



---

**MARYLAND COMMISSIONER OF  
FINANCIAL REGULATION  
INDUSTRY ADVISORY  
REGULATORY NOTICE**

---



**January 29, 2024**

**NOTICE OF AVAILABILITY OF APPLICATION FOR MARYLAND  
STATE-CHARTERED BANKS AND CREDIT UNIONS TO EARN ANNUAL  
ASSESSMENT FEE CREDIT**

The Maryland Office of Financial Regulation (OFR) announces the availability of a new application for qualifying Maryland state-chartered banks and credit unions to earn an annual assessment fee credit for opening and/or maintaining branches in low- to moderate-income (LMI) communities in Maryland. The application, accessible [here](#), guides banks and credit unions through the steps required to apply for the annual assessment fee credit made available by the passage and signing into law of the Maryland Access to Banking Act in 2023.

A well-capitalized Maryland state-chartered bank or credit union with a composite CAMELS rating of 1 or 2 is eligible to apply for the credit if it operated a branch location in an LMI census tract in Maryland as of June 30, 2023.

Pursuant to Md. Code Ann., [Financial Institutions Article §5-203\(d\)](#) and [Financial Institutions Article §6-712\(c\)\(4\)](#), a Maryland state-chartered bank or credit union may apply for an annual assessment fee credit based upon deposits originated and housed at a branch located in an LMI census tract, as reported to the OFR as of June 30 of the most recent year. FI §§ 5-203 and 6-712 also provide guidance as to the amount of an assessment fee credit that a Maryland state-chartered bank or credit union is eligible to apply for toward its annual assessment. Utilizing 2023 as a base year, the 2023 annual assessment fee credit will be calculated as follows:

- i. 12 cents for each \$1,000 of deposits in a de novo branch<sup>1</sup> located in a low- to moderate-income census tract for the first 5 years after the date the de novo branch opened; or
- ii. 6 cents for each \$1,000 of deposits in a branch located in a low- to moderate-income tract based on branch deposit balances reported as of June 30, 2023.

The assessment fee credit is available annually and will be based on the amount of deposits originated and housed at the qualifying branch as of June 30 of the most recent year. For the purpose of calculating

---

<sup>1</sup> The definition of a de novo branch is found at [Financial Institutions Article §5-1001\(g\)](#) and [Financial Institutions Article §6-712\(a\)\(2\)](#).

the assessment fee credit, any increase in deposits in a non-de novo branch after 2023 is limited by the deposit growth cap.<sup>2</sup>

A deposit growth cap equal to zero or a negative number does not prevent the granting of an assessment fee credit for 2024. Rather, the assessment fee credit in a year with a zero/negative deposit growth cap for a non-de novo branch located in an LMI tract would be calculated using the lesser of the deposit amount from the most recent assessment credit which is June 30, 2023, or the current year deposits. The deposit growth cap limit is not applied to deposits in a qualifying de novo branch.

Banks and credit unions may opt on the application to donate any assessment fee credit received to the OFR's Maryland Community Investment Venture Fund,<sup>3</sup> which was created by the Maryland Access to Banking Act to serve as a catalyst for the inclusive development of innovative technologies and/or existing technologies that will assist Maryland state-chartered banks and credit unions to better serve low- to moderate-income communities through partnerships with new and existing financial technology firms. More information about the Maryland Access to Banking Act may be found [here](#).

## Contact

For questions about this advisory notice, please contact Stephen J. Clampett, Assistant Commissioner – Corporate Activities, by phone at (410) 230-6104 or by email at [stephen.clampett1@maryland.gov](mailto:stephen.clampett1@maryland.gov).

---

*The Office of Financial Regulation, a division of the Maryland Department of Labor, is Maryland's consumer financial protection agency and financial services regulator. For more information, please visit our website at [www.labor.maryland.gov/finance](http://www.labor.maryland.gov/finance).*



[Click here to subscribe to emails from the Office of Financial Regulation.](#)

Please save "md-dllr-ocfr@info.maryland.gov" in your email contacts to help prevent OFR communications from being blocked by your email provider's security features.

---

<sup>2</sup> The definition of deposit growth cap is found at [Financial Institutions Article §5-203\(a\)\(4\)](#).

<sup>3</sup> Pursuant to [Financial Institutions Article §2-118.1](#).