

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

<u>Date: January 9, 2024</u>	2:00 p.m.	Maryland Dept. of Labor
Meeting called to order at 2:01 p.m. by	Antonio P. Salazar, Chairman	
Administrator	Ayanna Daugherty	
Attendees	<p>Members: Tracy Rezvani, Shawn Kennedy, and Sandra Holland</p> <p>Counsel: Emily Hanson</p> <p>Staff: Cliff Charland, Amy Hennen, Shereefat Balogun, Heidi Boyd, Betty Yates, Arlene Williams, and Kelly Mack</p>	
Meeting Location	Google Meet	

Acknowledgements	
Mr. Salazar	
Discussion	Mr. Salazar stated that the notice of the January 9, 2024 meeting was: (i) posted on the Dept. of Labor/Board website on December 19, 2023; and (ii) published in the Maryland Register on December 15, 2023. Additionally, Mr. Salazar stated the agenda for the January 9, 2024 meeting was posted on the Dept. of Labor/Board website on December 29, 2023.

Approval of Minutes	
Mr. Salazar	
Discussion	Mr. Salazar noted the minutes for the December 12, 2023 Board meeting had previously been circulated for review and asked for questions or comments. On Mr. Kennedy's motion, with a second from Ms. Rezvani, the Board unanimously approved the December 12, 2023 minutes.

Recognition of Public Comments

Mr. Salazar

Discussion

No members of the public were present.

1. Non-Depository Licensing Unit Report

Ms. Yates

Discussion

Ms. Yates advised the Board that the Licensing Unit has reviewed one pending application with all the supporting materials, and determined the one applicant met the requirements for licensure. Accordingly, Ms. Yates recommended that the Board grant a collection agency license to the following entity:

1. NMLS ID 1732990 Statewide Court Services, LLC

On Mr. Kennedy’s motion and Ms. Rezvani’s second, the Board voted unanimously to issue a license to the one recommended applicant.

There are seven collection agency licensees that surrendered their license in the past 30 days:

1. NMLS ID 1677810 - Abraham & Bauer, LLC - I sold my law firm and have retired from the active practice of law.
2. NMLS ID 1995181 - Collection Bureau of Fort Walton Beach, Inc - After carefully evaluating our business operations and market presence, we have determined that we do not have a substantial amount of business amount of business activities in Maryland to justify continuing our licensed operations within the state.
3. NMLS ID 1658800 - Health Credit Services, LLC - HCS is no longer conducting any new business and all loans in HCS's portfolio have been closed.
4. NMLS ID 1710 - eCast Settlement Corporation - eCast surrendered its license because eCast has ceased its business activity of purchasing debt claims (collectively, "claims") from third parties where the underlying debtors have filed for protection under the U.S. Bankruptcy Code.
5. NMLS ID 1016899 - RAzOR Capital, LLC - RAzOR Capital has ceased operations that require the license.
6. NMLS ID 1648134 - Ronald B. Katz, P.A. - I have been practicing law for over 42 years, and I have reduced the time I spend working and expect to retire in the next couple of years.

7. NMLS ID 1661760 - Rosenthal Abraham and Associates, Inc - Surrender due to the bond increase to \$50k.

Ms. Yates reported the following seventeen change in control approvals in the past 30 days:

1. Absolute Resolutions Investments, LLC (1490522)
2. ADF Services, LLC (1969084)
3. Allsectech Inc (934263)
4. Bridgecrest Credit Company, LLC (1494821)
5. CardWorks Servicing LLC (1565896)
6. Carson Smithfield, LLC (937467)
7. Crown Asset Management, LLC (1110271)
8. Financial Corporation of America (951408)
9. Freedom Financial Asset Management, LLC (227977)
10. Full Circle Financial Services, LLC (934278)
11. MiraMed Revenue Group, LLC (996990)
12. Point Card Operations, Inc (2327448)
13. Professional Account Management, LLC (995554)
14. RGS Financial, Inc (931231)
15. Sitel ARM Corp (1658116)
16. Snap Financial LLC (1769138)
17. Uplift, Inc (1897458)

As of 12/30/2023 the Maryland collection agency company count was 1,107 compared to the same time last year 12/30/2022 which was 1,130.

2. Consumer Services Unit Report

Ms. Mack

Discussion

Ms. Mack advised the Board that the Consumer Services Unit circulated its current report for Fiscal Year 2024 showing that as of 12/31/2023, 79 complaints have been received, 32 are open and 47 were closed.

The Consumer Services Unit has also received 33 student loan complaints since October 2023, which was the time that the student loan repayments started and are increasing.

3. Enforcement Unit Report

Ms. Boyd

Discussion

Ms. Boyd advised the Board that there are two current/on-going collection agency cases in a pre-charge status.

4. Legislative Session and Current Issues

Ms. Hennen

Discussion

Ms. Hennen advised the Board that the following four OFR's departmental bills have now been published and will be presented during the Legislative session, along with some other bills that are being re-presented.

- 1) House Bill 246 - Earned Wage Access Products
- 2) House Bill 247 - Foreclosure Law revisions
- 3) House Bill 250 - Third Party Examinations for Banks, Credit Unions, and Non-Depository Financial Institutions who use third parties
- 4) House Bill 254 - True Lender Act Legislation

Ms. Hennen also advised the Board that if any Board members are planning on testifying on any bills at the legislative hearings, please let us know so we can notify the Legislative team.

5. Medical Bill Implementation and CFPB

Mr. Salazar	
Discussion	<p>Medical Bill Implementation- Ms. Hanson advised the Board that the medical debt regulations changes are now expected to be republished after the next regulatory moratorium ends in February.</p> <p>CFPB –Mr. Charland advised the Board that the CFPB recently issued an order against Commonwealth Financial Systems, Inc. (Commonwealth) and required them to cease doing business and pay a \$95,000 penalty. They were illegally attempting to collect on unverified medical debts from patients. He also mentioned that this company recently held a MD Collection Agency License, but they did not submit a renewal application for 2024.</p> <p>The CFPB is continuing to look into these types of cases within the industry and is taking action.</p>

6. NACARA Update

Ms. Mack	
Discussion	<p>Ms. Mack advised the Board that the 2024 NACARA Conference will be held in Sacramento, CA from September 30th through October 2nd, 2024 and will be hosted by the California Department of Financial Protection and Innovation. The Executive Committee was held last week and the bylaws are being revamped and a succession plan will be re-established. There will be a Planning Committee meeting held on January 17, 2024. Some NACARA Committees will be revamped which includes the NMLS, MDCC, Membership, Bylaws, Legislative and Nomination Committees. If anyone is interested in participating in any of these committees, please let Ms. Mack know.</p> <p>Ms. Mack also advised the Board that they are looking for a more centralized website company, for the NACARA Conference website.</p>

7. Assessments

Mr. Salazar	
Discussion	<p>Mr. Salazar advised the Board that the Office of Financial Regulation is considering increasing the licensing fees for collection agency licenses due to the economy and, as there has not been an increase since 2011. The current fee for licensing is \$350 per year. He also mentioned that other licensing fees for some other categories have increased recently. He asked the Board members for any thoughts and suggestions and that the discussion will continue at a later date.</p>

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Adjournment	<p>Mr. Salazar informed the Board that the next scheduled meeting will be held on Tuesday, February 13, 2024 and it will take place virtually via video conference call.</p> <p>On an unanimously approved motion, the meeting adjourned at 2:22 p.m.</p>
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