**02 DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION**

**030 BUREAU OF CONSUMER CREDIT PROTECTION**

**Chapter 705: ESTABLISHMENT OF LICENSE AND RENEWAL FEES AND APPLICATION REQUIREMENTS FOR MAINE’S DEBT COLLECTOR LICENSING AND REQUIREMENT FOR LICENSING THROUGH THE NATIONWIDE MULTISTATE LICENSING SYSTEM (NMLS)**

**SUMMARY**

This chapter makes the modifications necessary to transition licensing of all debt collectors currently licensed by the State of Maine to a multistate system administered by the Nationwide Multistate Licensing System (NMLS). The chapter converts the two-year license for debt collectors to a one-year license and eliminates the current July 31 licensing expiration date, substituting an annual license effective from January 1 through December 31 of each year. It sets application and renewal fees and application requirements for debt collectors. The chapter extends current licenses scheduled to expire on July 31, 2023 through December 31, 2023 and permits applicants for new licenses to apply through NMLS as of the effective date of this rule.

**I.** **Authority**

Pursuant to 32 M.R.S. §11031(2), the Administrator may establish, by rule, fees to apply for or renew debt collector licenses, except that the fee for an initial application may not exceed $800.00 and for a renewal may not exceed $500.00 for any licensed location. Renewal applications received after the expiration date are subject to a late fee of $100.00.

Title 32 M.R.S. §11031(2) authorizes the Administrator to establish routine technical rules to move debt collector licensing to the Nationwide Multistate Licensing System (NMLS), including rules authorizing NMLS to collect fees and remit those fees to the Bureau; authorizing collection of fees by NMLS for its processing costs; authorizing the NMLS to process and maintain license records; and authorizing the use of NMLS uniform forms.

Title 32 M.R.S. §11031(2) authorizes the Administrator to establish routine technical rules to establish fees for the initial licensing and renewal licensing of debt collectors and to establish licensing requirements.

**II. Purpose**

The purpose of this chapter is to permit the State of Maine to use NMLS for licensing all debt collectors. Use of the system will provide improved oversight over the activities of the companies, will simplify recordkeeping, and will standardize processes for all debt collectors licensed in Maine. This chapter does not modify the standards for licensing or the applicability of the provisions of the *Maine Fair Debt Collection Practices Act*, but rather sets forth the licensing requirements to be utilized henceforth by the Bureau.

**III. Definitions**

For the purpose of this chapter, the following terms have the following meanings.

1. “Administrator” means the Superintendent of the Bureau of Consumer Credit Protection.
2. “Bureau” means the Maine Bureau of Consumer Credit Protection.
3. “Consumer Report” means a report prepared by a “Consumer Reporting Agency” as defined at 10 M.R.S. §1308(3).
4. “Controlling Interest” means an ownership interest of 25% or more in the applicant or an entity of which the applicant is a subsidiary.
5. “Debt Collector” has the meanings as set forth in 32 M.R.S. §11002(5-A) and (6).
6. “Nationwide Multistate Licensing System,” herein referred to as “NMLS,” means the nationwide multistate licensing system and registry for mortgage lender licensing and loan brokering referred to in 9-A M.R.S. §13-102(8) (previously the “Nationwide Mortgage Licensing System”).
7. **General Provisions**
8. **Administrative authority granted to NMLS.** To effectuate the transition of all debt collector licensing to NMLS, NMLS is authorized to collect fees and remit those fees to the Bureau, collect fees for its processing costs, process and maintain license records, and require use of NMLS uniform electronic and paper forms.
9. **Licensing periods**

Previously, licenses for debt collectors were granted for a two-year period and expired on July 31. Effective with this rule, licenses are issued beginning January 1 and expire on December 31in of the year in which issued. The term of licenses scheduled to expire on July 31, 2023 is extended to expire on December 31, 2023. Licensees with licenses scheduled to expire in years following 2023 shall be required to transition to NMLS by December 31, 2023 but shall receive a credit of 1/4 of the current two-year license fee for each ½ year remaining on its license against the current renewal fee.

1. **For debt collectors that hold a valid Maine license as of August 31, 2023**
	1. **Transitional period.** The period from November 1, 2023 through December 31, 2023 is considered a transitional period, during which all licensed debt collectors will have the obligation to transition from the State of Maine’s licensing system and must obtain licenses through NMLS.
	2. **One-month *late* transitional period.** All renewal applications to transition existing licensees to NMLS received between January 1 and January 31 of a year in which transition is allowed will be processed, but applicants will be assessed a late fee of $100.00.
	3. **Deadline.** Renewal applications transitioning to NMLS will not be accepted after January 31. All applications received after that date will be considered new applications, subject to the provisions and fees set forth in subsection 4 below.
	4. **NMLS processing fees.** At the time existing licensees apply to NMLS for a renewal license, they must pay NMLS processing fee directly to NMLS.
	5. **State of Maine renewal license application fees**. Annual fees assessed to renewal applicants are as follows:

i. Debt Collector renewal fee: $400.00;

ii. Debt Collector branch office renewal fee: $200.00.

1. **For applicants that do *not* hold a valid Maine debt collector license as of the effective date of this rule (“new applicants”)**
	1. **NMLS processing fees.** Applicants that submit applications after November 1, 2023 will pay NMLS processing fee directly to the NMLS.
	2. Applicants applying after the effective date of this rule but prior to November 1, 2023 shall do so on forms required by the Administrator and filed directly with the Bureau.
	3. **Terms of licenses.** All licenses will be for the term of the calendar year. New licenses issued November 1 or later each year shall be valid through December 31 of the following year.
	4. **State of Maine new license application fees.** Fees assessed to new applicants (as well as existing licensees that apply to transition to NMLS after January 31) are as follows:

i. Debt Collector application fee: $400.00;

ii. Debt Collector branch office application fee: $200.00.

1. **New licenses and renewal licenses issued following completion of the transition to NMLS**
	1. **NMLS to determine license and renewal procedures.** New licenses and renewal licenses issued after November1, 2023 shall be processed pursuant to procedures established by NMLS.
	2. **NMLS to determine time periods for license validity.** New licenses and renewal licenses issued after November 1, 2023 shall be valid for the time periods established by NMLS.
	3. **Payment of fees.** Application, renewal and processing fees will be paid directly to NMLS.
	4. **Late renewal for other than application for initial transition to NMLS.** For any renewal application other than the initial application for an entity to transition its existing license to NMLS, renewal applications received after December 31 of any year will be considered late. The status of such licenses will be changed to “terminated – failed to renew” or an equivalent status. Such licenses may be reinstated if a renewal application is received between January 1 and the end of February, together with all renewal fees and late fee of $100.00. Beginning March 1 of every year, renewal requests will not be processed and companies that failed to renew their license by March 1 must apply for a new license.
2. **Licensing Requirements.** Applicants for new and renewal licenses shall provide the following information and documentation as required by the Administrator either for Bureau in-office filings or with NMLS:
	1. Full legal name and address of applicant, Social Security or Tax Identification Number, any assumed or fictitious name, and the address of the locations to be licensed.
	2. The name of any sole proprietor, partner of a partnership, corporate officer, member of a limited liability company or professional partnership, and holder of a controlling interest in the applicant.
	3. Ownership percentage for any person listed in subpart 6(b), if any.
	4. A criminal history report and consumer report for each person listed in subpart 6(b).
	5. For corporations or other legal entities, the date and place of incorporation or organization, a certified copy of the charter and articles of incorporation or certificate of formation and any membership or partnership agreement. For foreign corporations or entities, proof of filing with the office of Maine Secretary of State as a foreign corporation, limited liability company, or partnership; and the name and address of a designated agent on whom service of process may be made in this State.
	6. The names and addresses of all banks with which the applicant has done business during the past five years.
	7. Whether any individual listed in subpart 6(b) has been convicted in any state or federal court of the crime of forgery, fraud, obtaining money under false pretense, embezzlement, extortion, larceny, burglary, breaking and entering, robbery, criminal conspiracy to defraud, or bribery and, if so, the details of the conviction.
	8. Whether the applicant, its parent, or any affiliate ever had its debt collector’s license in any State suspended or revoked and, if so, the State in which it occurred, the reason for the action taken and the name and address of the regulatory agency involved.
	9. A financial statement prepared by a Certified Public Accountant consisting of a Review Report or Audited Report demonstrating a positive tangible net worth of at least $10,000.00.
	10. A résumé of previous business experience of each person listed in subpart 6(b) and any person who will be actively in charge of the licensed office, indicating previous experience or qualifications that bear on the issue of competency in operating a debt collection business.
	11. All states in which the applicant is already licensed as a debt collector.
	12. The financial institution in which the separate trust account for collections on behalf of Maine creditors will be maintained and the number assigned by the institution to the account.
	13. A statement describing the exact nature of the proposed operations, e.g., letter writing service, full-service collections, repossessions, bad check recovery.
	14. A specimen Contract or Agreement with Clients, Listing Sheet, Debtor’s Work Card, Debtor’s Receipt for Cash Payment, Remittance Sheet, and Creditor’s Attorney Authorization Form, as required by Bureau Chapter 300, §1(B). If any of these functions are computerized, sample screen prints may be submitted.
	15. A copy of each collection form letter intended for use in this State. Please number all letters sequentially and indicate which letters are intended as initial or first communications (as opposed to the second or subsequent communications).
	16. Whether the applicant records some, most, or all outgoing collection calls and a description of how often such calls are recorded, in what format they are recorded, and how long such recordings are retained by the applicant.
	17. A completed bond form, in the amount required by Bureau Rule Chapter 300, §1(E).
	18. The name, title, address, and telephone number of the person to contact for the scheduling of routine compliance examinations.
	19. The name, title, address, and telephone number of the person to contact if the Bureau receives consumer complaints regarding the activities of your company.
3. **Changes to existing licensing information.** If any information reported by a licensee changes during a period of licensure, the licensee must amend its information on file with NMLS within 30 days of the occurrence of the change or such shorter period as required by NMLS rules or procedures. Notice of a change of control of the licensee must be provided to the Bureau by advance change notice on NMLS, and the Bureau must approve any change of control before the same becomes effective. Any change of control of a licensee that occurs without approval or that the Bureau rejects will cause the immediate and automatic revocation of the license.
4. **Routine technical rule.** This is a routine technical rule as authorized by 32 M.R.S. §11031(2).

STATUTORY AUTHORITY:

 32 M.R.S. §11031(2)

EFFECTIVE DATE:

 June 25, 2023 – filing 2023-093