**Title 36 STATE LOTTERY AND GAMING CONTROL AGENCY**

**Subtitle 03 GAMING PROVISIONS**

**Chapter .10 Video Lottery Facility Minimum Internal Control Standards**

**Authority: State Government Article, § 9-1A-04(d), Annotated Code of Maryland**

**.24 Credit Authorization.**

A. For the purposes of this regulation, “derogatory information” means any information associated with a credit account indicating that the account is partially or completely uncollectible, has had checks returned unpaid, or has required settlement, lien, judgment, or other collection efforts by a gaming operator.

B. A facility operator may not extend a line of credit to a player to enable the player to take part in gaming which exceeds the player’s authorized credit limit.

C. A facility operator may extend credit to a player if a:

(1) Player submits a credit application in writing in accordance with this regulation;

(2) Facility operator complies with the:

(a) Credit application verification requirements of Regulation .25 of this chapter; and

(b) Credit authorization and credit file documentation requirements of this regulation;

(3) Credit is issued:

(a) By acceptance of a negotiable instrument in the form of a counter check under Regulation .26 or .27 of this chapter; and

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For September 25, 2014 Commission.

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(b) During the hours of operation approved by the Commission for the facility under COMAR 36.03.11.02; and

(4) Player's outstanding counter check balance does not at any time exceed the player's authorized credit limit.

D. A facility operator shall accept a credit application submitted by a player:

(1) During the hours of operation approved by the Commission for the facility under COMAR 36.03.11.02;

(2) By mail; ~~and~~

**<u>(3) By electronic submission.</u>**

E. A facility operator shall create and maintain a credit file for a player applying for an extension of credit or authorized counter check privileges.

F. A credit file shall:

(1) Be prepared, either manually or by computer, by a general cashier or credit department representative with no incompatible functions including the ability to authorize credit or approve a change in a credit limit;

(2) Contain the credit application submitted by the player documenting, at a minimum, the following:

(a) Name;

(b) Residential address;

(c) Personal telephone number;

(d) Personal checking account information including:

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(i) Name and ~~address~~ **routing number** of a bank, savings and loan or credit union subject to federal or State banking regulation on which a counter check is to be drawn;

(ii) Account number; and

(iii) A representation that the player is individually authorized to draw on the account;

(e) Credit limit requested by the player;

(f) Good faith estimate of:

(i) Outstanding indebtedness including gaming related credit limits and outstanding balances; and

(ii) The amount and source of income and assets that support the requested credit limit; and

(g) Signature of the player:

(i) Acknowledging the request for an extension of credit and counter check privileges;

(ii) Certifying that all information provided on the application is true and accurate;

(iii) Authorizing the facility operator to conduct the due diligence it deems appropriate prior to the credit decision; and

(iv) Acknowledging that the player may be subject to civil or criminal liability if any material information provided is willfully false; and

(3) Document, in accordance with §J of this regulation, the credit limit initially authorized by the facility operator for a player and any change in that credit limit.

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G. A facility operator may:

(1) Consider a checking account of a sole proprietorship owned by a player to be a personal checking account; and

(2) Not consider a partnership or corporate checking account to be a personal checking account even if a player is individually authorized to draw on the account.

H. Prior to authorizing an extension of credit, the facility operator shall verify the information on the credit application submitted by the player in accordance with Regulation .25 of this chapter.

I. A facility operator shall restrict authority to extend credit or to approve a change in a credit limit to the following employees:

(1) If the facility operator's table of organization includes a separate credit department, cage credit director, credit manager, cage/credit shift manager, or credit executive who has no involvement with the verifications required under Regulation .25 of this chapter;

(2) A principal employee in a direct reporting line above the director of gaming operations or a credit manager; and

(3) A credit committee composed of principal employees:

(a) Which may authorize credit as a group; and

(b) Whose members may not act individually to authorize credit unless an individual meets the requirements of §I(1) or (2) of this regulation.

J. A facility operator shall record in a player's credit file the initial decision to authorize an extension of credit including:

(1) The credit limit assigned to the player;

(2) Date and time the credit limit was activated;

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(3) Information used to support the extension of credit including the source of the information, if such information is not otherwise recorded in the credit file under Regulation .25 of this chapter;

(4) If applicable, a brief explanation as to why:

(a) The credit limit authorized deviates from the credit limit requested by the player in the credit application; and

(b) Credit was authorized when the verification process conducted under Regulation .25 of this chapter disclosed derogatory information; and

(5) The signature or authorization code of the employee authorizing the extension of credit.

K. A facility operator shall require a request for a change in credit limit to be in writing and include:

(1) Date and time of the request;

(2) New limit requested by the player; and

(3) Signature of the player.

L. Prior to approving a change in a player's authorized credit limit, a facility operator shall:

(1) Verify the player's current gaming related credit limits and outstanding balances in accordance with Regulation .25 of this chapter unless the facility operator verified that same information earlier in the same gaming day;

(2) If a player's increased credit limit will exceed $2,500, verify the player's outstanding indebtedness in accordance with Regulation .25 of this chapter unless the facility operator verified the player's outstanding indebtedness in the previous 12 months;



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(3) Verify the player's personal checking account information in accordance with Regulation .25 of this chapter unless the facility operator verified the player's checking account information in the previous 24 months;

(4) Review player rating system data regarding the amount and frequency of play subsequent to the initial extension of credit; and

(5) Document in the player's credit file:

(a) If approved, the change in credit limit;

(b) If disapproved, the reason the credit limit was not changed;

(c) The verifications required by this regulation;

(d) The player's rating in the player rating system on the date the change in credit limit was authorized; and

(e) The signature or authorization code of the employee responsible for the assessment of the request for a change in credit limit.

M. A facility operator may approve a "this trip only" increase in a credit limit without performing the verifications required by §L of this regulation if:

(1) The increase:

(a) Is in effect for a single trip to the facility consisting of consecutive gaming days; and

(b) Does not exceed 25 percent of the currently authorized credit limit; and

(2) The increase is documented in the player's credit file including the signature or authorization code of the employee approving the "this trip only" credit limit increase.

**N. A facility operator may approve a "this trip only" increase in a credit limit after performing the verifications required by §L of this regulation if:**

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**<u>(1) The increase:</u>**

**<u>(a) Is in effect for a single trip to the facility consisting of consecutive gaming days; and</u>**

**<u>(b) Exceeds 25 percent of the currently authorized credit limit; and</u>**

**<u>(2) The increase is documented in the player's credit file including the signature or authorization code of the employee approving the "this trip only" credit limit increase.</u>**

~~N.~~ **<u>O.</u>** A facility operator may not accept a counter check from a player before the decision to authorize an extension of credit, approve a change in a credit limit, or approve a "this trip only" credit limit increase is recorded in the credit file, including the signature or authorization code of the employee authorizing the extension of credit or credit limit increase.

~~O.~~ **<u>P.</u>** A facility operator shall suspend the counter check privileges of a player:

(1) On receipt of:

(a) Derogatory information;

(b) Information that indicates that a player's financial position has materially deteriorated;

(c) A returned check; or

(d) Notice from the Commission that the player has requested a suspension of credit privileges under Regulation .32 of this chapter; or

(2) Who has been inactive at the facility's video lottery terminals and table games for more than 24 months.

~~P.~~ **<u>Q.</u>** A facility operator may reinstate the counter check privileges of a player suspended under §O of this regulation after:

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(1) Completion of the verification requirements of Regulation .25 of this chapter;

(2) Receipt as a result of those verifications of information supporting the authorized credit limit; and

(3) If applicable:

(a) Payment in full of a returned check; or

(b) Notice from the Commission that the player's credit privileges have been reinstated under Regulation .32 of this chapter.

~~Q.~~ **R.** If derogatory information develops pertaining to a player's account at a facility, a facility operator shall report the derogatory information to the same casino credit bureau it utilizes to verify gaming related credit limits and outstanding balances under Regulation .25 of this chapter within 24 hours of development of the derogatory information.

~~R.~~ **S.** A facility operator shall develop and include in the internal controls submitted to and approved by the Commission under Regulation .05 of this chapter procedures addressing the issuance of credit including:

(1) Identifying the employee positions authorized to extend credit or approve a change in a credit limit; and

(2) Creation and maintenance of the credit file.

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