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MARYLAND COMMISSIONER OF  
FINANCIAL REGULATION  
INDUSTRY ADVISORY  
REGULATORY NOTICE

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June 30, 2020

**NEW LICENSING AND REGISTRATION REQUIREMENTS FOR  
PROVIDERS OF CHECK CASHING SERVICES**

During its 2020 session, the Maryland General Assembly passed Senate Bill 939 which was enacted by operation of law (*see*, 444 Md. Laws 2020). On October 1, 2020 (the “Effective Date”) the substantive portions of the new law impacting those providing check cashing services take effect. The new provisions change the requirements for providing check cashing services in the State of Maryland (“State”). This advisory provides important information about the new check cashing requirements for all who intend to provide check cashing services after the Effective Date and it is of particular importance to those currently unlicensed providers of check cashing services who intend to continue providing check cashing services after the Effective Date.

Under Maryland law (which is not changing), “provide check cashing services” means to accept or cash, for compensation, a payment instrument regardless of the date of the payment instrument. Maryland laws governing check cashing services, including the changes in the law described in this Advisory, do not apply to transactions in which a customer presents a payment instrument for the exact amount of a purchase, or to transactions involving foreign currency exchange services or the cashing of a payment instrument drawn on a financial institution other than a federal, State, or other state-chartered financial institution. They also do not apply to federal and Maryland chartered financial institutions, along with certain of their subsidiaries and affiliates, as well as certain other state-chartered financial institutions (and certain of their subsidiaries and affiliates) as they are exempt from these requirements.

Under the new law, a person (including a business) ***may not*** provide check cashing services unless the person is either licensed by, or registered with, the Commissioner of Financial Regulation (“the Commissioner”).

A person is not required to be licensed, and may **register** with the Commissioner, if **all** of the following conditions are met:

- The person charges a fee of no more than 1.5% of the amount of the instrument or \$1, whichever is greater, to cash a payment instrument.
- The person's check cashing services are incidental to retail sales of goods or services by the person.
- The person is registered as a money services business with the United States Department of the Treasury's Financial Crimes Enforcement Network (FinCEN).
- The person cashes payment instruments in the interior of the business location, and does not utilize a drive up or walk up window or a mobile unit.
- The person has conspicuously posted a notice, in 48-point or larger type, in the business location where instruments are cashed, providing the following information:
  - The fees charged for check cashing services; and
  - How to contact the Commissioner with comments or complaints.
- The person provides to each check cashing services customer a receipt containing:
  - The date of the transaction;
  - The face value of the instrument cashed;
  - The fee charged; and
  - The net dollar amount paid to the customer.

Unless **all** of the above conditions are met, a person **must** be licensed by the Commissioner in order to provide check cashing services.

All persons offering check cashing services in Maryland should review the requirements of the new law to determine whether licensure is necessary, or whether services may be provided under a registration. To assist persons in determining whether licensure or registration is appropriate, answers to frequently-asked questions (FAQs) are available [here](#).

Both registration and licensure are managed through the Nationwide Multistate Licensing System (NMLS). Licenses and registrations must be renewed annually. NMLS is a secure, online system used by all states for the licensure and registration of various financial services businesses. Instructional materials relating to the use of NMLS will be provided prior to the beginning of the initial registration period. While registration is not yet available, you may learn more about NMLS by visiting the [NMLS Resource Center](#).

The Commissioner does not charge a fee for registration; however, registrants must pay a processing fee to NMLS when renewing registration; that fee is currently \$100. **NOTE:** The fee for licensure remains \$500 annually, with initial applications for licensure requiring a \$100 investigation fee.

Initial registrations may be submitted to the Commissioner through the NMLS beginning on November 1, 2020 as stated in the new law. Registration will not be available until that date.

The Commissioner will be providing additional information as the effective date of the law approaches.

If you have any questions regarding this advisory, you may contact Betty Yates, Assistant Director of Licensing, by e-mail at [betty.yates@maryland.gov](mailto:betty.yates@maryland.gov), or by telephone at 410-230-6150.

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

