



MARYLAND OFFICE OF FINANCIAL REGULATION



APPLICATION OR FORM

Application to Receive the Annual Assessment Fee Credit for Opening and/or Maintaining Branches in Low- to Moderate-Income Communities in Maryland

Instructions: Under the [Maryland Access to Banking Act](#), a well-capitalized Maryland state-chartered bank or credit union with a composite CAMELS rating of 1 or 2 may apply for a fee credit toward its annual assessment if it operates a branch or branches in a low- to moderate-income (LMI) census tract in the State of Maryland. Applicable 2023 census tract information may be found [here](#).

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 Office of Financial Regulation (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 branch¹ 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 census 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 the assessment fee credit, any increase in deposits in a non-de novo branch after 2023 is limited by the deposit growth cap.²

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

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

² The definition of deposit growth cap is found at [Financial Institutions Article §5-203\(a\)\(4\)](#) and [Financial Institutions Article §6-712\(a\)\(3\)](#). By way of example on how the OFR will calculate the assessment fee credit due, suppose a non-de novo branch deposits totaled \$1,000,000.00 on June 30, 2023, and increased to \$1,070,000.00 on June 30, 2024. This represents a 7% increase from the prior year. In this same timeframe, suppose the deposit growth cap totaled only 5%. In this situation, the amount of deposits attributed to the branch for the purpose of calculating the assessment fee credit would be reduced to \$1,050,000.00, aligning with the 5% deposit growth cap limit.

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.³ The deposit growth cap limit is not applied to deposits in a qualifying de novo branch.

For each of the branches listed, the Maryland state-chartered bank or credit union submitting the application must attach to its application a core report from its technology service provider (i.e., Jack Henry, Fiserv, etc.) specific to each branch that includes the following information:

1. The branch's total deposits. Include a summary of all deposit types with the respective total balances.
2. The branch's total loans. Include a summary of all loan types with the respective total balances.

Note: A manually generated Excel spreadsheet will not be accepted to verify the above-listed information.

The due date for an applicant Maryland state-chartered credit union is **February 9, 2024**.

The due date for an applicant Maryland state-chartered bank is **March 1, 2024**.

After the OFR completes the review of an application, any annual assessment fee credit approved will be applied toward the 2023 annual assessment amount due in 2024 and be noted in the annual assessment letter emailed to the Maryland state-chartered bank or credit union, unless the applicant elects to donate the assessment fee credit to the Maryland Community Investment Venture Fund (Fund).

Pursuant to [FI § 2-118.1\(f\)\(1\)](#), donations made to the Fund by Maryland state-chartered banks and credit unions may be matched by the Office of Financial Regulation up to the amount of the assessment fee credit earned. The mission of the Fund is to serve as a catalyst for the development of innovative technologies and/or enhance existing technologies that will assist Maryland state-chartered banks and credit unions to better serve LMI communities through partnership with new and existing financial technology firms.

A completed application for approval of an assessment fee credit must be submitted by email to Stephen.clampett1@maryland.gov.

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³ By way of example, suppose there is a deposit growth cap of zero or a negative number. The non-de novo branch held 1,000,000 of deposits as of June 30, 2023, and received an assessment fee credit against its 2023 annual assessment based on this amount. That same branch has deposits totaling 1,030,000 as of June 30, 2024. Because the 2024 assessment fee credit cannot exceed the deposit growth cap, the bank cannot receive a larger assessment fee credit for 2024 than it did for 2023. Therefore, the assessment fee credit for the 2024 annual assessment would be based on the June 30, 2023, deposits of \$1,000,000. Had that branch's deposits declined to \$998,000 as of June 30, 2024, the assessment fee credit amount would be based on \$998,000.

Application

Name of Bank or Credit Union: _____

Total Number of LMI Branches as of 12/31/23⁴: _____

Branch Location: _____

Address of Branch: _____

Tract Income Level: Low or Moderate (*check one*). Tract Code: _____

Total Amount of Deposits 2023 – 6/30/23: _____ 12/31/23: _____

Total Amount of Loans 2023 – 6/30/23: _____ 12/31/23: _____

Total Number of Branch Customers/Members: _____

Date Branch was Established: _____

Branch Location: _____

Address of Branch: _____

Tract Income Level: Low or Moderate (*check one*). Tract Code: _____

Total Amount of Deposits 2023 – 6/30/23: _____ 12/31/23: _____

Total Amount of Loans 2023 – 6/30/23: _____ 12/31/23: _____

Total Number of Branch Customers/Members: _____

Date Branch was Established: _____

Branch Location: _____

Address of Branch: _____

Tract Income Level: Low or Moderate (*check one*). Tract Code: _____

Total Amount of Deposits 2023 – 6/30/23: _____ 12/31/23: _____

Total Amount of Loans 2023 – 6/30/23: _____ 12/31/23: _____

Total Number of Branch Customers/Members: _____

Date Branch was Established: _____

Branch Location: _____

Address of Branch: _____

Tract Income Level: Low or Moderate (*check one*). Tract Code: _____

Total Amount of Deposits 2023 – 6/30/23: _____ 12/31/23: _____

Total Amount of Loans 2023 – 6/30/23: _____ 12/31/23: _____

Total Number of Branch Customers/Members: _____

Date Branch was Established: _____

⁴ If claiming more than four branches in LMI census tracts on this application, please print and attach additional pages.

Name of Contact Person: _____
Title: _____
Direct Phone Number: _____
Email Address: _____

By my signature below, I certify that:

- 1) The information provided by the applying Maryland state-chartered bank or credit union is accurate, complete, and true; and**
- 2) I understand that any misrepresentation or false claim included in this application or any of the supporting documentation attached hereto may be punishable pursuant to penalties set forth in both [FI § 5-803](#) and [FI § 6-903](#).**

Print Name (*must be an Executive Officer*) Title

Signature Date

By checking this box, I affirm that the Maryland state-chartered bank or credit union submitting this application agrees to donate _____% of its annual assessment fee credit to the Maryland Community Investment Venture Fund and that any donated assessment fee credit earned will not be subtracted from the annual assessment due.

For questions about this application, please contact Stephen J. Clampett, Assistant Commissioner – Corporate Activities by phone at (410) 230-6104 or by email at 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.

