

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

<u>Date: July 12, 2022</u>		2:00 p.m.	Maryland Dept. of Labor
Meeting called to order at 2:00 p.m. by	Antonio P. Salazar, Chairman (attended via video conference call)		
Administrator	Ayanna Daugherty (attended via video conference call)		
Attendees	<p>Members: Sandra Holland and Eric Friedman (each attended via video conference call)</p> <p>Counsel: Kenneth Krach, Esq. (attended via video conference call)</p> <p>Staff: Arlene Williams, Dana Allen, Kelly Mack, and Clifford Charland (each attended via video conference call)</p>		
Acknowledgements	Mr. Salazar stated that the notice of the July 12, 2022, meeting was posted on the Dept. of Labor/Board website on June 15, 2022, and the agenda was posted on the Dept. of Labor/Board website on July 5, 2022. In addition, he stated that the July 12, 2022, meeting notice was published in the Maryland Register on July 1, 2022.		
Approval of Minutes			
Mr. Salazar			
Discussion	Mr. Salazar noted the minutes for the June 14, 2022, Board meeting had previously been circulated for review and asked for questions or comments. There were none, and, on a Holland/ Friedman motion, the Board unanimously approved the June 14, 2022, minutes.		
Recognition of Public Comments			
Mr. Salazar			
Discussion	No members of the public were present.		

1. Non-Depository Licensing Unit Report

Ms. Williams

Ms. Williams advised the Board of eighteen applications ready for approval. The Licensing Unit reviewed these 18 applications and supporting materials and determined these applicants met the requirements for licensure. Accordingly, Ms. Williams recommended that the Board grant a collection agency license to the following entities:

1. NMLS ID 1677821 EZ Financial Solutions, LLC (**Reapplication**)
2. NMLS ID 987258 Capgemini Business Services USA LLC (**Reapplication**)
3. NMLS ID 2324313 Maverick Payments Inc
4. NMLS ID 2365418 Sly & J Corp
5. NMLS ID 1769196 Modern Home LLC
6. NMLS ID 2321424 Residency Bureau LLC
7. NMLS ID 2310330 Greeting Team, LLC
8. NMLS ID 2295169 Petal Card, Inc
9. NMLS ID 2123935 J. Ritter Law P.C.
10. NMLS ID 2370306 Meyers, Rodbell & Rosenbaum, P.A.
11. NMLS ID 2356404 ibex Receivable Solutions, Inc (Branch)
12. NMLS ID 2371206 AllianceOne Receivables Management, Inc (Branch)
13. NMLS ID 2373334 GC Services Limited Partnership (Branch)
14. NMLS ID 2333541 Credit Control Services, Inc (Branch)
15. NMLS ID 2373419 Transworld Systems, Inc (Branch)
16. NMLS ID 2375897 Transworld Systems, Inc (Branch)
17. NMLS ID 2371329 AllianceOne Receivables Management, Inc (Branch)
18. NMLS ID 2383814 AllianceOne Receivables Management, Inc (Branch)

Discussion

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

Ms. Williams reported that the following four collection agency licensees surrendered their license in the past 30 days.

1. Immediate Credit Recovery Inc - NMLS ID 1044403 - **Company** - This office was exclusively set up for the division that worked The U.S. Department of Education contract.
2. Harvest Credit Management VI B, LLC - NMLS ID 1421866 **Company** - The company has been winding down operations and finally sold its remaining open accounts. The company no longer has any accounts under ownership.
3. Community Loan Servicing, LLC - NMLS ID 9061 - **Branch** - The company has decided to close this branch location at this time.
4. USCB, Inc - NMLS ID 1674599 - **Branch** - The office is closing this branch location as of 6/1/2022, and all Maryland transactions

will be transferred to the corporate office located in Los Angeles, CA (NMLS ID 1673087).

Ms. Williams reported the following five change in control approvals:

1. ADF Services, LLC (1969084)
2. Source Receivables Management, LLC (906134)
3. Life Line Billing Systems, LLC (1563468)
4. Radius Global Solutions LLC (936423)
5. Solar Mosaic LLC (1295934)

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

2. Consumer Services Unit Report

Ms. Mack	
Discussion	<p>Mrs. Mack advised the Board that the Consumer Services report had been previously sent to the Board members and that 153 total complaints were received in FY 2022. Of these, 25 are currently open and 128 are now closed. We are up 10 complaints from last month. The FY total ending in 2022 represents an 11.67% increase from last year.</p> <p>Mrs. Holland asked about the specifics on the complaints OCFR was receiving. Mrs. Mack informed the Board most of the complaints relate to disputed debt, student loans, credit reporting, and HOA fees.</p>

3. Enforcement Unit Report

Ms. Allen	
Discussion	<p>Mrs. Allen reported to the Board there are three (3) collection agency cases in pre-charge status.</p>

4. Legislative Session

Mr., Salazar	
Discussion	<p>Mr. Salazar reported to the Board there is no activity left from the Legislative Session.</p>

5. Medical Bill Implementation and CFPB

Mr. Charland	
Discussion	<p>Medical Bill Implementation-Mr. Charland advised the Board that the Commission is contacting stakeholders to review the drafts to make sure that they are clear before everything gets formalized.</p> <p>Mr. Krach advised the Board that there was a delay in the getting the new proposed regulations in for publication for the date they preferred, but they may have now been published. They are looking to finalize things in the Fall. Hospitals have been told that they can continue to collect debt by making a best effort to comply with those portions of the new law that they are able to comply with at this time.</p> <p>CFPB - Mr. Charland advised the Board that the CFPB has issued guidance on convenience fees for businesses to follow based on the U.S. Court of Appeals for the Fourth Circuit’s decision in <u>Alexander v. Carrington Mortgage Services, LLC</u>. In that case, the Court ruled that convenience fees are not permitted unless they are either expressly permitted by statute or expressly authorized by the contract. Mr. Salazar advised the Board that the OCFR instructed institutions to not charge consumers fees if inconsistent with Carrington and to review their records to determine if they have charged such fees in the past.</p>

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5. Other Business	
Mr. Charland	

Discussion	<p>BUY NOW, PAY LATER (BNPL) - Mr. Friedman had previously raised concerns about the Buy Now, Pay Later products. Mr. Charland described such programs as allowing consumers to sign up to use a Buy Now, Pay Later product when making a purchase though they may be subject to little or minimal credit checks. The products provide generally for four payments or less. Typically, the first payment is due at the time of purchase, and then there are three subsequent payments. By limiting payments to four or less, the transactions are not covered by the federal Truth In Lending Act (TILA), so regulators, including our office, have concerns about these products. Mr. Charland mentioned that the OCFR is now viewing these programs as consumer loans under Maryland law and the companies are subject to Maryland consumer lending laws. He encouraged Board members to advise the OCFR if they had any questions or concerns.</p> <p>Credit Reporting and Dispute concerns - Ms. Holland had previously raised concerns about consumers filing disputes with the credit bureaus. She mentioned that some of her clients use Credit Repair companies and they have been paying these companies on a monthly basis yet the companies are only sending very minimal amounts to the collection agencies to reduce the debts. Her other concern is that she feels that generally, consumers are being misinformed by seeing information on the Internet and social media about various ways to dispute their debt with the credit bureaus. Some consumers are disputing their debt multiple times with the credit bureaus, which requires the collection agency companies to investigate the same debt over and over, causing more delays to their operations. Mr. Salazar advised her that staff will investigate these issues as time and resources permit.</p>
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6. NACARA Update	
Mrs. Mack	
Discussion	Mrs. Mack did not have any new information to report to the Board about the NACARA conference.

Adjournment	<p>Mr. Salazar concluded by making miscellaneous comments and will be reaching out to Mrs. Holland and Mr. Friedman on several topics.</p> <p>He informed the Board of the next scheduled meeting on Tuesday August 9, 2022, which will take place virtually.</p> <p>On an unanimously approved motion, the meeting adjourned at 2:28p.m.</p>
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