

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

<u>Date: May 9, 2023</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)
Administrator	Ayanna Daugherty (attended via video conference call)
Attendees	Members: Sandra Holland, Eric Friedman, Tracy Rezvani, and Shawn Kennedy (each attended via video conference call) Counsel: Kenneth Krach, Esq. (attended via video conference call) Staff: Shereefat Balogun, Clifford Charland, Amy Hennen, Dana Allen, 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 May 9, 2023 meeting was: (i) posted on the Dept. of Labor/Board website on April 25, 2023; and (ii) published in the Maryland Register on April 21, 2023. Additionally, Mr. Salazar stated the agenda for the May 9, 2023 meeting was posted on the Dept. of Labor/Board website on May 1, 2023. Mr. Salazar also introduced the two new SCALB Board Members, Tracy Rezvani and Shawn Kennedy to the Board, and he and Mr. Krach gave an overview of the board meeting processes.

Approval of Minutes

Mr. Salazar	
Discussion	Mr. Salazar noted the minutes for the February 14, 2023 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 February 14, 2023 minutes. Rezvani/Kennedy abstained from the vote on the minutes as each joined the Board after the February 14, 2023, meeting and were therefore not in attendance at that meeting.

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

Discussion

1. NMLS ID 1825850 Anthony Didonato dba Rapid Recovery (Reapplication)
2. NMLS ID 1664450 Piel Law Firm, LLC (Reapplication)
3. NMLS ID 2321424 Residency Bureau LLC (Reapplication)
4. NMLS ID 1659917 FirstCollect, Inc (Reapplication)
5. NMLS ID 2107023 Mid Atlantic Medical Collection Services Inc (Reapplication)
6. NMLS ID 1658595 Bennett & Bennett Law Group LLC (Reapplication)
7. NMLS ID 1678060 Law Office of J. Scott Morse LLC (Reapplication)
8. NMLS ID 2398345 Accounts Interchange Group LLC
9. NMLS ID 2451414 Leafy Financial, LLC
10. NMLS ID 2387018 Beyond Green Solutions, LLC
11. NMLS ID 2287759 Shepherd Outsourcing, LLC
12. NMLS ID 2439310 CF LaaS, Inc
13. NMLS ID 2353383 Small Community Specialists, L.L.C.
14. NMLS ID 2365173 JGW Lending, LLC
15. NMLS ID 2462910 SF-ALP, LLC
16. NMLS ID 2469157 Susquehanna Recovery Management LLC
17. NMLS ID 2104207 FDR USA LLC
18. NMLS ID 2082774 Solvent Point LLC
19. NMLS ID 1489841 Educational Computer Systems, Inc
20. NMLS ID 2163761 Educational Computer Systems, Inc (Branch)
21. NMLS ID 2432819 Stuart-Lippman and Associates, Inc (Branch)
22. NMLS ID 1784631 Servicing Solutions, LLC (Branch)
23. NMLS ID 2455989 Cavalry Portfolio Services, LLC (Branch)
24. NMLS ID 2455068 AllianceOne Receivables Management, Inc (Branch)
25. NMLS ID 2467014 Transworld Systems Inc (Branch)
26. NMLS ID 2469557 Transworld Systems Inc (Branch)
27. NMLS ID 2469453 Revco Solutions, Inc (Branch)

28. NMLS ID 2479593 InDebted USA, Inc (**Branch**)
29. NMLS ID 2480520 Gulf Coast Collection Bureau, Inc (**Branch**)
30. NMLS ID 2452135 Sitel ARM Corp (**Branch**)
31. NMLS ID 2439078 Sitel ARM Corp (**Branch**)
32. NMLS ID 2452128 Sitel ARM Corp (**Branch**)
33. NMLS ID 2439088 Sitel ARM Corp (**Branch**)

On a Friedman/Holland motion, the Board voted to issue licenses to the 33 recommended applicants. The motion was unanimously approved with Mr. Kennedy abstaining as it was his first meeting and he his still learning his role.

Ms. Yates reported that the following nine collection agency licensees surrendered their license in the past 90 days:

1. Select Portfolio Servicing, Inc - [NMLS ID 2434140](#) - **Branch** - No response from the licensee.
2. Select Portfolio Servicing, Inc - [NMLS ID 2434142](#) - **Branch** - No response from the licensee
3. Select Portfolio Servicing, Inc - [NMLS ID 2434143](#) - **Branch** - No response from the licensee
- 4.. Coast Professional Inc - [NMLS ID 2225392](#) - **Branch** - Closing the office due to the continual pause in student loan collections.
5. Capital One Services, LLC - [NMLS ID 1220783](#) - **Company** - COSL is no longer engaged in debt collection servicing on consumer accounts. We are surrendering this license as an Exempt Collection Agency Registrant in Maryland
6. Commonwealth Financial Systems, Inc - NMLS ID 2414388 - **Branch** - discontinued collection activities at the Noida location
7. Windham Professionals, Inc - [NMLS ID](#) - 934194 - **Company** - Windham will no longer exist as a company
8. Windham Professionals, Inc - [NMLS ID](#) - 949824 - **Branch** - Windham will no longer exist as a company
9. Windham Professionals, Inc - [NMLS ID](#) - 172523 - **Branch** - Windham will no longer exist as a company

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

1. Sutherland Global Collection Services LLC (1754092)
2. RAzOR Capital, LLC (1016899)
3. Collection Management Company (1025901)
4. New American Funding, LLC (6606)
5. Enhanced Recovery Company, LLC (953724)
6. Continental Service Group, Inc (931208)
7. Independence Capital Recovery, LLC (1964263)
8. Synergetic Communication Inc (952000)
9. EGS Financial Care, Inc (950415)
10. Systems & Services Technologies, Inc (950746)
11. Possible Financial Inc (1677898)
12. Collections Acquisition Company, Inc (1130706)

13. Modern Home LLC (1769196)
14. Solar Mosaic LLC (1295934)
15. TrueAccord Corp. (1374720)
16. Designed Receivable Solutions, Inc (1660727)
17. Global Payments Check Services, LLC (953436)
18. Cawley & Bergmann, LLC (1306118)
19. The Receivable Management Services LLC (1117955)
20. Allied Interstate LLC (928901)

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 April 30, 2023, 109 complaints had been received, 14 are open and 95 were closed.

3. Enforcement Unit Report

Ms. Allen

Discussion

Ms. Allen reported to the Board that there are two current/on-going collection agency cases in pre-charge status.

4. Legislative Session

Ms. Hennen

Discussion

Ms. Hennen introduced herself to the Board and reported that the Office's four bills passed in the last Legislative Session.

- 1) HB 379 - Commissioner of Financial Regulation-Name and Organization of Office
- 2) HB 548 - Maryland Community Investment Venture Fund - Establishment (Access to Banking Act)
- 3) HB 686 - Modernizing Licensing of Non-Depository Institutions and Elimination of Branch License Requirements
- 4) HB 1150 - Commercial Law and Financial Institutions - Credit Regulation - Shared Appreciation Agreements

Other bills that passed that Ms. Hennen said may be of interest to the Board were:

- 1) HB 913 - Financial Institutions - Student Financing Companies - Required Registration and Reporting (addresses student loans)
- 2) SB 106 - Courts - Judgments - Exemptions From Execution
- 3) SB 127 - District Court - Small Claims - Enforcement of Money Judgments

Mr. Salazar advised the Board that the Labor Secretary's Office is requesting any legislative proposals in final form to be submitted by September 1st to the Governor's office. OFR must complete concept sheets in the July-August time period for prior review/discussion. He also asked if anyone had any suggestions on topics, to raise them so that they can be discussed in the next meeting.

Ms. Rezvani mentioned that according to the last SCALB Meeting minutes, the Board discussed the recent changes to Washington, D.C.'s Collection Agency laws. She wanted to know was there anything in their laws that Maryland may have considered implementing. Mr. Salazar stated that we have not reviewed their new laws extensively as of yet, but will consider discussing them at a later date.

Mr. Kennedy commented that many law firms are withdrawing from doing DC collection agency business in D.C., since D.C. implemented their new laws.

Mr. Charland commented that HB 686 eliminates branch licenses as July, and now each collection agency will only need to hold one license and simply list its branches within their NMLS account. To make up for the lost revenue attributable to the former branch licenses, OCFR now has the authority to do an annual assessment of licensees. That authority is similar to the authority of other state regulators that have already implemented this process within their state. Mr. Charland also mentioned that one of the bills addresses bond amount changes for all categories, so there will be some advisories being issued soon about upcoming changes.

5. Medical Bill Implementation and CFPB

Mr. Charland

Discussion

Medical Bill Implementation- Mr. Krach advised the Board that the regulations governing repayment plans were previously published with comments received from both industry and advocates. He noted that the HSCRC unsuccessfully sought legislative clarity during the last Session. The regulations will be revisited and the revisions will probably be republished sometime during the summer. OCFR was asked to provide its expertise during the review and Ken and staff will do so upon request.

CFPB – Mr. Krach mentioned that the CFPB issued a statement about Zombie Mortgages and Zombie Debt, which they are looking into further. This topic deals with time-barred debt.

Mr. Charland also advised that the CFPB believed, with respect to certain medical related products such as credit cards for medical debts, that consumers may not be receiving full disclosures. He also mentioned that the CFPB just issued a \$24 million order against a large collection agency company because they were still in violation of a prior order from 2015. As a result, the CFPB issued another \$12 million in restitution and \$12 million in penalties. The CFPB is working aggressively on these types of issues.

Ms. Rezvani brought up medical financing for a particular situation that her Office faced and noted that they decided that the issue was murky because they could not determine whether the issue was a financing issue or a malpractice issue. Mr. Salazar and Mr. Krach agreed that some situations like the one she mentioned are difficult to classify.

6. NACARA Update

Ms. Mack

Discussion

Ms. Mack advised the Board that the 2023 NACARA Conference has been scheduled for September 17-20, 2023, in Denver, Colorado. The Denver Incentive application that was submitted is being reviewed this week. She also stated that the Conference's agenda is now complete. Current OCFR staff member Sean McEvoy and two former OCFR employees, Jedd Bellman and Keisha Whitehall-Wolfe have been invited to present on some of the panels during the conference.

7. Additional Comments

Mr. Salazar

Discussion

Mr. Salazar advised the new Board member Sean Kennedy that Board Administrator Ayanna Daugherty will be forwarding him the new SCALB Board Member package along with a copy of the MD Collection Agency laws and regulations. Similar materials had previously been provided to Ms. Rezvani.

Adjournment

Mr. Salazar concluded the meeting by thanking the current and new Board members for their service and expressed his gratitude for the opportunity to work with them and the Board. He informed the Board that the next scheduled meeting will be held on Tuesday, June 13, 2023, and it will take place again virtually via video conference call.

On an unanimously approved motion, the meeting adjourned at 2:43 p.m.