



**MARYLAND COLLECTION AGENCY
LICENSING BOARD**

ADVISORY NOTICE

COLLECTION AGENCY LICENSEES



February 26, 2016

**CHANGE IN CONTROL
REQUIREMENT TO UPDATE APPLICATION INFORMATION**

Licensed Maryland collection agencies have an ongoing obligation to update their application information with the Maryland Collection Agency Licensing Board (the “Board”) when there has been a change to the information submitted to the Board. A change in control of a licensed collection agency is an event that requires a licensee to update its application information.

A change of control occurs when 25% or more of the ownership of an entity holding a license changes hands. Prior to, but in no event later than, the date when a change in control occurs, a licensed collection agency must submit to the Board, under oath, a completed update form which includes, but is not limited to, the following information:

- The name, address and telephone number of the new controlling person¹ of the licensee. If the new controlling person is a legal entity, include a list of all individual owners, and their ownership percentages, of that legal entity together with the individual owners’ addresses and telephone numbers.
- A completed character questionnaire for the new controlling person².
- Evidence that the licensee’s surety bond has been amended, if necessary, to reflect the change in control. If no amendment to the surety bond is required by the issuer, a letter from the issuer stating that fact.

You can access the required [Change in Control Update Form online](#)

If a licensed collection agency wishes to change entity type (for example, change from a corporation to a limited liability company), a new license will be required for the new entity. The old license should be surrendered when the prior entity ceases to conduct business in Maryland. To apply for a new license, visit the following [website](#).

Penalties for Violations of the Collection Agency Licensing Act

Persons violating the Collection Agency Licensing Act may be subject to penalties as set forth in Md. Code Ann., Business Regulation Article §§ 7-205 and 7-308, which may include, but are not limited to, an Order to Cease and Desist, official reprimand, license suspension or revocation, and/or fines. Please contact the Maryland Collection Agency Licensing Board at (410) 230-6079 with questions regarding changes in control and the related obligations to update application information.

¹ Although the term “controlling person” is not specifically defined by statute, the Board developed a working definition to mean any individual who owns more than 25% of a licensee and that possesses the authority to directly or indirectly manage the policies of the company.

² If the controlling person is an entity, the questionnaire should be completed by the entity’s owners that own more than 25%.