

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

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| <u>Date: June 14, 2022</u> | 2:00 p.m. | Maryland Dept. of Labor |
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| Meeting called to order at 2:00 p.m. by | Antonio P. Salazar, Chairman (attended via video conference call) |
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| Administrator | Cindy McCauley (attended via video conference call) |
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| 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, Betty Yates, Kelly Mack, Dana Allen, Ayanna Daugherty, and Clifford Charland (each attended via video conference call)</p> |
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| Acknowledgements | Mr. Salazar stated that the notice of the June 14, 2022, meeting was posted on the Dept. of Labor/Board website on May 13, 2022, and the agenda was posted on the Dept. of Labor/Board website on June 6, 2022. In addition, he stated that the June 14, 2022, meeting notice was published in the Maryland Register on June 3, 2022. |
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Approval of Minutes

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| Mr. Salazar | |
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| Discussion | Mr. Salazar noted the minutes for the 5.10.22 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 5.10.22 minutes. |
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Recognition of Public Comments

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| Mr. Salazar | |
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| Discussion | No members of the public were present. |
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1. Non-Depository Licensing Unit Report

Ms. Williams

Ms. Williams provided the report as Ms. Yates was experiencing technical difficulties with her audio. Ms. Williams advised the Board of ten applications ready for approval. The Licensing Unit reviewed these 10 applications and supporting materials and determined is satisfied these applicants meet the requirements for licensure. Accordingly, Ms. Williams recommended that the Board grant a collection agency license to the following entities:

1. NMLS ID 948818 HOVG, LLC (**Branch**) (**Reapplication**)
2. NMLS ID 2293461 EnFin Corp
3. NMLS ID 1339418 OneMain Financial Group, LLC
4. NMLS ID 2219172 F.H. Cann & Associates, Inc (**Branch**)
5. NMLS ID 2321602 EGS Financial Care, Inc (**Branch**)
6. NMLS ID 2362001 Waypoint Resource Group, LLC (**Branch**)
7. NMLS ID 1595722 OneMain Financial Group, LLC (**Branch**)
8. NMLS ID 1595744 OneMain Financial Group, LLC (**Branch**)
9. NMLS ID 1595762 OneMain Financial Group, LLC (**Branch**)
10. NMLS ID 1339877 OneMain Financial Group, LLC (**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 nine collection agency licensees surrendered their license in the past 30 days and only one of these closures related to Covid issues.

1. Logicoll, LLC - **NMLS ID 1935405** - **Company** - The company closed down their business and will dissolve the LLC.
2. General Service Bureau, Inc - **NMLS ID 1146818** - **Company** - The company merged with and into Revco Solutions, the surviving entity effective 4/28/2022.
3. PennyMac Corp - **NMLS ID 252869** - **Company** - The collection agency license is not needed; the company currently holds a mortgage lender license which covers their collection activity.
4. Community Loan Servicing, LLC - **NMLS ID 1613391** - **Branch** - The company has decided to close this location at this time.
5. Community Loan Servicing, LLC - **NMLS ID 8301** - **Branch** - The company has decided to close this location at this time.
6. Dynamic Recovery Solutions, LLC - **NMLS ID 1830292** - **Branch** - Due to the economic impact of the COVID-19 and the need to reduce costs.

7. GC Services Limited Partnership - [NMLS ID 1141471](#) - **Branch** - The office has closed for business.
8. GC Services Limited Partnership - [NMLS ID 1141475](#) - **Branch** - The company has closed this branch location.
9. Reliant Capital Solutions, LLC - [NMLS ID 1375512](#) - **Branch** - We closed the location.

Ms. Williams reported the following eleven change in control approval:

1. Oliphant Financial, LLC (953706)
2. American Recovery Service Incorporated (933103)
3. Watercress Financial Group LLC (2109219)
4. Divine and Service LP (954553)
5. Red Target LLC (1953794)
6. NCB Management Services, Inc (209072)
7. Zwicker & Associates, PC (1660443)
8. Mercantile Adjustment Bureau, LLC 9962209)
9. College Ave Student Loan Servicing, LLC (1263410)
10. Milestone Parrish LLC (1953871)
11. Solar Mosaic LLC (1295934)

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

2. Consumer Services Unit Report

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| Ms. Mack | |
| Discussion | <p>Mrs. Mack advised the Board the Consumer Services report had been previously sent to the Board members and that 143 total complaints were received in FY 2022. Of these 18 are currently open and 125 are now closed.</p> <p>Mrs. Holland asked about the specifics on the complaints OCFR was receiving. Mrs. Mack informed the Board most of the complaints related to student loans and concerns either student loan forgiveness or disputes.</p> |

3. Enforcement Unit Report

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| 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

Mr. Salazar reported to the Board there is no activity left on the Legislative Session.

5. Medical Bill Implementation

Mr. Charland

Discussion

Mr. Charland advised the Board that he hadn't an opportunity to receive an update on CFPB and Medical Bill Implementation from Mr. Krach which he asked to advise the Board on those updates.

Mr. Krach advised the Board first OCFR staff continues to work with colleagues at the Health Care Cost Review Commission on implementing the medical debt bill. The proposed regulations surrounding the requirements on the income-based billing are now being published by the end of July. Secondly, the Health Care Cost Review Commission provided hospitals with a letter from the Attorney General's office addressing compliance with the law pending issuance guidelines by the Commission. In that letter the OAG, opined those hospitals can continue to collect debt but must make a best effort to follow the requirements of the new law. The Commission has not shared this communication with OCFR yet. OCFR will continue to monitor this situation and advise the Board as details become available. Commission guidelines should be issued in the fall.

6.) CFPB & NACARA Update

Mrs. Mack

Discussion

Mrs. Mack informed the Board the agenda for the NACARA conference is being finalized and a few more presentations are being confirmed. Mrs. Mack was happy to announce former Assistant Commissioner Jedd Bellman and Mr. Krach will be presenting a panel presentation on terminal exemption issues and medical debt trends. The panel will consist of Mr. Bellman, Mr. Krach, Leslie Bender from Clark Hill, and Missy Meggison from inside ARM and iA Institute. There were no updates on the executive

committee due to the cancellation of the meeting last month, however Mrs. Mack will have more to report at next month's meeting.

Mrs. Mack told the Board OCFR is still working on getting some training from CFPB and for updates for their regulations. In addition, CFPB issued a report on concerns specific to service member collections. Based on their issued reports service members have concerns about faulty credit reports and credit reporting agencies not responding. While not directly related to collection agencies, medical billing errors and inaccuracies drive the complaints from military members. Also, CFPB connected on medical providers weaponizing credit reporting and encouraged collectors to emulate changes from Department of Veterans Affairs requiring collectors to exhaust all other collection efforts before reporting medical debt as unpaid. The Board should be aware that the CFPB is looking at debt collection from service members. Mrs. Mack informed the Board the report is available for review, and she can send a link to anyone that is interested in receiving it.

Adjournment

Mr. Salazar mentioned Mrs. Holland's comments with the credit reporting agency Equifax from last month's meeting asking Mr. Charland for a follow-up on the outcome. Mr. Charland informed the Board he will be looking into further details on Mrs. Holland's concern which will take further investigation he will report at next month's meeting.

Mr. Salazar concluded by making some miscellaneous comments and will be reaching out to Mrs. Holland and Mr. Friedman on several topics and recommendations on new Board members.

He informed the Board of the next scheduled meeting on Tuesday July 12, 2022, which will take place virtually.