461
TOTAL	**1,082,784**	**64,242**
*Registry went into effect October 2012.		

During its 2017 session, the General Assembly passed, and Governor Hogan signed, Senate Bill 875 (348 Md. Laws 2017) and House Bill 1048 (349 Md. Laws 2017). The bill takes effect October 1, 2018 and it requires the person authorized to conduct a foreclosure sale to provide a Notice of Foreclosure ("Notice") to the Commissioner upon filing an Order to Docket or Complaint to Foreclose on residential real property. The Notice shall include the street address of the property, the contact information for the person authorized to conduct the sale, and, if known, other details about the property and contact information for the owner and/or maintenance company. The Order to Docket or Complaint to Foreclose is the first court filing for a foreclosure and it must occur prior to the foreclosure sale. By receiving notification at this stage as well as after the foreclosure sale (through the Registry described above), the Notice will provide local government officials with additional contact information early in the foreclosure process. As with the Registry, the Notice is intended to facilitate code enforcement, nuisance abatement, law enforcement functions, emergency services, and other activities under the responsibility of local authorities. The Commissioner plans to capture the Notice of Foreclosure through an electronic reporting system that will be integrated into the Registry, which will be administered and maintained by the Unit.

The Director of Foreclosure Administration continues to work with the Maryland Department's Office of Information Technology to significantly upgrade both the Registry and NOI electronic system with the goal of improving overall functionality and user experience. The development phase of these upgrades began in the last half of FY 2017. The upgrades will enhance existing features, create new features, and improve upon both systems' current platforms and databases. Specific upgrades include:

- redesigning the user interfaces so external users can create their accounts and submit and/or access data more efficiently and securely;
- adding notifications and other features that allow for better communication between external users and Unit staff;
- streamlining reporting features with data analysis;
- overall performance and stability improvements; and
- other functional improvements identified by external users and Unit staff.

Development and implementation of the new Notice requirement was added to the project scope. As stated above, the Notice electronic reporting system will be integrated into the upgraded Registry. The anticipated completion date for the overall project is October, 2018.

In addition to oversight of the Registry and NOI electronic system, Unit staff continue to field inquiries from Maryland homeowners and industry representatives with questions about the foreclosure process and requests for assistance with other foreclosure-related matters. In FY 2017, Unit staff handled approximately 316 foreclosure-related calls to the Unit's designated Foreclosure Outreach line. Of these calls, 139 (or 44%) were from homeowners who had received the NOI outreach packet mailed by the Unit and were contacting staff for additional information. The remaining calls were primarily from other homeowners (who had learned about the Office through other means) who had concerns about their foreclosure and/or were in need of a referral to a nonprofit agency, and from industry representatives with questions regarding the Registry or NOI electronic system or associated foreclosure laws.

The Director of Foreclosure Administration also regularly communicated with consumer advocates, industry participants, and state and federal government partners to discuss and research foreclosure related issues, as well as at times to resolve homeowner and/or industry concerns.

Other foreclosure outreach activities conducted by Unit staff include investigating foreclosure-related complaints, participating in multi-state mortgage settlement negotiations and administration, and communicating directly with mortgage servicers regarding loan-level complaints and company policies and procedures.

MARYLAND COLLECTION AGENCY LICENSING BOARD

As of December 1, 2017

The Maryland Collection Agency Licensing Board ("MCALB" or "the Board") was established by the legislature in 1977 and resides within the Office. The Board has statutory responsibility for the licensing and regulation of collection agencies operating in Maryland. The Governor, with the consent of the Senate, appoints the four-member board, consisting of two consumer representatives and two industry representatives. The Commissioner serves as Chairman of the Board. The Board remains committed to accomplishing its original objective of industry compliance with state law, while promoting a safe and sound collection industry in the State. The Board informs both licensees and the public about abusive debt collection practices and continues to actively work together for the good of all Marylanders as it collaborates and addresses issues brought before the Board for the fair regulation of the collection industry.

Board Members

Antonio P. Salazar
Chairman

Stephen D. Hannan
Consumer Member

Susan K. Hayes
Industry Member

Eric Friedman
Consumer Member

Joanne Young
Industry Member

Over the past fiscal year, the Board continued to meet on a quarterly basis to discuss emerging issues, licensing activities, enforcement activities, written complaints, and other matters pertinent to the work of MCALB. Office staff continued to handle the licensing, investigative, enforcement, consumer complaint processing, and outreach activity on behalf of the Board.

In FY 2017 there were 1,694 licensed collection agencies. During its 2017 session, the General Assembly passed, and Governor Hogan signed, House Bill 182 (253 Md. Laws 2017). The bill takes effect July 1, 2017 and it requires, among other things, that collection agency licensees, as well as holders of various other license types, to transition to the NMLS and Registry. Licensees are required to enter certain required information into the NMLS system, and to upload certain records to the system, between August 1 and September 30, 2017. Based on information provided by NMLS in December 2016, comparing Maryland licensee names to the names of existing NMLS users, it is believed that over 70% of collection agency licenses are held by entities that already use NMLS in other states or for other Maryland license types. The transition process for these entities was expected to be relatively easy, as they have already created the general company record to which individual licenses are attached within the NMLS system, and all they will need to do during the transition period is to upload required information. The process for those entities that were not prior NMLS users was expected to be more complicated as those entities need to both register with NMLS and then complete the upload of information. As of the close of FY 2017, the Office was preparing both internally and with NMLS staff for the transition.

House Bill 182 (253 Md. Laws 2017) also modified some licensing and application requirements applicable to various license types including providing that collection agency licenses are generally valid for one-year terms. That statute also authorizes the Commissioner to share information about licensees with certain State and federal regulatory officials. To accommodate the one-year term of the licenses, the Commissioner, with the approval of the Board, was in the process of issuing new regulations providing that licensees pay a commensurate annual licensing fee of $350 (half of the fee for a 2-year license).

During its 2017 session, the General Assembly also passed, and Governor Hogan signed, Senate Bill 924 (479 Md. Laws 2017), which standardized surety bond requirements for various licensing categories including collection agencies. The standardized requirements relate to the issuance and cancellation of a bond, claims against a bond, and the liability of a surety. The bill also authorizes certain penalties imposed against a licensee or registrant to be collected and paid from the proceeds of a bond. The bill took effect June 1, 2017.

The Board, through the Commissioner's Enforcement Unit, continued to actively investigate possible violations of debt collection laws and bring enforcement actions when warranted. In FY 2017, MCALB issued one final order resulting in the imposition of $1,057,694 of restitution. The Board investigated and mediated 202 consumer complaints regarding debt collection practices in 2017.

In an effort to remain connected to nationwide trends, information sharing and multi-state activities, MCALB continues to actively participate in multi-state activity through the North American Collection Agency Regulatory Association ("NACARA"). In FY 2017, the Commissioner continued to have an employee appointee on NACARA's Executive Committee. That employee was elected as Vice-President of the organization in October 2016. Additionally, in FY 2017, a staff member was appointed as Chair for the NACARA Annual Conference Planning Committee. These appointments, along with the continued participation in discussions surrounding multi-state coordination, ensure that MCALB plays an active role within the state regulatory community and provides meaningful input into coordinated debt collection supervision nationwide.

MONETARY RECOVERIES FOR CONSUMERS, FINES AND PENALTIES

Consumer Recoveries

Monetary recoveries for consumers result from the Commissioner's commitment to protect the public from economic harm caused by the financial services market. During FY 2017, the Commissioner conducted hearings either internally or through the Office of Administrative Hearings and, along with in-house efforts, collected recoveries for consumers of $72,089. Another $43,557 was ordered to be paid to consumers but was determined to be uncollectible due to the financial condition of the responsible party and was referred to the Central Collection Unit of the Department of Budget and Management for collection efforts.

Fines & Penalties

Additionally, during FY 2017, the Commissioner investigated companies and/or individuals that we determined had violated various State laws and/or regulations. The Commissioner conducted hearings either internally or through the Office of Administrative Hearings and collected fines and penalties of over $5.2 million. Another $131,000 in fines ordered to be paid to the State was determined to be uncollectible due to the financial condition of the responsible party and was referred to the Central Collection Unit of the Department of Budget and Management for collection efforts. All of the collected fines were paid to the state's General Fund, and most were related to the activities of unlicensed individuals and companies committing loan modification scams, mortgage compliance issues, and payday lending activities.

Consumer Recoveries & Fines Collected
Fiscal Years 2017 & 2016

	Total Collected FY 2017	Total Collected FY 2016
Consumer Recoveries	**$72,089**	**$511,940**
Fines and Penalties	**$5,240,190**	**$766,202**
TOTAL	**$5,312,279**	**$1,278,142**

OFFICE REVENUES AND EXPENDITURES

The Office's funding is provided from three main sources.

- Banks/Credit Unions & Non-Depository Trust Companies
- Non-Depository Financial Industries such as; Maryland-licensed mortgage lenders and mortgage loan originators, money transmitters, debt management companies, and debt settlement companies were deposited into a statutorily created Special Fund. Under Chapter 341 of the 2016 Laws of Maryland, the Mortgage, Money Transmission, and Debt Management Special Funds were consolidated into a single Non-Depository Special Fund.
- General Funds are received from licensing and examining several financial related industries such as Check Cashers, Collection Agencies, Credit Service Businesses, Consumer, Installment and Sales Finance Lenders.
- General Funds are collected as a result of fines and penalties collected from any industry regulated by the Commissioner and are not used in any operations of the Office.

Assessments paid by banks, credit unions and non-depository trust companies are deposited into the statutorily created Bank/Credit Union Special Fund. Bank/Credit Union Filing Fees are also deposited into this Fund. These funds are utilized to cover the costs of regulating, examining and chartering Maryland state-chartered banks, credit unions and non-depository trust companies.

Licensing, examination and supervision fees are paid by each respective industry and are deposited into the Non-Depository Special Fund. Any surplus at the end of each fiscal year is carried over to subsequent fiscal years as a fund balance.

Further, two additional Special Funds, the Mortgage Foreclosure Mediation and the Foreclosed Property Registry, provide monies to support the Office's foreclosure prevention and mitigation activities.

During Fiscal Year 2017, the Office completed and closed the Attorney General’s Mortgage Settlement Special Fund. Also, as seen in the accounts listed below, three Special Funds were closed and the balances transferred to the newly created Non-Depository Special Fund.

The following charts compare the Office's revenue and expenditures, by fund, for FY 2015, 2016 and 2017.

Summary of All Office Revenues and Expenditures
Fiscal Years Ending June 30th

REVENUES	FY 2015	FY 2016	FY 2017
Special Funds			
Mortgage Lender/Originator	$5,523,535	$6,261,689	$0
HB 72-BRFA-Mortgage Fund	($3,000,000)	$0	$0
Banking and Credit Union Regulation	$3,640,834	$3,736,492	$3,911,355
Money Transmission	$310,105	$384,019	$0
Debt Management Services	$75,853	$113,332	$0
Non-Depository			$6,949,601
Subtotal	$6,550,327	$10,495,532	$10,860,956
Foreclosure Related Special Funds			
Attorney General's Settlement	$743,055	$384,904	$240,830
Mortgage Foreclosure Mediation	$38,902	$31,169	$102,929
Foreclosed Property Registry	$1,121,009	$966,792	$803,676
Subtotal	$1,902,966	$1,382,865	$1,147,435
General Funds			
Licensing Fees	$1,283,694	$1,758,151	$870,987
Fines & Penalties	$439,253	$766,202	$5,240,190
Subtotal	$1,722,947	$2,524,353	$6,111,177
Total Revenue	**$10,176,240**	**$14,402,750**	**$18,119,569**

EXPENDITURES	FY 2015	FY 2016	FY 2017
Salaries and Benefits	$7,545,750	$7,288,809	$7,741,510
Technical and Special Fees	$650,498	$587,950	$465,290
Communication	$182,367	$105,101	$62,774
Travel/Training	$379,070	$281,818	$310,482
Lease Expense, Parking Facilities	$43,440	$37,268	$44,204
Contractual Services	$126,577	$126,505	$293,492
Supplies and Materials	$76,006	$33,291	$29,685
Equipment	$38,995	$13,828	$83,140
Fixed Charges, Rent	$308,076	$321,833	$325,016
Administrative Expenses	$1,202,970	$1,557,562	$1,217,810
Total Expenditures	**$10,553,750**	**$10,353,964**	**$10,573,402**
Net Revenue for Fiscal Year	($377,510)	$4,048,786	$7,546,166

Revenues & Expenditures - General Fund
Fiscal Years Ending June 30th

REVENUE	FY 2015	FY 2016	FY 2017
Non-Depository Licensing Fees	$1,283,694	$1,758,151	$870,987
Fines & Penalties *	$439,253	$766,202	$5,240,190
Total Revenue	**$1,722,947**	**$2,524,353**	**$6,111,177**

* All Fines & Penalties from all Programs are paid into the State's General Fund

EXPENDITURES	FY 2015	FY 2016	FY 2017
Salaries and Benefits	$1,446,255	$1,325,822	$1,435,240
Communication	$1	$1	$3
Travel/Training	$0	$0	$0
Contractual Services	$0	$0	$0
Supplies and Materials	$0	$0	$0
Total Expenditures	**$1,446,256**	**$1,325,823**	**$1,435,243**
Net Revenue for Fiscal Year	$276,691	$1,198,530	$4,675,934

Bank & Credit Union Special Fund
Fiscal Years Ending June 30th

REVENUE	**FY 2015**	**FY 2016**	**FY 2017**
Bank & Credit Union Assessments	$3,392,945	$3,508,488	$3,674,689
Non-Depository Trust Company Assessments	$177,688	$181,426	$194,491
Depository Amendment and Filing Fees	$43,440	$45,558	$41,995
Miscellaneous Income/Other	$26,761	$1,020	$180
Total Revenue	**$3,640,834**	**$3,736,492**	**$3,911,355**

EXPENDITURES	**FY 2015**	**FY 2016**	**FY 2017**
Salaries and Benefits	$1,989,954	$2,129,192	$2,072,245
Technical and Special Fees	$263,519	$286,627	$347,817
Communication	$27,401	$25,498	$16,648
Travel/Training	$273,443	$206,982	$205,723
Lease Expense, Parking Facilities	$4,620	$4,004	$1,028
Contractual Services	$23,867	$23,150	$16,403
Supplies and Materials	$22,965	$7,475	$11,673
Equipment	$582	$3,851	$67,960
Fixed Charges, Rent	$140,982	$129,991	$125,811
Administrative Expenses	$554,400	$689,174	$536,332
Total Expenditures	**$3,301,735**	**$3,505,944**	**$3,401,640**
Net Revenue for Fiscal Year	$339,099	$230,548	$509,715
Year End Adjustment **Special Fund Balance Carried Forward**	$2,458,747	$2,689,295	$3,199,010

Non-Depository Special Fund
Fiscal Years Ending June 30th

REVENUE	FY 2015	FY 2016	FY 2017
Non Depository License Fees			$6,520,140
Non Depository Examination Fees			$425,096
Miscellaneous Income/Other			$4,365
Total Revenue	**$0**	**$0**	**$6,949,601**

EXPENDITURES	FY 2015	FY 2016	FY 2017
Salaries and Benefits			$3,581,391
Technical and Special Fees			$117,423
Communication			$14,393
Travel/Training			$95,554
Lease Expense, Parking Facilities			$39,692
Contractual Services			$116,938
Supplies and Materials			$14,717
Equipment			$14,142
Fixed Charges, Rent			$198,940
Administrative Expenses			$552,136
Total Expenditures	**$0**	**$0**	**$4,745,326**

Net Revenue for Fiscal Year	$0	$0	$2,204,276
Special Fund Balance Carried Forward	$0	$5,548,880	$7,753,156

Special Fund - Mortgage Foreclosure Mediation
Fiscal Years Ending June 30th

REVENUE	FY 2015	FY 2016	FY 2017
Miscellaneous Income/Other (Reimbursed)	$26,293	$43,778	$102,929*
Accrued revenue	$12,609	($12,609)	
Total Revenue	**$38,902**	**$31,169**	**$102,929**

EXPENDITURES	FY 2015	FY 2016	FY 2017
Salaries and Benefits	$0	$0	$0
Technical and Special Fees	$0	$0	$0
Communication	$25,808	$22,425	$28,784
Travel/Training	$0	$0	$0
Contractual Services	$2,550	$2,695	
Supplies and Materials		$896	$3,241
Fixed Charges, Rent	$0	$0	$0
Administrative Expenses	$10,545	$5,153	$10,124
Total Expenditures	**$38,902**	**$31,169**	**$42,149**
Net Revenue for Fiscal Year	$0	$0	$60,780
Special Fund Balance Carried Forward	$0	$0	$60,780

*Represents an over reimbursement of expenditures which was corrected in early FY 2018 and now has a $0 balance.

Special Fund – Foreclosed Property Registry
Fiscal Years Ending June 30th

REVENUE	FY 2015	FY 2016	FY 2017
Foreclosure Registrations	$1,105,800	$943,750	$765,250
Miscellaneous Income/Other	$15,209	$23,042	$38,426
Total Revenue	**$1,121,009**	**$966,792**	**$803,676**

EXPENDITURES	FY 2015	FY 2016	FY 2017
Salaries and Benefits	$185,127	$218,825	$411,804
Special and Technical			$50
Communication	$60,798	$1,997	$2,946
Travel/Training	$2,276	$7,532	$9,205
Lease Expense, Parking Facilities	$4,632	$1,694	$3,484
Contractual Services	$1,848	$9,707	$160,151
Supplies and Materials	$6,967	$325	$54
Equipment	$797	$296	$1,038
Fixed Charges, Rent	$304	$175	$265
Administrative Expenses	$53,909	$68,978	$119,218
Total Expenditures	**$316,659**	**$309,529**	**$708,215**

Net Revenue for Fiscal Year	$804,349	$657,263	$95,461
Special Fund Balance Carried Forward	**$1,895,672**	**$2,552,935**	**$2,648,396**

Special Fund – Debt Management/Settlement **
Fiscal Years Ending June 30th

This Fund has been Transferred to the Non-Depository Special Fund

REVENUE	FY 2015	FY 2016	FY 2017
Debt Management Licensing Fees	$18,792	$81,200	
Debt Management Examination Fees	$6,962		
Miscellaneous Income/Other	($173)	($196)	
Miscellaneous Income/Other	$50,272	$32,328	
Transfer to Non-Depository Special Fund			($158)
Total Revenue	**$75,853**	**$113,332**	**($158)**

EXPENDITURES	FY 2015	FY 2016	FY 2017
Salaries and Benefits	85,113	87,678	
Communication	913	1,198	
Travel/Training	9,432	7,499	
Lease Expense, Parking Facilities	924	847	
Contractual Services	4	0	
Fixed Charges, Rent			
Administrative Expenses	16,585	11,465	
Total Expenditures	**$112,972**	**$108,687**	**$0**
Net Revenue for Fiscal Year	($37,119)	$4,645	($158)
Special Fund Balance Carried Forward	($4,487)	$158	$0

**** Chapter 341 of the Laws of Maryland 2016 requires this Special Fund to be transferred to the New Non-Depository Special Fund.**

Special Fund – Money Transmitters
Fiscal Years Ending June 30th
This Fund has been Transferred to the Non-Depository Special Fund

REVENUE	FY 2015	FY 2016	FY 2017
Money Transmitter Licensing Fees	$326,000	$316,000	
Money Transmitter Examination Fees	$34,380	$68,019	
Miscellaneous Income/Other	($1)		
Miscellaneous Transfers	($50,274)		
Transfer to Non-Depository Special Fund			($293,040)
Total Revenue	**$310,105**	**$384,019**	**-$293,040**

EXPENDITURES	FY 2015	FY 2016	FY 2017
Salaries and Benefits	$163,750	$172,466	
Technical and Special Fees			
Communication	$1,653	$2,548	
Travel/Training	$18,529	$22,863	
Lease Expense, Parking Facilities	$1,848	$1,771	
Contractual Services	$8	$316	
Supplies and Materials	$112	$120	
Equipment			
Fixed Charges, Rent	$3,547	$750	
Administrative Expenses	$26,326	$24,762	
Total Expenditures	**$215,773**	**$225,596**	**$0**
Net Revenue for Fiscal Year	$94,332	$158,423	($293,040)
Special Fund Balance Carried Forward	$134,617	$293,040	$0

**** Chapter 341 of the Laws of Maryland 2016 requires this Special Fund to be transferred to the New Non-Depository Special Fund.**

Special Fund – Mortgage Lender/Originator
Fiscal Years Ending June 30th

This Fund has been Transferred to the Non-Depository Special Fund

REVENUE	FY 2015	FY 2016	FY 2017
Mortgage Licensing Fees	$5,186,629	$6,010,459	
Mortgage Examination Fees	$310,497	$251,244	
Miscellaneous Income/Other	$26,409	-$14	
HB 72- BRFA	($3,000,000)		
Transfer to Non-Depository Special Fund			($5,255,682)
Total Revenue	**$2,523,535**	**$6,261,689**	**-$5,255,682**

EXPENDITURES	FY 2015	FY 2016	FY 2017
Salaries and Benefits	$3,102,605	$3,013,869	
Technical and Special Fees	$283,029	$257,377	
Communication	$63,105	$51,433	
Travel/Training	$45,571	$36,942	
Lease Expense, Parking Facilities	$27,720	$28,952	
Contractual Services	$84,716	$90,637	
Supplies and Materials	$44,598	$24,475	
Equipment	$25,015	$9,681	
Fixed Charges, Rent	$160,833	$190,917	
Administrative Expenses	$541,205	$758,030	
Total Expenditures	**$4,378,398**	**$4,462,313**	**$0**
Net Revenue for Fiscal Year	($1,854,863)	$1,799,376	($5,255,682)
Special Fund Balance Carried Forward	$3,456,306	$5,255,682	$0

Chapter 341 of the Laws of Maryland 2016 requires this Special Fund to be transferred to the New Non-Depository Special Fund.

Attorneys General Mortgage Servicers Settlement
Special Fund
Fiscal Years Ending June 30th

This fund is now Closed

REVENUE	FY 2015	FY 2016	FY 2017
Settlement Reimbursement	$530,576	$597,383	$240,830
Accrued revenue	$212,479	($212,479)	
Total Revenue	**$743,055**	**$384,904**	**$240,830**

EXPENDITURES	FY 2015	FY 2016	FY 2017
Salaries and Benefits	$572,946	$340,957	$240,830
Technical and Special Fees	$103,950	$43,946	
Communication	$2,688	$1	$1
Travel/Training	$29,818		
Utilities			
Parking Facilities	$3,696		
Contractual Services	$13,583		
Supplies and Materials	$1,363		
Equipment	$12,600		
Fixed Charges, Rent	$2,411		
Total Expenditures	**$743,055**	**$384,904**	**$240,831**

Cumulative Expenditures	**$1,512,265**	**$1,897,168**	**$2,138,000**
Grant Remaining	**$625,735**	**$240,832**	**$0**

MANAGEMENT ORGANIZATION CHART

As of December 31, 2017

Antonio P. Salazar
Commissioner

Teresa M. Louro
Deputy Commissioner

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Jedd R. Bellman
Assistant Commissioner
Non-Depository Supervision

Joseph E. Rooney
Assistant Commissioner
Administration

Marcia A. Ryan
Assistant Commissioner
Depository Corporate Activities

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Janelle Lawrence
Director
Consumer Financial Education & Outreach

Meredith Mishaga
Director
Foreclosure Outreach

Christine A. Brooks
Director
Mortgage Lending Supervision

Sabrina S. Brown
Director
Non-Depository Supervision

Clifford J. Charland
Director
Mortgage Examination Process

Randy Kiser
Director
Enforcement Unit

Betty McBride
Acting Director
Non-Depository Licensing

Charis Taylor
Director
Mortgage Servicing

Arlene Williams
Acting Director
Mortgage Licensing

HISTORICAL LIST OF COMMISSIONERS
As of December 31, 2017

NAME	FROM	TO
Antonio P. Salazar	2017	Present
Gordon M. Cooley	2014	2017
Mark A. Kaufman	2010	2014
Sarah Bloom Raskin	2007	2010
Charles W. Turnbaugh	2003	2007
Mary Louise Preis	1999	2003
H. Robert Hergenroeder *	1996	1999
Margie H. Muller	1983	1996
Joseph R. Crouse	1980	1983
W. H. Holden Gibbs	1978	1980
William L. Wilson	1971	1978
William A. Graham	1967	1971
Herbert R. O'Conor, Jr.	1963	1967
W. R. Milford	1960	1963
William F. Hilgenberg	1959	1960
William H. Kirkwood, Jr.	1951	1959
Joseph P. Healy	1950	1951
J. Millard Tawes	1947	1950
John W. Downing	1939	1947
Warren F. Sterling	1935	1939
John J. Ghingher	1933	1935
George W. Page	1919	1933
J. Dukes Downs	1910	1919

* In 1996, the Bank Commissioner's Office was merged by statute with the Consumer Credit Division, resulting in the change of title from Bank Commissioner of Financial Regulation.

HISTORICAL LIST OF DEPUTY COMMISSIONERS
As of December 31, 2017

NAME	FROM	TO
Teresa M. Louro	2016	Present
Keisha L. Whitehall Wolfe (Acting)	2014	2015
Gordon M. Cooley	2013	2014
Anne Balcer Norton	2010	2013
Mark A. Kaufman	2008	2010
Joseph E. Rooney	2003	2008
Nerry L. Mitchell	1999	2003
William L. Foster **	1996	1999
David M. Porter	1993	1996
Henry L. Bryson	1987	1993
Charles R. Georgius	1979	1987
Charles A. Knott, Jr.	1977	1979
Albert E. Clark	1972	1977
H. Sadtler Nolen	1967	1972
John D. Hospelhorn	1923	1967
John J. Ghingher	1919	1923
George W. Page	1912	1919
John C. Motter	1910	1912

** In 1996, the Bank Commissioner's Office was merged by statute with the Office of Consumer Credit, resulting in the change of title from Deputy Bank Commissioner to Deputy Commissioner of Financial Regulation.