Maryland Home Improvement Commission

Business Meeting

Meeting Minutes

DATE: April 3, 2025

TIME: 10:00 AM

LOCATION: ***(Teleconference via Google Meet)***

MEMBERS PRESENT: Wm. Bruce Quackenbush, *Chairman*

Robert Altieri, *Commissioner*

 Heather Connellee, *Commissioner*

Lauren E. Lake, *Commissioner*

Chandler Louden, *Commissioner*

 Michael Shilling, *Commissioner*

Michael Thomas, *Commissioner*

I. Jean White, *Commissioner*

STAFFPRESENT:

David Finneran, *Executive Director*

Deborah Irvin Cromwell, *Assistant Director*

John Dove*, Commissioner*

Kimberly Rosenthal, *Administrative Officer*

Kenneth Sigman*, Assistant Attorney General*

Tenaea Thomas*, Panel Secretary*

# **Meeting Called to Order**

The meeting was called to order at 10:00 a.m.

**Approval of the February 6, 2025 Minutes**

Commissioner White moved to approve the Minutes of the February 6, 2025, meeting, and Commissioner Shilling seconded it. All Commissioners approved the motion.

**Fines that should be proposed for contractors who do poor workmanship or shoddy work-I. Jean White discussion**

Commissioner White noted that in some Guaranty Fund proceedings, the claimants prove that their contractor performed unworkmanlike, inadequate, or incomplete home improvements, but then fail to prove the amount of their loss, resulting in no award and no consequences for the contractor.  She said she would like to see the Commission impose fines on contractors whose performance was deficient but who were not found liable for a Guaranty Fund Award.  Chair Quackenbush proposed that he and Commissioner White meet with the Executive Director and Advice Counsel to explore solutions.

**Recommendation-Perceived Issues with the Arbitration Process**

This matter was tabled because there was pending legislation on the topic.

# **Guaranty Fund Activity Report**

The MHIC Guaranty Fund Activity Report dated March 24, 2025, for the month of February 2025, is as follows:

Balance as of July 1, 2023 $ 4,031,651.85

Receipts $ 1,485,595.33

Disbursements

 Claims ($1,585,862.30)

 Refunds ($0.00)

Balance as February 28, 2025 $3,931,384.88

Reserve

FMIS Balance $3,767,917.79

Difference $ 163,467.09

Please note that the “Receipts” amount of $1,485,595.33 includes electronic licensing receipts of $162,767.09 and Lockbox receipts for $700 for the month of February that were not posted into FMIS until the month of March.

**MHIC Pro Rated Claims Report**

**MHIC – Anticipated Prorated Claims April 3, 2025**

**Expected to exceed $250,000 in Guaranty Fund claims**

**Contractor U**

**October 17, 2022 (Emergency Suspension)**

 161 total MHIC complaints

 110 total MHIC claims received

 2 claims denied

 $2,154,140.80 total potential claim exposure

 **Claims closed on December 31, 2024**

 Based on potential claim awards, each claimant will receive about 11.6% of their Guaranty Fund award.

**Contractor V**

**Voluntary Termination February 10, 2023**

 36 total MHIC complaints

 16 criminal charges filed by MHIC

 31 total MHIC claims received

 $911,139.91 total potential claim exposure

 **Claims closed on February 3, 2025**

 Based on potential claim awards, each claimant will receive about 27.43% of their Guaranty Fund award.

**Contractor W**

**Emergency Suspension June 6, 2023**

 25 total MHIC Complaints – Latest complaint opened on July 9, 2024

 19 Claims to date

 One claim denied

 17 Criminal charges filed by MHIC

 $329,121.43 total potential claim exposure to date

 Based on potential claim awards, each claimant will receive about 75.9% of their Guaranty Fund award.

**Contractor X**

**Emergency Suspension September 21, 2023**

 52 total MHIC Complaints – Latest complaint opened November 25, 2024

 34 Claims to date

 One claim denied

 23 Criminal charges filed by MHIC

 $263,166.29 total potential claim exposure to date

**Contractor Y**

**Failure to respond Suspension September 15, 2022**

 12 total MHIC complaints – Latest complaint opened September 26, 2023

 11 Claims to date

 One Claim denied

 $258,554.48 total potential claim exposure to date

 Possible Claims Closing date of May 6, 2025

# **Review of MHIC Statistics**

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| **January 2025** |
| **LICENSING ACTIVITY** |  |
| **Current Licenses Total** | 41,853 |
|  *Contractor/Salesperson* | 21,100 |
|  *Salesperson* | 3,121 |
|  *Contractor/Salesperson (Corp/Part)*  | 16,669 |
|  *Applications Approved* | 134 |
|  |  |
| **COMPLAINTS RECEIVED** |
| **Complaints Received**  | **55** |
|  *Licensed* | 36 |
|  *Unlicensed* | 23 |
| PendingShow Cause Hearings | **15** |
| Waiting to be sent to OAH |  |
| Pending Hearing/Decision at OAH |  |
| Files sent to Mediation | **2** |
|  |
| **Claims** |
| Total Open Claims | **686** |
| New Claims Received | **20** |
| Small Claims Received | **2** |

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| **February 2025** |
| **LICENSING ACTIVITY** |  |
| **Current Licenses Total** | 42,120 |
|  *Contractor/Salesperson* | 21,204 |
|  *Salesperson* | 3,142 |
|  *Contractor/Salesperson (Corp/Part)*  | 16,807 |
|  *Applications Approved* | 273 |
|  |  |
| **COMPLAINTS RECEIVED** |
| **Complaints Received**  | **94** |
|  *Licensed* | 60 |
|  *Unlicensed* | 35 |
| PendingShow Cause Hearings | **18** |
| Waiting to be sent to OAH |  |
| Pending Hearing/Decision at OAH |  |
| Files sent to Mediation | **4** |
|  |
| **Claims** |
| Total Open Claims | **650** |
| New Claims Received | **55** |
| Small Claims Received | **7** |

# **Review of the February 2025 & March 2025 PSI Results**

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| Below are the examination statistics summary for the month of February 2025 and March 2025February 2025 |
| **Home Improvement** | **Candidates Tested** | **Passed** | **Failed** | **Pass %** |
| Contractor | 213 | 145 | 68 | 68% |
| Contractor Spanish | 129 | 67 | 62 | 52% |
| Salesperson | 120 | 77 | 43 | 64% |
| Salesperson Spanish | 1 | 1 | 0 | 100% |
| **TOTAL** | **463** | **290** | **173** | **63%** |
| March 2025 |
| **Home Improvement** | **Candidates Tested** | **Passed** | **Failed** | **Pass %** |
| Contractor | 250 | 158 | 92 | 63% |
| Contractor Spanish | 107 | 41 | 66 | 38% |
| Salesperson | 136 | 81 | 55 | 60% |
| Salesperson Spanish | 2 | 0 | 2 | 0% |
| **TOTAL** | **495** | **280** | **215** | **57%** |

# **Comments from the Chairman**

No Comments from the Chairman

**Comments from the Executive Director**

Mr. Finneran informed the Commissioners that the MHIC will be hiring a Paralegal to assist with streamlining the complaint process.

# **Adjournment**

The meeting was adjourned at 10:50 a.m.

### Chair’s Signature: Wm. Bruce Quackenbush, Chairman Date: June 5, 2025

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