

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

<u>Date: September 12, 2023</u>		2:00 p.m.	Maryland Dept. of Labor
Meeting called to order at 2:12 p.m. by	Antonio P. Salazar, Chairman (attended via video conference call)		
Administrator	Ayanna Daugherty (attended via video conference call)		
Attendees	<p>Members: Tracy Rezvani and Shawn Kennedy (each attended via video conference call).</p> <p>Counsel: Emily Hanson and Ken Krach (each attended via video conference call)</p> <p>Staff: Shereefat Balogun, Amy Hennen, Arlene Williams, Betty Yates, and Kelly Mack (each attended via video conference call)</p>		

Acknowledgements and Public Statement Regarding a Closed Session	
Mr. Salazar	
Discussion	<p>Mr. Salazar stated that the notice of the September 12, 2023 meeting was: (I) posted on the Dept. of Labor/Board website on August 9, 2023; and (ii) published in the Maryland Register on August 11, 2023 and August 25, 2023. Additionally, Mr. Salazar stated the agenda for the September 12, 2023 meeting was posted on the Dept. of Labor/Board website on September 1, 2023.</p> <p>Mr. Salazar also acknowledged the members of the public who joined the meeting via video conference call and gave an overview of the board meeting process.</p> <p>Mr. Salazar lastly advised the Board in open session of the need for a closed session. Mr. Salazar described the topics to be discussed in the closed session and identified the statutory authority for recommending a closed session. Specifically, Mr. Salazar read a closing statement which cited General Provisions Article, § 3-305 (b)(7) and (b)(8), Annotated Code of Maryland as the basis for a closed session and identified the topic for discussion as the potential settlement of an Enforcement Action (MOU). Mr. Salazar’s statement included advising the Board that discussion in the closed session must be limited to the topics Mr. Salazar identified. Mr. Salazar then opened the floor to questions/discussion. There were no questions or discussions. Mr. Kennedy moved to conduct a closed session for the purposes Mr. Salazar identified and Ms. Rezvani seconded the Motion. The Board unanimously voted to move to a closed session and thereupon</p>

	<p>adjourned to a closed session at 2:29 p.m.</p> <p>In accordance with General Provisions Article, §3-305, Annotated Code of Maryland, Mr. Salazar had prepared a written statement closing statement. Mr. Salazar's closing statement, together with the Closed Session Summary required by General Provisions Article, §3-306(c)(2), Annotated Code of Maryland, are attached to these minutes.</p> <p>Amy Hennen and Emily Hanson remained in the public session while the Board met in private session in the event any member of the public joined the meeting after the Board moved to private session.</p> <p>The Board resumed its public session at 2:38 p.m.</p>
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Approval of Minutes	
Mr. Salazar	
Discussion	<p>Mr. Salazar noted the minutes for the August 8, 2023 Board meeting had previously been circulated for review and asked for questions or comments. There were none, and, on a Kennedy/ Rezvani motion, the Board unanimously approved the August 8, 2023 minutes.</p>

Recognition of Public Comments	
Mr. Salazar	
Discussion	<p>There were two members of the public present, Ms. Lynn Thompson and Ms. Deborah Morris (each attended via video conference call). Ms. Lynn Thompson, a property manager and business owner, said she joined the meeting to learn more about Collection Agency Licensing. Ms. Deborah Morris, a senior and disabled person, who is an advocate and civil rights person explained that she just moved to MD from Philadelphia to retire. She said she joined the meeting to try to address her concerns about how senior citizens are being mistreated by not having the proper services and information available to them. She is currently researching about the landlords of Senior Living homes in the Baltimore City and surrounding areas. She said she has filed a complaint about her landlord due to the malicious actions she claims they have engaged in. She also said she recently received a letter via email from the Attorney General's office that all management groups should be licensed as debt collectors. After receiving the letter, she found out about SCALB monthly meetings and that's how she arrived at the meeting.</p> <p>Mr. Salazar responded and said that generally, all management companies should be licensed, but there are some exceptions. He then asked Ms. Morris if she had been in contact with the Office of Financial Regulation prior to this meeting and referred her to the SCALB link on our website. She said she would follow-up with OFR staff.</p>

1. Non-Depository Licensing Unit Report

Ms. Yates

Ms. Yates advised the Board the Licensing Unit has reviewed three pending applications together with all supporting materials and determined the three applicants met the requirements for licensure. Accordingly, Ms. Yates recommended that the Board grant a collection agency license to the following entities:

1. NMLS ID 2378739 Reveal Real Estate Management LLC
2. NMLS ID 2410706 PRGB, Inc.
3. NMLS ID 2486874 CCC Service Provider, Inc

On Mr. Kennedy's motion and Ms. Rezvani second, the Board voted unanimously to issue licenses to the three recommended applicants.

Ms. Yates reported that the following six collection agency licensees surrendered their licenses in the past 30 days:

1. Zealandia Capital Inc. - NMLS ID 1060905 - Company - The company is in the process of winding down its collection agency. The agency was part of a holding company and the directors of the holding company have changed its business model.
2. Dividend Solar Finance LLC - NMLS ID 1186969 - Company - The reason Dividend requested the surrender of the license is because on 8/1/2023 it merged into Fifth Third Bank, N.A.. Dividend was not the surviving entity.
3. EOS USA, Inc. - NMLS ID 891474 - Company - The company has ceased all operations.
4. Texas Guaranteed Student Loan Corporation - NMLS ID 1005768 - Company - The company will no longer be conducting these activities as part of its revised corporate strategy.
5. Convergent Outsourcing, Inc. - NMLS ID 930053 - Company - The company has ceased operating.
6. Alltran Financial, LP - NMLS ID 988023 - Company - The company has ceased operating.

Ms. Yates reported the following ten change in control approvals:

1. RGS Financial, Inc. (931231)
2. Elkhorn Depositor LLC (1437687)
3. Kashable LLC (1373339)

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4. Professional Community Management, Inc. (1907896)
5. BIFI Loan Servicing LLC (2106411)
6. Healthcare Collections-I, LLC (1390180)
7. Solar Service Experts, LLC (1734138)
8. Dyck-O'Neal, Inc. (116356)
9. Medical Data Systems, Inc. (934576)
10. First Resolution Investment Corporation, LLC (1265763)

As of 8/29/2023 the Maryland collection agency company count is 1,097 compared to the same time last year (8/29/2022) which was 1,095.

2. Consumer Services Unit Report

Ms. Mack

Discussion

Ms. Mack advised the Board that the Consumer Services Unit circulated its report to the Board prior to the meeting showing that as of as of 8/30/2023, 16 complaints have been received, 9 are open and 7 were closed, within Fiscal Year 2024.

3. Enforcement Unit Report

Ms. Daugherty

Discussion

In Ms. Allen's absence, Ms. Ayanna Daugherty reported to the Board that there are four current/on-going collection agency cases in pre-charge status.

4. Legislative Session

Ms. Hennen

Discussion

Ms. Hennen advised the Board that OFR's proposed legislative concepts have been submitted to the Governor's Office and are under executive privilege and will await a response.

Mr. Kennedy asked even though we are under a new Administration, when do we typically get a response from the Governor's office. Ms. Hennen responded and said that the Agency's Pre-File deadline is November 1st, so it should be before that date.

5. Medical Debt Bill Implementation and CFPB

Mr. Salazar

Discussion

Medical Debt Bill Implementation- Mr. Krach advised the Board that the medical debt regulations were published last year. The regulations endeavored to implement the very complicated laws that the General Assembly put in place by the General Assembly regarding medical debt payment plans. The regulations have been revised after receiving feedback from the advocates and industry. The revised regulations will be presented at the Health Services Cost Review Commission (HSCRC) this month during a meeting of the HSCRC. If they are approved, the revised regulations will probably be published by the end of October. If not, the HSCRC will review them again and make further revisions, which will require additional publications. Mr. Krach stated that the process is moving along, but it is a slow process.

CFPB – Mr. Salazar advised the Board that there are no new updates. However, Mr. Salazar mentioned the CFPB took action against Tempoe, LLC, a leasing company, and ordered them to pay \$36 million dollars in penalties and relief for consumers. He also mentioned that the CFPB lost a case in Texas in which the U.S. District Court for the Southern District of Texas enjoined the CFPB’s implementation of its rule requiring certain data collection and reporting by small business lenders.

Ms. Rezvani asked if there had been any conversations or studies on the intersection between medical debt and portals. Many consumers or seniors may have difficulties accessing the portals in regard to their medical care and could include the financial component of billing. Mr. Krach and Ms. Hanson said there was a brief discussion with the Committee regarding “opting in” or “opting out” of information on payment plans.

Ms. Rezvani said that some portals she has experienced have a direct billing component, and others send an email stating that “you have a bill” in your account in the portal. It seems to be there is not a single standard for these portals.

6. NACARA Update

Ms. Mack

Discussion

Ms. Mack advised the Board that the 2023 NACARA Conference is six days away and will be held from September 17-20, 2023, in Denver, Colorado. Also, the Agenda is complete and there are three segments of examiner training. Currently there are sixty-five paid registrants to date and Ms. Mack stated she will provide an extensive update at the next meeting.

7. Additional Comments

Mr. Salazar

Discussion

Mr. Salazar advised the Board that he researched further into Ms. Rezvani's question about publicity and hash tagging Office of Financial Regulation (OFR) and the MD Department of Labor (MD DOL). He found out that the Secretary's office controls all of the social media that comes from MD DOL, and reviews what gets published. Currently MD DOL has its own handles, but OFR does not. Mr. Salazar said he would inquire about whether OFR can obtain a hashtag. In the meantime, we have to use MD DOL's social media handles which are below:

Facebook: <https://www.facebook.com/MarylandLabor>

Twitter: @MD_Labor

LinkedIn: <https://www.linkedin.com/company/maryland-department-of-labor>

Ms. Rezvani responded that her department at work has its social media handles, but her office just has its own hashtag.

Adjournment

Mr. Salazar informed the Board that the next scheduled meeting will be held on Tuesday, October 10, 2023, and it will take place again virtually via video conference call.

On an unanimously approved motion, the meeting adjourned at 3:03 p.m.

CLOSED-SESSION SUMMARY
(General Provisions Article § 3-306(c))

SUMMARY OF CLOSED SESSION HELD ON SEPTEMBER 12, 2023

1. Statement of the time, place, and purpose of the closed session:

Time of closed session: 2:29 pm – 2:38 pm.

Place (location) of closed session: The closed session took place during the Board's September 12, 2023, monthly meeting. The Board meets remotely so the closed session occurred in a separate zoom session from the public session, following the vote to move to a closed session. At the conclusion of the closed session, the Board returned to the public session.

Purpose of the closed session: To discuss the resolution of a potential informal Enforcement Action (MOU).

2. Record of the vote of each member as to closing the session:

Names of members voting aye Tracy Rezvani; Shawn Kennedy; Antonio P. Salazar, Chairman
 Members opposed: 0
 Abstaining: 0

3. Statutory authority to close session:

This meeting was closed under the following provisions of General Provisions Art. § 3-305(b):

→ *Topic #1: § 3-305(b) (7)* → *Topic #2: § 3-305(b) (8)*

4. Listing of each topic actually discussed, persons present, and each action taken in the session:

Topic description	Persons present for discussion	Action Taken/Each Recorded Vote
#1: Discussion of potential informal enforcement (MOU); discussion of general terms of the MOU.	Antonio P. Salazar, Chairman Members: Tracy Rezvani, and Shawn Kennedy Staff Members: Shereefat Balogun, Kelly Mack, Arlene Williams, and Betty Yates Counsel: Ken Krach	None
#2: Legal advice on informal enforcement action and MOU	Antonio P. Salazar, Chairman Members: Tracy Rezvani, and Shawn Kennedy	None

	<p>Staff Members: Shereefat Balogun, Kelly Mack, Arlene Williams, and Betty Yates Counsel: Ken Krach</p>	
<p>#3: Decision to resolve informal enforcement action through an MOU</p>	<p>Antonio P. Salazar, Chairman Members: Tracy Rezvani, and Shawn Kennedy Staff Members: Shereefat Balogun, Kelly Mack, Arlene Williams, and Betty Yates Counsel: Ken Krach</p>	<p>The board voted 3-0 to resolve the informal enforcement action pursuant to an MOU containing the terms discussed.</p>