

# Mandatory Transition to NMLS and Related Information

**Attention All Licensed** Check Cashing Services, Debt Management Services, Collection Agencies, Consumer Lenders, Installment Lenders, Sales Finance Companies, and Credit Services Businesses

## MANDATORY TRANSITION TO NMLS BEGAN ON AUGUST 1, 2017

Pursuant to the enactment of House Bill (HB) 182 (253 Md. Laws 2017) passed earlier this year by Maryland's General Assembly and signed into law by Governor Larry Hogan, holders of check cashing services, debt management services, collection agency, consumer lender, installment lender, sales finance, and credit services business licenses were required by law to transition their licenses to the Nationwide Multistate Licensing System and Registry ("NMLS") by September 30, 2017. The Commissioner's office ceased accepting new or renewal applications outside of the NMLS system on August 1, 2017. **Failure to complete the transition process is a violation of Maryland licensing laws and could jeopardize your ability to continue engaging in licensed activities in Maryland, regardless of the expiration date of your existing license(s). To avoid any disruption to your business activity in the state, PLEASE BEGIN YOUR TRANSITION PROCESS IMMEDIATELY. It is the Commissioner's desire to avoid any action, such as suspension or revocation of your license(s), due to your failure to transition all applicable licenses.**

Certain licensees were also required by law to pay a license extension fee. The Commissioner has noted that the number of license extension fees paid is greater than the number of licenses for which NMLS transition has been initiated. **Payment of the fee does not complete the transition process.** The transition to NMLS is a separate process. If you paid a license extension fee, you must still complete the NMLS transition process in order to comply with the new law.

### ***Managing Your License on NMLS***

NMLS is a secure web-based system created by state regulators to provide efficiencies in the processing of state licenses and to improve supervision of state-regulated financial industries. Through NMLS, business entities maintain a single record which they use to apply for, maintain, renew, and surrender licenses in one or more states. NMLS also contains functionality for the submission of financial statements, credit reports, electronic bonds, and criminal background checks if required for your license. More information about NMLS can be found on the [NMLS Resource Center](#).

Each licensed Check Cashing Service, Debt Management Service, Collection Agency, Consumer Lender, Installment Lender, Sales Finance Company, and Credit Services Business is **required by law** to create and maintain a record in NMLS, both for the business entity itself, and for each branch required to hold a license. Once the business entity and branch forms have been completed, they may be submitted electronically through NMLS to the Commissioner. .

A copy of the Commissioner's license Transition Checklist for each license type is available on the [NMLS Resource Center](#).

### ***How to Access NMLS***

**NOTE:** If you already have a record in NMLS, there is no need for you to complete this step.

In order to gain access to NMLS for the first time, you must complete a Company Account Request Form and identify a Primary Account Administrator and a Secondary Account Administrator. This form can be submitted electronically through the NMLS website in the Getting Started section. This form needs to be submitted only once, regardless of the number of NMLS participating states in which you are licensed.

Within three days of completing and submitting the Company Account Request Form, the Primary Account Administrator will receive NMLS login information. The Primary Account Administrator for your company will have full rights to access the system, submit information to the Commissioner and other participating state regulators, and set up other business entity users in the system. Instructions and tutorials on how to access and use the system are also available on the [NMLS Resource Center](#).

### ***Forms to Complete***

Once you are able to access NMLS, you will be required by law to submit the following through NMLS to the Commissioner :**(In accordance with HB 182, all licensees were REQUIRED to complete the transition by September 30, 2017):**

- Company Application
  - Submitted by Licensed Companies
  - For more information, see the [Submitting a Company \(MU1\) Form Quick Guide](#).
- Biographical Statement and Consent Form
  - Submitted by Licensed Companies for each Control Person (i.e., executive officer, qualified individual or branch manager)
  - For more information, see the [Submitting an Individual \(MU2\) Form Quick Guide](#).
- Branch Application
  - Submitted by Licensed Companies for each Licensed Branch
  - For more information, see the [Submitting a Branch \(MU3\) Form Quick Guide](#).

See the [Company \(MU1\) Form Filing Instructions](#) if you are completing the Company (MU1) Form for the first time.

**NOTE:** If you have submitted these forms to another state, then you do not need to re-enter your company or branch records into NMLS. You will only need to identify the appropriate license type in Maryland and complete a few state-specific fields.

### ***License Extension Fees***

In accordance with HB 182, for each license you hold that will transition to NMLS, the term of that license shall be extended to December 31 of the year in which the license would otherwise have expired. During your transition to NMLS, you will be required to pay a license extension fee. The fee is based on the annual license fee, and will be prorated to the number of days between the date the license would otherwise have expired and December 31 of the same year. You should have received a bill from the Commissioner for this fee during the transition period.

### ***NMLS Training***

Training on transitioning to NMLS is online and includes an overview of the resources available, licensing requirements checklists that should be reviewed, and a demonstration of tasks that must be completed in NMLS.

Go to the [CSBS Learning Management System](#) to access the recorded webinar. If you attended live, the course will be in your dashboard or you can use the [instructions](#) to register and access the webinar. If you are not a current NMLS user, the Commissioner strongly recommends that you listen to the recorded webinar.

### ***NMLS Website***

The [NMLS Resource Center](#) provides step-by-step instructions on how to access the system, guides on how to complete the forms, each state's Transition Checklist, tutorials, current and future participating agencies, system alerts, system processing fees, and general background information. Training opportunities are also available in the News & Events section and from the NMLS home page.

### ***FAQs for Trusts***

We've put together some [frequently asked questions \(FAQs\)](#) for account administrators of trusts.

### ***Contact Us***

If you have any questions, feel free to contact the Non-Depository Licensing Unit by phone at 410-230-6155 or by e-mail at [FinReg.Licensing@maryland.gov](mailto:FinReg.Licensing@maryland.gov).