

## 2023 Maryland Summary of State Agent Requirements

**Your organization (the "Agent") must follow Maryland law with respect to money transfers, money orders, bill payment, prepaid access and other money transmission services. Please note that your relationship with MoneyGram Payment Systems, Inc. ("MoneyGram") may be terminated if you fail to comply with the Maryland Money Transmission Act and related state and federal rules.**

- **Posting Requirement. Md. Code Ann. Fin. Inst §§ 12-405, 12-410 (New Posting information for 2022).**

You shall prominently display a notice provided by MoneyGram with the following language:

*The Commissioner of Financial Regulation for the State of Maryland will accept all questions or complaints from Maryland residents regarding MoneyGram Payment Systems, Inc. (NMLS #898432) at: 1100 North Eutaw Street, Suite 611, Baltimore, Maryland 21201. Phone number: 888-784-0136.*

*MoneyGram's license status information can be viewed on the NMLS Consumer Access website at <https://nmlsconsumeraccess.org/>*

- **Regulatory Addendum. Md. Code Ann. Fin. Inst. § 12-413.**

You may not authorize sub-delegates without the authorization of MoneyGram and the Commissioner. You agree to operate in full compliance with all applicable laws and regulations. You agree to attach copy of the Regulatory Addendum as an appendix to your contract with MoneyGram. You also agree to keep a copy of this document with other compliance materials provided by MoneyGram and provide during regulators upon request.

- **Elder Abuse/Do Not Transmit List. Md. Code Ann. Fin. Inst § 12-413.1.**

This section only applies to agents that provide money transfer services: MoneyGram is required to provide training materials on "recognizing financial abuse and financial exploitation of an elder adult" to new agents within one month after their appointment and on or before April 1 of each year thereafter. The law allows a consumer to ask to be put on a "Do Not Transmit" list so that money transfers may not be sent under that individual's name. If an agent receives such a "Do Not Transmit" request from a consumer, you shall forward the information to MoneyGram.

- **License Required. Md. Code Ann. Fin. Inst. § 12-405.**

You may not engage in money transmission activities unless you are licensed by the Commissioner, are an authorized delegate of a licensee [MoneyGram Payment Systems, Inc.] or specifically exempt from licensing by state law.

**\* Md. Code Ann. Fin. Inst, §§ 12-401 to 12-431, as modified by Act 2017, eff. June 1, 2017 and 2018 Maryland Laws Ch.731 (H.B. 1634); Code of Maryland Regulations ("COMAR") § 09.03.14.01 to 09.03.14.9999).**

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➤ **Agents. Md. Code Ann. Fin. Inst. § 12-413.**

As an authorized delegate of MoneyGram, you agree that you are subject to supervision, examination and regulation by the Commissioner. Subagents are not permitted without written consent of the Commissioner. Copies of all contracts must be made available to the Commissioner, upon request.

➤ **Powers of Commissioner. Md. Code Ann. Fin. Inst. § 12-405.**

To carry out the provisions of the Maryland Money Transmission Act, the Commissioner may:

- 1) Adopt rules;
- 2) Enter into cooperative and information sharing agreements with any federal or State agency having supervisory responsibility over the business of money transmission; and
- 3) Provide any federal or State agency having supervisory responsibility over money transmission with any documents or other information.

➤ **Business Practices. Md. Code Ann. Fin. Inst. § 12-414.**

You may not provide money services outside the scope of activity permissible under your contract with MoneyGram, except where otherwise licensed or authorized. You hold all money, less fees, earned from money transmission in trust for the benefit of MoneyGram. You shall remit all funds to MoneyGram in accordance with the terms of your contract with MoneyGram. Under Maryland statute, Authorized Delegates have 48 hours after the next regular business day to remit proceeds of money transmissions to MoneyGram. You may not make any fraudulent or false statement or misrepresentation to MoneyGram or to the Commissioner.

You shall report to MoneyGram the theft or loss of a payment instrument within 24 hours after the theft or loss.

➤ **Sale of Prepaid Access Md. Code Fin. Inst. § 12-418.**

Authorized Delegates must remit proceeds from the sale of prepaid access within 5 days after the next regular business day to MoneyGram.

➤ **Redemption of Unused Payment Instrument. Md. Code Ann. Fin. Inst. § 12-420.**

You can charge a maximum fee of \$5.00 for cashing any unused money order.

➤ **On-Site Examinations. Md. Code Ann. Fin. Inst. § 12-424.**

The Commissioner may conduct an on-site examination of your location with a minimum of 7 business days prior notice. With good cause, the Commissioner may conduct an examination of your location without any prior notice. The on-site examination may be conducted in

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conjunction with an examination performed by an examiner from another state. The Commissioner, instead of an on-site examination, may accept the examination report from another state's examiner, or a report prepared by an independent accounting firm.

➤ **Investigations by Commissioner. Md. Code Ann. Fin. Inst. § 12-423.**

To investigate violations of state law or to obtain any information required under the state money transmission act, the Commissioner, at any time, may investigate your business or any other person the Commissioner has reason to believe is violating state law. As part of this investigation:

1. The Commissioner shall be given access to the place of business, and any books, papers, records, safes, and vaults of the person under investigation and;
2. May summon and examine under oath any person whose testimony the Commissioner requires.

If a person fails to comply with a subpoena or summons of the Commissioner or to testify about a related matter, the Commissioner may file an order with a circuit court to order the person to testify and/or produce evidence.

➤ **Enforcement Actions Against Money Transmitters or Authorized Delegates. Md. Code Ann. Fin. Inst. §12-430.1.**

The Commissioner shall report adjudicated enforcement actions against MoneyGram or against an authorized delegate of MoneyGram to NMLS, a multi-state uniform licensing system developed and maintained by the Conference of State Bank Supervisors, for the licensing of money services businesses, including money transmitters.

➤ **Suspension and Revocation of License and Orders by the Commissioner. Md. Code Ann. Fin. Inst. § 12-426.**

The Commissioner may suspend or bar you from becoming an authorized delegate of MoneyGram, or may order that you may not engage in certain activity, if the Commissioner finds that:

- 1) You violated the Maryland Money Transmission Act, related state or federal law or a lawful order of the Commissioner;
- 2) You engaged or participated in an unsafe or unsound act with respect to the business of money transmission;
- 3) You made a statement in an application or report or proceeding with the Commissioner, or provided information which you knew to be false or misleading or neglected to provide required information;
- 4) You failed to cooperate with an examination or investigation by the Commissioner; or

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- 5) Your competence, experience, character, or general fitness indicates that it is not in the public interest to permit you to engage in the business of money transmission.
- **Suspension and Revocation; Administrative Orders. Md. Code Ann. Fin. Inst. § 12-426.**

The Commissioner may enforce the Maryland Money Transmission Act by:

- (1) issuing a cease and desist order;
- (2) require you to take affirmative action to correct the violation. This may include restitution of money or property to any person impacted by your violation.

If you fail to comply with the Commissioner's order, the Commissioner may impose a civil penalty of up to \$1,000 for each violation and \$5,000 for each subsequent violation. In determining the financial penalty, the Commissioner shall consider:

- (1) the seriousness of the violation;
- (2) the good faith of the violator;
- (3) the violator's prior history;
- (4) the impact of the violation on the general public;
- (5) the assets of the violator; and
- (6) any other relevant factors.

- **Violations; Penalty. Md. Code Ann. Fin. Inst. § 12-430.**

Any person who knowingly and willfully violates any provision of the Maryland Money Transmission Act is guilty of a felony and on conviction is subject to a fine not exceeding \$1,000 for the first violation and \$5,000 for each subsequent violation or imprisonment not exceeding 5 years or both.

- **Commingling of Funds Md. Code Ann. Fin. Inst. § 12-414.**

If an authorized delegate commingles any of the funds received with any other funds or property owned or controlled by the authorized delegate, all commingled funds and other property shall be impressed with a trust in favor of the licensee in an amount equal to the amount of the funds due the licensee.

- **Commissioner's Powers. Md. Code Ann. Fin. Inst. 2-114.**

For the purposes of an investigation or proceeding, the Commissioner or an officer designated by the Commissioner may administer oaths, subpoena witnesses, take evidence and require the production of books, papers, agreements, or other documents that the Commissioner considers relevant or material to the inquiry.

- **Violations of the Law. Md. Code Ann. Fin. Inst. § 2-116.**

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When it appears to the Commissioner that a person is about to engage in an act that violates state law, the Commissioner may bring an action in court for a temporary restraining order or a temporary or permanent injunction.

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