



**COMMISSIONER OF
FINANCIAL REGULATION
ADVISORY NOTICE
REGULATORY ALERT**



AUGUST 9, 2019

LICENSING ADVISORY

The Office of the Commissioner of Financial Regulation (“OCFR”) is continuously looking to improve its licensing processes with the goal of minimizing unnecessary regulatory burden while ensuring full compliance with the Office’s mission. As part of those efforts and in preparation for the upcoming annual licensing renewal cycle, the OCFR is updating certain policies as detailed below:

MARYLAND SURETY BONDS

New Policy

Electronic Surety Bonds (ESB) Required

More than 85% of Maryland licensees required to provide a surety bond are now doing so electronically. Beginning with the 2020 annual license renewal cycle (Nov. 1, 2019 through Dec. 31, 2019), paper bonds will no longer be accepted. **All Maryland licensees who are required to provide surety bonds must do so with an ESB and must manage their bonds through the ESB functionality in NMLS.** During the 2019 renewal cycle, licensees using paper bonds were required to update those bonds to the latest Maryland bond forms, which are consistent with the ESB forms. Therefore, **licensees currently utilizing paper bonds may now have their existing bonds converted by their sureties or bond producers to ESBs through NMLS; it is not necessary to cancel an existing bond.**

NOTE: If your bond producer has not begun offering ESBs, the surety company may do so on behalf of the producer, as virtually all major sureties participate in the NMLS ESB process. For information regarding surety bond producer processes, you may refer your producer to the [NMLS Surety Bond Producer page](#). Questions? Contact the NMLS Call Center at 1-855-NMLS-123 (1-855- 665-7123).

STATE OF FORMATION CERTIFICATE OF GOOD STANDING

Prior Policy/Renewal Requirement Item

Licensees who are not formed in Maryland must provide a Certificate of Good Standing from the state of formation.

New Policy/Renewal Requirement – No need for Good Standing Certificate from State of Formation

Beginning with the 2020 annual renewal cycle, **licensees need not provide proof of Good Standing from their state of formation** in order to be approved for the renewal of their license.

More Information

For any questions or additional information, you may contact Arlene F. Williams, Director of Licensing, at 410-230-6068 or via email at arlenef.williams@maryland.gov.