

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

<u>Date: August 8, 2023</u>	2:00 p.m.	Maryland Dept. of Labor
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Meeting called to order at 2:01 p.m. by	Antonio P. Salazar, Chairman (attended via video conference call)
Administrator	Ayanna Daugherty (attended via video conference call)
Attendees	Members: Eric Friedman, Tracy Rezvani, and Shawn Kennedy (each attended via video conference call) Counsel: Emily Hanson (attended via video conference call) Staff: Shereefat Balogun, Amy Hennen, Heidi Boyd, Arlene Williams, Betty Yates, and Kelly Mack (each attended via video conference call)

Acknowledgements

Mr. Salazar	
Discussion	Mr. Salazar stated that the notice of the August 8, 2023 meeting was: (I) posted on the Dept. of Labor/Board website on July 14, 2023; and (ii) published in the Maryland Register on July 14, 2023. Additionally, Mr. Salazar stated the agenda for the August 8, 2023 meeting was posted on the Dept. of Labor/Board website on July 31, 2023.

Approval of Minutes

Mr. Salazar	
Discussion	Mr. Salazar noted the minutes for the July 11, 2023 Board meeting had previously been circulated for review and asked for questions or comments. Ms. Rezvani made a correction to her statements as reported in the minutes, and then the minutes were updated. Then on Mr. Kennedy’s motion with a second from Ms. Rezvani, the Board unanimously approved the amended July 11, 2023 minutes.

Recognition of Public Comments

Mr. Salazar	
Discussion	No members of the public were present.

1. Non-Depository Licensing Unit Report

Ms. Yates

Ms. Yates advised the Board the Licensing Unit has reviewed two pending applications together with all supporting materials and determined the two 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 2497861 Accounts Advocate Agency Inc.
2. NMLS ID 2440406 Bounce AI, Inc.

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

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

1. Judgment Recovery Partners LLC - NMLS ID 2383450 - Company - My company does not foresee doing future business in Maryland for our Judgment Recovery Partners clients anytime in the near future.
2. Creditors Collection Service, Inc. - NMLS ID 1580406 - Company - My company, Creditors Collection Service, Inc. located in Roanoke, VA was sold on June 30, 2023. He is retiring from the business and is surrendering this license.
3. A.R.C. Accounts Recovery (U.S.A.) Corporation LLC - NMLS ID 934928 - Company - Client volume of accounts has significantly reduced over the last 3 years and as a result, we have all agreed that it is best to cease US collection activities for this small segment of our overall inventory.
4. Loanworks Servicing, LLC - NMLS ID 209127 - Company - It is our intention to surrender the license for Loanworks Servicing, LLC, as we have not serviced any loans since we obtained the license. A decision was made that we are not planning to service loans in the future.
5. CSC Logic, Inc - NMLS ID 1242163 - Company - Company ceased collection operations as of June 30, 2023.
6. Receivables Performance Management, LLC - NMLS ID 934167 - Company - RPM experienced significant financial losses during the pandemic and decided to close its operations.

Discussion

	<p>Ms. Yates reported the following seven change in control approvals:</p> <ol style="list-style-type: none"> 1. Contract Callers Inc (NMLS 954069) 2. Marlette Servicing, LLC (NMLS 1849345) 3. Capital Collection Management LLC (NMLS 1631249) 4. Computer Credit, Inc (NMLS 934772) 5. JGW Lending, LLC (NMLS 2365173) 6. Pavilion Payments Check Services, LLC (NMLS 953436) 7. Peritus Portfolio Services II, LLC (NMLS 1473260) <p>Ms. Yates included on her report that as of 7/27/2023, the Maryland Collection Agency Company License count is 1,099 compared to the same time last year (7/27/2022) which was 1,092.</p>
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2. Consumer Services Unit Report

Ms. Mack	
Discussion	<p>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 7/28/2023, 8 complaints have been received, 6 are open and 2 were closed, within Fiscal Year 2024.</p> <p>Ms. Rezvani asked if the Board wanted the Board members to refer complaints to the OFR, and Mr. Salazar responded that referring complainants to the Consumer Services Unit will allow OFR to investigate the issue and keep a record of what’s happening in the industry. Ms. Rezvani also asked if there are any plans to promote the services of the Consumer Services Unit. Mr. Salazar responded that Meredith Merchant is the Director of Outreach and he will discuss the matter with her and when there might be opportunities for OFR to highlight information on collection agencies and OFR.</p>

3. Enforcement Unit Report

Ms. Boyd	
Discussion	<p>Ms. Boyd, Assistant Director of OFR’s Enforcement Unit, reported to the Board that there are five current/on-going collection agency cases in pre-charge status.</p>

4. Legislative Session

Ms. Hennen	
Discussion	<p>Ms. Hennen advised the Board that OFR staff continues working on Legislation for 2024 and one of the concepts that has been previously discussed is whether or not the SCALB Board should have some revisions, such as a loosening of membership requirements and a re-evaluation of the Board’s Licensing function. Mr. Salazar advised the Board that in light of the short tenure of Board members and the discussion about the topic at the last meeting that he decided that OFR will not be formally proposing any legislation to make changes to the Board during the 2024 Legislation session.</p> <p>Ms. Rezvani asked about the Earned Wage Access Products advisory alert that OFR had recently published, and wanted to know what the protocol is of promoting or tagging this information on her business’s website. Ms. Hennen explained that the advisory is posted on the OFR website, and there are two different links for advisories on in Resources for Industry and another in Resources for Consumers. It would be best to provide the link that directly goes to the particular advisory. Mr. Salazar responded that he would have a discussion with our Outreach Director to inquire with the Secretary and Governor’s Office on hash tagging, as they are wanting to become more modernized.</p>

5. Medical Bill Implementation and CFPB

Mr. Salazar	
Discussion	<p>Medical Bill Implementation- Ms. Hanson advised the Board that there is a meeting scheduled with Health Department to meet with stakeholders to review the new proposals and hope to have an update by the end of summer or the beginning of fall.</p> <p>CFPB – Mr. Salazar advised the Board that there is a growing concern with collection agencies and pending lawsuits.</p>

6. NACARA Update

Ms. Mack	
Discussion	<p>Ms. Mack advised the Board that the 2023 NACARA Conference is six weeks away and will be held from September 17-20, 2023, in Denver, Colorado. Also, she mentioned that the Agenda is final and will be available electronically, as no physical programs will be used this year. Ms. Arlene Williams will be participating on the Teleworking Panel and its Effect on State Government Business Licenses, and Ms. Amy Hennen will be on the Student Loan Debt Panel. Ms. Emily Hanson will be an attendee and currently there are forty paid registrants to date.</p>

	<p>Ms. Mack asked the Board for any topics that they want to be discussed at the NACARA Conference at the Regulator Roundtable. She said that if anyone had suggestions, they could send them to her via email.</p>
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7. Additional Comments	
Mr. Salazar	
Discussion	<p>There were no additional comments.</p>
Adjournment	<p>Mr. Salazar informed the Board that the next scheduled meeting will be held on Tuesday, September 12, 2023, and it will take place again virtually via video conference call.</p> <p>On an unanimously approved motion, the meeting adjourned at 2:16 p.m.</p>