

minutes

| State Collection Agency Licensing Board Revised Open Session Minutes | | |
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| 2.8.2018 | 10:30 a.m. | Alacrity Collections Corporation 175 Admiral Cochrane Dr., Suite 202 Annapolis, MD 21401 |
| Meeting called to order by | Antonio P. Salazar, Chairman | |
| Administrator | Carole Smith-Rea | |
| Attendees | Susan Hayes (member), Joanne Young (member), Steve Hannan (member), Betty McBride (staff), Kelly Mack (staff), Sandra Small (counsel), Cliff Charland via conference call (staff), Sandra Holland, Tri-County Service Bureau (public) | |
| Acknowledgements: | | |
| [Presenter] | Mr. Salazar | |
| Discussion | Mr. Salazar noted the Notice of Meeting was emailed on January 31, 2018, at 5:22 p.m., and Agenda also emailed on January 31, 2018 at 5:22 p.m. Further, Mr. Salazar noted that all members had completed the Open Meetings training required under Md. Code Ann., Gen. Prov. §3-213 (see attached certificates). | |
| Conclusions | N/A | |
| Action Items - None | Person Responsible | Deadline |
| Approval of Minutes of November 9, 2017 Meeting | | |
| [Presenter] | Mr. Salazar | |
| Discussion | No discussion. | |
| Conclusions | On a Hannan/Hayes motion, the November 9, 2017 minutes were approved. | |
| Action Items - None | Person Responsible | Deadline |
| Recognition of Public Comments | | |
| [Presenter] | Sandra Holland, Tri-County Service Bureau ("Bureau") | |
| Discussion | Ms. Holland, the only member of the public in attendance, introduced herself, and stated that she had purchased the Bureau from her mother-in-law, and the Bureau has been in business for 38 years. | |
| Conclusions | N/A | |

minutes

| Action Items - None | Person Responsible | Deadline |
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| 1. Non-Depository Licensing Unit Report | | |
| [Presenter] | Ms. McBride | |
| Discussion | Ms. McBride provided the Board with the list of applicants for new licenses. Further, she provided a new report, Renewal Snapshot Report dated February 6, 2018, which provided a comparison of the number and percentages of license renewals as of 2/6/17 and 2/6/18. | |
| Conclusions | On a motion Hannan/Young motion, the Board ratified the Board's prior approval of all initial and renewal collection agency licenses since November 9, 2017, and issuance of all initial and renewal licenses since November 9, 2017. | |
| Action Items - None | Person Responsible | Deadline |
| 2. Consumer Services Unit Report | | |
| [Presenter] | Ms. Mack | |
| Discussion | <p>Ms. Mack advised the Board that 98 complaints had been received for the fiscal year July 1, 2016 to June 30, 2017, and 20 of the 98 complaints remain open. She noted the declining trend from last year. Of the 98 complaints, 14% were for unlicensed activity.</p> <p>Mr. Hannon asked what was being done concerning agencies that did not renew their licenses. Ms. Mack advised that notices had been sent and calls were made to these collection agencies. She further advised that these agencies had been referred to the Enforcement Unit. Lastly, Ms. Mack noted that many of the agencies appeared to think that by transitioning to NMLS, their licenses would be renewed automatically.</p> <p>Mr. Hannon asked how the problems at the Consumer Financial Protection Bureau or CFPB is impacting Maryland's enforcement. Mr. Salazar noted his understanding that even though the CFPB is rolling back many of its initiatives, Maryland already has laws in place not common to other states. Further, Mr. Salazar explained that it is too early to tell how, or if, Maryland supervision will be impacted by the rollback of CFPB's initiatives.</p> | |
| Conclusions | N/A | |
| Action Items - None | Person Responsible | Deadline |

minutes

| 3. Enforcement Unit Report | | |
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| [Presenter] | Mr. Bellman (Mr. Charland in place of Mr. Bellman) | |
| Discussion | Mr. Charland reported that there are two active cases. Further, the Enforcement Unit is waiting for a response from the Assistant Attorneys General regarding three other cases. | |
| Conclusions | N/A | |
| Action Items - None | Person Responsible | Deadline |
| 4. Outreach to Licensees Regarding Laws/Regulations | | |
| [Presenter] | Mr. Bellman (Mr. Charland in place of Mr. Bellman) | |
| Discussion | Mr. Charland advised the Board that 80% of the licensees had completed the transition. Of the licensees that completed the transition, 40 did not renew their licenses by the deadline. Mr. Charland reiterated Ms. Mack's comments noting that many of the agencies appeared to think that by transitioning to NMLS, their licenses would be automatically renewed. These companies received direct correspondence, including calls advising the companies that they were required to renew their licenses. Mr. Hannon added that NMLS had sent out information that could have confused the licensees. Mr. Charland replied that because of the potential for confusion, the Commissioner had sent letters to the licensees explaining that they needed to renew. Mr. Hannon complimented the outreach efforts. | |
| Conclusions | N/A | |
| Action Items- None | Person Responsible | Deadline |

minutes

| 5. NMLS - FAQ Sheet for Licensees | | |
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| [Presenter] | Betty McBride presented for Mr. Charland | |
| Discussion | Ms. McBride presented the “Applying for Licensure through NMLS: Frequently Asked Questions. Ms. McBride explained that the questions were standard. Questions such as “How licensees apply” and “How to maneuver through the system” were among those answered. Further, she advised that there is also a “Help Desk” available. | |
| Conclusions | N/A | |
| Action Items - None | Person Responsible | Deadline |
| - NMLS Report on Final Transition/Renewal Report | | |
| [Presenter] | Mr. Charland | |
| Discussion | See #4 above. | |
| Conclusions | N/A | |
| Action Items - None | Person Responsible - N/A | Deadline - N/A |
| - CSBS NMLS 2.0 Presentation | | |
| [Presenter] | Mr. Charland/Mr. Young (CSBS) and Ms. Tinsley (CSBS) via teleconference | |
| Discussion | Mr. Young and Ms. Tinsley presented the “NMLS Overview” power point via WebEx, including: future goals and objectives of NMLS, expanded capabilities, new features including streamlined applications, stored records, improved date analytics functions and user-friendliness. | |
| Conclusions | N/A | |
| Action Items - None | Person Responsible | Deadline |

minutes

| 6. Maryland Financial Consumer Protection Commissioner 12/15/17 Meeting | | |
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| [Presenter] | Mr. Salazar | |
| Discussion | Mr. Salazar advised the Board of the Commission's Report, encouraging all to read it. He stated his belief that Maryland already has strong consumer protection laws. He reported on the Commission's concerns about changes in Washington, and how that could impact Maryland. The Commission recommendations include that the federal government maintain strong and balanced consumer protection, and continued research and vigorous representation. | |
| Conclusions | N/A | |
| Action Items - None | Person Responsible | Deadline |
| 7. Legislation | | |
| [Presenter] | Mr. Salazar | |
| Discussion | <p>Mr. Salazar discussed consumer protection bills that have been introduced in the General Assembly, including:</p> <p>S.B. 1012 (introduced by the Commission on Financial Regulation) is an omnibus bill not yet available, which includes student loan regulation;</p> <p>S.B.0006 (departmental bill) collapses the funds from each licensing category into one Non-Deposit Special Fund; and</p> <p>H.B.0848 (departmental bill) that is a result of the Equifax breach in 2017.</p> | |
| Conclusions | N/A | |
| Action Items - None | Person Responsible | Deadline |

minutes

8. "The Impact of Third-Party Debt Collection on U.S. National and Maryland's State Economics in 2016/"

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| [Presenter] | Susan Hayes | |
| Discussion | <p>Ms. Hayes presented a report on how unpaid debt, taxes and fines impact consumer prices, borrowing costs, business performance and government budgets. Debt collection agencies recovered approximately \$78.5 billion in total debt in 2016, returned \$67.6 billion to the creditors and earned \$10.9 billion in commission and fees. Health care is the leading debt category, followed by student loans. Government-related debt made up 16% of all debt collected, while credit cards, retail, telecommunications, utility bills, mortgages and other debts made up less than 10% of all debt collected. Additionally, her report states that 129,262 employees in debt collection agencies support the indirect and induced employment of more than 89,000 individuals in industries that sell goods and services to debt collection agencies and their employees.</p> <p>*See attached report.</p> | |
| Conclusions | N/A | |
| Action Items - N/A | Person Responsible - N/A | Deadline |
| 9. Chairman's Statement | | |
| [Presenter] | Mr. Salazar | |
| Discussion | <p>Mr. Salazar announced that pursuant to Md. Code Ann., Gen. Prov. §§3-305(b)(7) and §3-305(b)(8), the Board was closing the meeting to consult with staff and counsel. The topics to be discussed with counsel in closed session pursuant to Section 3-305(b)(7) were the definition of branch under Md. Code Ann., Bus. Reg. §7-101(c) as it pertains to teleworking; and the definition of consumer claim under Md. Code Ann., Bus. Reg. §7-101(f) as it pertains to IRS income tax liability. The topics to be discussed in closed session with staff pursuant to Section 3-305(b)(8) were a litigation update; and Pre-Charge Committee Update.</p> | |
| Conclusions | On a Salazar/Hannan motion the meeting was closed. | |