



SPONSOR: Rep. Bush & Sen. Pardee

HOUSE OF REPRESENTATIVES  
150th GENERAL ASSEMBLY  
HOUSE BILL NO. 199

AN ACT TO AMEND TITLE 5 AND TITLE 6 OF THE DELAWARE CODE RELATING TO BANKS, OTHER FINANCIAL INSTITUTIONS, AND THE RATE OF INTEREST ON CERTAIN DEBT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 2103, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2103. Application and fees.

(a) Every application for a license shall be in writing, in the form prescribed by the Commissioner and shall contain the name and complete address or addresses where the business of the applicant is to be conducted and, if the applicant is a partnership, association, corporation or other form of business organization, the names and complete addresses of each member, director and principal officer thereof. Such application shall also include a description of the activities of the applicant, in such detail and for such periods as the Commissioner may require, as well as such other further information as the Commissioner may require. The Commissioner, at the time the application is submitted or in connection with an investigation of the application, may require the applicant, the spouse of the applicant, a principal of, individual who is a person in control of, or proposed responsible individual of the applicant, or any other individual associated with the applicant and the proposed licensed activities, to provide the Commissioner or the Commissioner's designee with a complete set of fingerprints for purposes of a criminal background investigation. Such applicant, at the time of making such application, shall pay to the Commissioner, as an investigation fee, the sum of \$250 which shall not be refundable.

Section 2. Amend § 2203, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2203. Application and fees.

(a) Every application for a license shall be in writing in the form prescribed by the Commissioner and shall contain the name and complete address or addresses where the business of the applicant is to be conducted and, if the applicant be a partnership, association, corporation or other form of business organization, the names and complete

addresses of each member, director and principal officer thereof. Such application shall also include a description of the activities of the applicant, in such detail and for such periods as the Commissioner may require, as well as such further information as the Commissioner may require. The Commissioner, at the time the application is submitted or in connection with an investigation of the application, may require the applicant, the spouse of the applicant, a principal of, individual who is a person in control of, or proposed responsible individual of the applicant, or any other individual associated with the applicant and the proposed licensed activities, to provide the Commissioner or the Commissioner's designee with a complete set of fingerprints for purposes of a criminal background investigation. Such applicant, at the time of making such application, shall pay to the Commissioner as an investigation fee the sum of \$250 which shall not be refundable.

Section 3. Amend § 2306, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2306. Applications.

(a) Each application for a license shall be made in writing and under oath to the Commissioner in such form and containing such information as ~~he~~ the Commissioner may prescribe including the name and business and residence address of any of the following :

- (1) Of the proprietor, if the applicant is an ~~individual;~~ individual.
- (2) Of every member, if the applicant is a partnership or unincorporated ~~association;~~ association.
- (3) Of the corporation and each officer and director thereof, if the applicant is a corporation, stating the date and the state of incorporation.

(b) The Commissioner, at the time the application is submitted or in connection with an investigation of the application, may require the applicant, the spouse of the applicant, a principal of, individual who is a person in control of, or proposed responsible individual of the applicant, or any other individual associated with the applicant and the proposed licensed activities, to provide the Commissioner or the Commissioner's designee with a complete set of fingerprints for purposes of a criminal background investigation.

Section 4. Amend § 2319, Chapter 23 of Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2319 Multi-state automated licensing system.

(a) The Commissioner is authorized to participate in any automated system involving 1 or more other states that will facilitate any aspect of the application and licensing processes of this chapter.

(b) Upon joining any such system, the Commissioner may by regulation establish any of the following:

(1) Any additional requirements for a license under this chapter that the Commissioner determines are necessary for participation in the system.

(2) Any additional investigation fees, any fees paid directly to the administrator of the system, or any other fee required by the system to process an application or maintain a license, in such amount as the Commissioner determines is necessary to participate in the system.

(c) The administrator of any such system in which the Commissioner participates is authorized to act on behalf of the Commissioner to collect from the applicants and licensees subject to the system any payments due the Commissioner under this chapter, to collect information and maintain records in electronic or other format relating to those applicants and licensees, and to submit fingerprints and any other information required for a criminal history background check to the Federal Bureau of Investigation or other law-enforcement agency.

(d) Information maintained on any such system in which the Commissioner participates regarding the applicants and licensees subject to the system may be shared with any other state participating in that system for the purpose of licensing, regulating, or supervising that same applicant or licensee under a statute similar to this chapter, if that state could have obtained that same information directly from the applicant or licensee under its own law. The Commissioner shall ensure that the system maintains appropriate confidentiality, privacy, data security, and security breach notification policies that are in full compliance with Delaware law.

Section 5. Amend § 2712, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2712. Form and contents of application for license.

Application for a license required by § 2711 of this title shall be in writing, and in the form prescribed by the State Bank Commissioner, and shall state the name and the address (both of the residence and place of business) of the applicant, and if the applicant is a copartnership or association, of every member thereof, and if a corporation, of each officer and director thereof. If the business is to be conducted at a specific address, the application shall state the address at which the business is to be conducted, and if the business is to be conducted from a mobile unit, the Delaware State registration number or other identification of the mobile unit, and the area in which the applicant

proposes to operate the mobile unit. The application shall also contain such further information as the Commissioner requires. The Commissioner, at the time the application is submitted or in connection with an investigation of the application, may require the applicant, the spouse of the applicant, a principal of, individual who is a person in control of, or proposed responsible individual of the applicant, or any other individual associated with the applicant and the proposed licensed activities, to provide the Commissioner or the Commissioner's designee with a complete set of fingerprints for purposes of a criminal background investigation.

Section 6. Amend § 2726, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2726 Multi-state automated licensing system.

(a) The Commissioner is authorized to participate in any automated system involving 1 or more other states that will facilitate any aspect of the application and licensing processes of this chapter.

(b) Upon joining any such system, the Commissioner may by regulation establish any of the following:

(1) Any additional requirements for a license under this chapter that the Commissioner determines are necessary for participation in the system.

(2) Any additional investigation fees, any fees paid directly to the administrator of the system, or any other fee required by the system to process an application or maintain a license, in such amount as the Commissioner determines is necessary to participate in the system.

(c) The administrator of any such system in which the Commissioner participates is authorized to act on behalf of the Commissioner to collect from the applicants and licensees subject to the system any payments due the Commissioner under this chapter, to collect information and maintain records in electronic or other format relating to those applicants and licensees, and to submit fingerprints and any other information required for a criminal history background check to the Federal Bureau of Investigation or other law-enforcement agency.

(d) Information maintained on any such system in which the Commissioner participates regarding the applicants and licensees subject to the system may be shared with any other state participating in that system for the purpose of licensing, regulating, or supervising that same applicant or licensee under a statute similar to this chapter, if that state could have obtained that same information directly from the applicant or licensee under its own law. The Commissioner shall ensure that the system maintains appropriate confidentiality, privacy, data security, and security breach notification policies that are in full compliance with Delaware law.

Section 7. Amend § 2902, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2902. Licensing of sales finance companies required.

(b) The application for such license shall be in writing, and in the form prescribed by the Commissioner. The application shall contain the name of the applicant; the address, or addresses, where the business is or is to be conducted; the name and resident address, or addresses, of the owner or partners or, if a corporation or association, of the directors, trustees and principal officers; and such other pertinent information as the Commissioner may require. The Commissioner, at the time the application is submitted or in connection with an investigation of the application, may require the applicant, the spouse of the applicant, a principal of, individual who is a person in control of, or proposed responsible individual of the applicant, or any other individual associated with the applicant and the proposed licensed activities, to provide the Commissioner or the Commissioner's designee with a complete set of fingerprints for purposes of a criminal background investigation.

Section 8. Amend § 2915, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2915 Multi-state automated licensing system.

(a) The Commissioner is authorized to participate in any automated system involving 1 or more other states that will facilitate any aspect of the application and licensing processes of this chapter.

(b) Upon joining any such system, the Commissioner may by regulation establish any of the following:

(1) Any additional requirements for a license under this chapter that the Commissioner determines are necessary for participation in the system.

(2) Any additional investigation fees, any fees paid directly to the administrator of the system, or any other fee required by the system to process an application or maintain a license, in such amount as the Commissioner determines is necessary to participate in the system.

(c) The administrator of any such system in which the Commissioner participates is authorized to act on behalf of the Commissioner to collect from the applicants and licensees subject to the system any payments due the Commissioner under this chapter, to collect information and maintain records in electronic or other format relating to those applicants and licensees, and to submit fingerprints and any other information required for a criminal history background check to the Federal Bureau of Investigation or other law-enforcement agency.

(d) Information maintained on any such system in which the Commissioner participates regarding the applicants and licensees subject to the system may be shared with any other state participating in that system for the purpose of licensing, regulating, or supervising that same applicant or licensee under a statute similar to this chapter, if that state could have obtained that same information directly from the applicant or licensee under its own law. The Commissioner shall ensure that the system maintains appropriate confidentiality, privacy, data security, and security breach notification policies that are in full compliance with Delaware law.

Section 9. Amend § 2509E, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2509E Maximum rate of interest on debts incurred before the shutdown.

(e) The provisions of § 2509E shall expire on July 1, 2019, unless extended by the General Assembly.

#### SYNOPSIS

This Act amends various chapters under Title 5 to facilitate the modernization of certain practices and procedures at the Office of the State Bank Commissioner. In particular, this Act authorizes the State Bank Commissioner to require applicants for financial services licenses for mortgage loan brokers (Chapter 21), licensed lenders (Chapter 22), money transmitters (Chapter 23), check cashers (Chapter 27) and motor vehicle sales finance companies (Chapter 29) to provide fingerprints for purposes of criminal background checks. Mortgage loan originators licensed by the State Bank Commissioner pursuant to Chapter 24 already are required to provide fingerprints in connection with license applications, and many other states also require criminal background checks for other types of financial services licensees.

This Act also authorizes the State Bank Commissioner to expand the Office's participation in a multi-state automated licensing system, by using that system to process license applications for money transmitters, check cashers, and motor vehicle sales finance companies. That same system is currently used for processing license applications for mortgage loan brokers, licensed lenders, and mortgage loan originators.

Lastly, this Act establishes a sunset provision of July 1, 2019 for §2509E of Title 6 concerning the maximum rate of interest on debts for federal workers in response to a federal government shutdown.