

**State Collection Agency Licensing Board
Open Session Minutes**

Date: January 11, 2022

2:00 p.m.

Maryland Dept. of Labor

Meeting called to order at
2:01 p.m. by

Antonio P. Salazar, Chairman (attended via video conference call)

Administrator

Cindy McCauley (attended via video conference call)

Attendees

Members: Sandra Holland and Eric Friedman (each attended via video conference call)

Counsel: Kenneth Krach, Esq. (attended via video conference call)

Staff: Deputy Betty Yates, Arlene Williams, Dana Allen, Kelly Mack, Cindy McCauley, Jedd Bellman, Clifford Charland, Joe Cunningham (each attended via conference call)

Acknowledgements	Mr. Salazar stated that the notice of the January 11, 2022 meeting was posted on the Dept. of Labor/Board website on December 14, 2021 and the Agenda was posted on the Dept. of Labor/Board website on January 6, 2022. In addition, he stated that the January 11, 2022 meeting notice was published in the Maryland Register on January 3, 2022.
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Approval of Minutes	
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Mr. Salazar	
Discussion	Mr. Salazar noted minutes of the 11.23.21 Board meeting had previously been circulated for review and asked for questions or comments. There were no questions or comments and on a Holland/ Friedman motion, the Board unanimously approved the minutes.

Recognition of Public Comments	
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Mr. Salazar	
Discussion	No members of the public were present.

1. Non-Depository Licensing Unit Report	
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Ms. Yates	
Discussion	<p>Ms. Yates advised there were twenty-six applications received; thirteen new licenses and 13 for branches. Ms. Yates told the Board that each entity's application and supporting materials for licensure had been reviewed and found to satisfy the licensing qualifications. Ms. Yates proceeded to recommend that the Board issue collection agency licenses to:</p> <ol style="list-style-type: none"> 1. NMLS ID 2241381 Maximus Education, LLC 2. NMLS ID 204988 MGC Mortgage, Inc 3. NMLS ID 2249300 MPMC Maryland LLC 4. NMLS ID 1283565 Primavera Financial, Inc 5. NMLS ID 1984163 Kingston Data & Credit International 6. NMLS ID 2013791 Sterling Credit Corp

7. NMLS ID 2249305 River Heights Capital LLC
8. NMLS ID 2167345 Self Credit LLC
9. NMLS ID 1630038 Splash Financial Inc
10. NMLS ID 441662 AllianceOne Receivables Management, Inc
11. NMLS ID 2248967 Construction Credit and Finance Group, LLC
12. NMLS ID 2233823 SunPower Capital Services, LLC
13. NMLS ID 2276902 Next level 4mation, LLC
14. NMLS ID 1959225 Terrill Outsourcing Group, LLC (Branch)
15. NMLS ID 2095004 AllianceOne Receivables Management, Inc (Branch)
16. NMLS ID 2257799 Encore Receivable Management, Inc (Branch)
17. NMLS ID 2098262 Vervent, Inc (Branch)
18. NMLS ID 2265064 Vervent, Inc (Branch)
19. NMLS ID 2248544 Liquid Global Company, LLC (Branch)
20. NMLS ID 2258529 DCM Services, LLC (Branch)
21. NMLS ID 2250545 Credit Service Company, Inc (Branch)
22. NMLS ID 2262990 Rausch Sturm LLP (Branch)
23. NMLS ID 2248755 AllianceOne Receivables Management, Inc (Branch)
24. NMLS ID 2264216 CardWorks Servicing, LLC (Branch)
25. NMLS ID 2276891 Columbia Debt Recovery, LLC (Branch)
26. NMLS ID 2264860 Afni, Inc. (Branch)

On a Friedman/Holland motion, which was unanimously approved, the Board voted to issue licenses to all recommended applicants.

Ms. Yates reported that the following fourteen collection agency licensees surrendered their license in the past 60 days.

1. The Accounts Retrievable System Inc - NMLS ID 1408420 - Company - No longer collecting debt
2. Student Account Management Services, LLC - NMLS ID 1681684 - Company – Nolon ger collecting debt
3. ReSolve, Inc - NMLS ID 1611696 - Company - Merged with company USCB
4. Reverse Mortgage Solutions, Inc - NMLS ID 107636 - Company – Company ceased activity
5. Poole Law Group Limited - NMLS ID 1670525 - Company - Not renewing license for 2022, business model has changed and no longer in collections arena
6. Valley Credit Services, Incorporated - NMLS ID 1657115 - Company – Company sold/merged

7. Valley Credit Services, Incorporated - NMLS ID 1784865- Branch – Company sold/merged
8. Mammoth Tech, Inc - NMLS ID 1152655 - Branch Closure
9. Mammoth Tech, Inc - NMLS ID 1820181 - Branch Closure
10. Brown & Joseph, LLC - NMLS ID 1834430 - Branch Closure
11. Brown & Joseph, LLC - NMLS ID 2078091 - Branch Closure
12. Delta Management Associates, Inc - NMLS ID 1149068 - Branch – COVID Pandemic related reasons
13. Portfolio Recovery Associates, LLC - NMLS ID 1121854 - Branch Closure
14. Revco Solutions, Inc - NMLS ID 951103 - Branch - Landlord sold the building

There are twenty-six change in control approvals for note at the January 11, 2022 Board meeting:

1. Westlake Portfolio Management, LLC(1745247)
2. Hilco Receivables LLC (1373320)
3. Service Finance Company, LLC (140908)
4. GC Services Limited Partnership (191713)
5. Exeter Finance LLC (967404)
6. Collins Asset Group, LLC (1114880)
7. Oliphant USA, LLC (1805737)
8. Accelerated Inventory Management, LLC (1115593)
9. Lentegrity LLC (1813988)
10. Marlette Servicing, LLC (1849345)
11. Wakefield & Associates, LLC (1048033)
12. Upgrade, Inc (1548935)
13. Velocity Investments, L.L.C. (922827)
14. H & R Accounts, Inc (1105509)
15. GC Services International, LLC (1146287)
16. Medical Data Systems, Inc (934576)
17. SMS Financial Recovery Services, LLC (952165)
18. The Receivable Management Services LLC (1117955)
19. EOS USA, Inc (891474)
20. Webcollex, LLC (1235300)
21. National Credit Audit Corporation (937924)
22. Mercantile Adjustment Bureau, LLC (962209)
23. CKS Prime Investments, LLC (1615276)
24. Oliphant Financial, LLC (953706)
25. CadleRock Joint Venture, L.P. (1307247)
26. Lyons, Doughty & Veldhuis, PC (1672022)

There were no questions or comments about the change in control approvals.

2.) Consumer Services Unit Report	
Mrs. Mack	
Discussion	<p>Mrs. Mack presented the Consumer Services Unit report. She noted that the report had been previously sent to the Board members and advised that 89 total debt collection complaints were received in FY 22. There are 25 that are currently open and 63 currently closed which represents a 7.87% increase over the last fiscal year.</p> <p>Mrs. Holland informed the Board that within her agency many clients have been filed complaints about the impersonation of her collection agency.</p> <p>Mrs. Mack advised Mrs. Holland that the protocol to reporting this issue was the completion of a fraud form on OCFR's website so that OCFR staff could further investigate the matter and attempt to resolve the misrepresentation of her collection agency.</p>

3.) Enforcement Unit Report	
Ms. Allen	
Discussion	<p>Ms. Allen presented the Enforcement Unit report. She reported that there are three (3) collection agency cases in pre-charge status.</p>

4) Legislative Session	
Mr. Cunningham	

<p>Discussion</p>	<p>Mr. Salazar introduced Joe Cunningham, OCFR’s Director of Legislative Response and Special Projects who presented information about the Legislative session which starts officially on January 12, 2022. He stated that the pre-filled bills have been introduced and there are two bills that will be of interest to the Board. First, the House Bill 111 regarding the collection of private education loan and required documents which was a refiling of a bill from the previous two years. Neither of which passed. This bill prohibits private education lenders and private education loan collectors from initiating certain actions to collect except under certain circumstances. It contains a list of 21 required documents that collectors must have in hand before initiating a collection action for a private education loan. A change from last year provides that rather than an account number being used, the last four digits of account numbers can be used. OCFR flagged in our fiscal note that the bill contains some unclear language about the requirement that a borrower be furnished with certain information with the first collection communication, yet that the concept of a “first collection communication” is undefined in the bill. So that just leaves uncertain as to what the obligations of lenders, servicers, collectors may be under that provision. So, if passed, it may require increased document production in lawsuits and it may possibly increase costs related to document production. The bill is still on first reading in Front of the House Appropriations and Judiciary Committees. A hearing is set for January 18, 2022, at one o'clock.</p> <p>Secondly, House Bill 128 is a bill that requires any person registered as a provider of debt settlement services that is engaged in student education loan debt relief, which is defined in the bill, to make a certain disclosure statement in its agreement as well as in all advertisements. The statement is to provide the registrant is a private company and not affiliated with the US Department of Education, or any other academic entity or governmental agency and that the registrant is not a lender, guarantor or servicer of federal student loans. Also, the consumer can apply for consolidation and other repayment plans without paid assistance through the US Department of Education. The disclosure is also to state that additional information is available on the Education Department's website or through the consumers federal student loan servicer as well as that the consumer can find out who their servicer is through the US Department of Education.</p> <p>In conclusion Mr. Salazar advised the Board that updates will be provided on an ongoing basis. He advised that OCFR has submitted three bills and one of the proposed OCFR bills aims to change the way that OCFR license and branch fees are imposed on non-depository licensees, including collection agencies.</p>
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5.) Medical Bill Implementation	
Mr. Bellman	
Discussion	Mr. Bellman advised the Board that OCFR staff continues to work with colleagues over at the Health Care Cost Review Commission on implementing the medical debt bill. The Commission has convened a working group to discuss their initial payment plan. In addition, it is working on FAQ's that the OCFR circulated to the Commission as a draft, joint advisory with the OCFR, the Board and the Commission. The Attorney General for the General Assembly issued an advisory opinion stating that some of the implementation hurdles regarding the guidance from the Commission were not obstacles for implementation, and so collection agencies could continue to collect hospital debt pending the issuance of regulations and guidance. He stated that OCFR will continue to monitor this situation and advise the Board as OCFR finalizes some of the deliverables.
6.) CFPB & NACARA Update	
Mr. Bellman	
Discussion	Mr. Bellman discussed the CFPB's newly issued regulations and their impact on State and Federal law. He said the CFPB continues to move forward with implementation and continues to collaborate and coordinate on multi-state examinations.
Adjournment	Mr. Salazar concluded with miscellaneous comments. He informed the Board of the next scheduled meeting on Tuesday, February 8, 2022, which will take place virtually due to the latest spike in the COVID-19 pandemic. On a unanimously approved motion, the meeting adjourned at 2:30 p.m.

