

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

Date: October 13, 2021

2:00 p.m.

Maryland Dept. of Labor

Meeting called to order at 2:01 p.m. by

Antonio P. Salazar, Chairman (attended via video conference call)

Administrator

Cindy McCauley (attended via video conference call)

Attendees

Members: Sandra Holland and Eric Friedman (each attended via video conference call)

Counsel: Kenneth Krach, Esq. (attended via video conference call)

Staff: Deputy Betty Yates, Dana Allen, Cindy McCauley, Jedd Bellman, Clifford Charland, Meredith Merchant (each attended via conference call)

Acknowledgements	Mr. Salazar stated that the notice of the October 13 th meeting was posted on the Dept. of Labor Board website on September 24 th , and the agenda was posted on the Dept. of Labor/Board website on October 4 th , 2021. In addition, he stated that the October 13 th , 2021 meeting notice was published in the Maryland Register on October 8, 2021.
------------------	--

--	--

Approval of Minutes	
----------------------------	--

Mr. Salazar	
-------------	--

Discussion	Mr. Salazar noted minutes of the 8.10.2021 Board meeting had been circulated for review and asked for questions or comments. There were no questions or comments and on a Holland/ Friedman motion, the Board unanimously approved the minutes. In addition Mr. Salazar informed the Board that he received notice on Monday, October 11 th 2021 that Susan Hayes had resigned from the Board effective that day. A certificate will be sent to Ms. Hayes in her recognition of her service on the Board. Also, he informed the Board the meeting scheduled for September 21, st 2021, the required advanced publication of the agenda did not occur. He advised the Board that staff had developed a more automated and advanced system so that missed publication shouldn't happen going forward. He apologized to both of the Board and agencies that had been delayed in getting their licenses.
------------	--

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 there were twenty four applications received. Ms. Yates advised the Board that each entity's application and supporting materials for licensure had been reviewed and found to satisfy the licensing qualifications. Ms. Yates proceeded to recommend that the Board issue collection agency licenses to:

- 1.) NMLS ID 2067025 Bridger Investment Partners LLC
- 2.) NMLS ID 2175843 Advanced Residential Management, Inc.
- 3.) NMLS ID 1373339 Kashable LLC
- 4.) NMLS ID 2155589 BPW Medical Billing Services, LLC
- 5.) NMLS ID 2185911 MNS & Associates LLC
- 6.) NMLS ID 2158612 Heartland Resolution Group, LLC
- 7.) NMLS ID 2097817 Imperial Recovery Consultants, LLC
- 8.) NMLS ID 1038535 Fairway Capital Recovery, LLC
- 9.) NMLS ID 1922421 Fairshare Solutions, LLC
- 10.) NMLS ID 2114370 iBex Receivable Solutions, Inc.
- 11.) NMLS ID 1697594 Future Capital LLC
- 12.) NMLS ID 1442770 Higher Education Loan Authority of the State of Missouri
- 13.) NMLS ID 1697720 Chesapeake Services, LLC
- 14.) NMLS ID 1733488 Compass Recovery Group, LLC
- 15.) NMLS ID 1512631 Navient Solutions, LLC (Branch)
- 16.) NMLS ID 1512635 Navient Solutions, LLC (Branch)
- 17.) NMLS ID 1512632 Navient Solutions, LLC (Branch)
- 18.) NMLS ID 1512630 Navient Solutions, LLC (Branch)
- 19.) NMLS ID 2211269 Credit Management, LP (Branch)
- 20.) NMLS ID 2169252 Encore Advantage LLC (Branch)
- 21.) NMLS ID 1439501 Carrington Mortgage Services, LLC (Branch)
- 22.) NMLS ID 2225392 Coast Professional Inc. (Branch)
- 23.) NMLS ID 2184452 Selene Finance LP (Branch)
- 24.) NMLS ID 2059325 Uplift, Inc. (Branch)

On a Friedman/Holland motion, which was unanimously approved, the Board voted to issue licenses to the 24 recommended applicants.

Ms. Yates reported that the following six collection agency licensees surrendered their license in the past 60 days.

- 1.) Brown & Joseph - NMLS ID 1834430 - Branch closure
- 2.) Mammoth Tech - NMLS ID 1152655 - Branch closure
- 3.) Mammoth Tech, Inc. - NMLS ID 1820181 - Branch closure
- 4.) Valley Credit Service Incorporated - NMLS ID 1657115 - Company - Company sold/merged

Discussion

	<p>5.) Valley Credit Service Incorporated - NMLS ID 1784865 - Branch - Company sold/merged</p> <p>6.) Delta Management Associates Inc. - NMLS ID 1149068 - Branch - COVID Pandemic.</p> <p>There are no MOU's this month, so no Closed session is required.</p> <p>There are 17 Change in Control approvals for the October 13, 2021 Board meeting:</p> <ol style="list-style-type: none"> 1. JCAP Funding LLC (2030483) 2. Reviver Financial, LLC (1292952) 3. eCast Settlement Corporation (1710) 4. Jefferson Capital Systems, LLC (969968) 5. RentDebt Automated Collections, LLC (980133) 6. DNF Associates LLC (1399535) 7. Frost-Arnett Company (1124656) 8. Admin Recovery LLC (1103081) 9. ARS Portfolio Services, LLC (197476) 10. NCB Management Services, Inc. (209072) 11. Automated Collection Services, Inc. (933125) 12. Upgrade, Inc. (1548935) 13. National Credit Adjusters, L.L.C. (922821) 14. Supernova Lending, LLC (1543400) 15. National Credit Audit Corporation (937924) 16. World Credit Fund III, LLC (1374680) 17. RaZor Capital, LLC (1016899) <p>There were no questions or comments about the change in control approvals.</p>
--	--

2.) Consumer Services Unit Report

Mr. Salazar	
Discussion	<p>Mr. Salazar presented the Consumer Services Unit report due to the absence of Mrs. Mack's which normally gives this report. He noted that the report had been previously sent to the Board members and advised that 44 total debt collection complaints were received in FY 22. There are 17 that are currently open and 17 currently closed which was a 7.87% increase over the last fiscal year (13 complaints over the previous fiscal year).</p>

3.) Enforcement Unit Report

Ms. Allen	
-----------	--

Discussion	Ms. Allen presented the Enforcement Unit report. She reported that there are three (3) collection agency cases in pre-charge status.
------------	--

4) Medical Debt Bill Implementation

Mr. Bellman	
Discussion	<p>Mr. Bellman advised the Board that the Office held an initial meeting with advocates and industry representatives which provided feedback on implementation. Staff is continuing to work through counsel to coordinate with the health department, and is hoping to have a meeting on Friday with industry representatives, through their lobbyists and associated entities, to provide some feedback on some of the main issues they perceive with regard to the law's implementation. OCFR's goal is to reach out and coordinate with the other government agencies to make sure appropriate impact and effects are considered and to develop the workable approaches for implementation. Mr. Bellman said that OCFR will continue to do that and circle back to the Board on that issue. The main thrust of the law doesn't go into effect until January 1. However, questions have been raised as to whether the law can be effective if no regulations are promulgated about payment plans. That piece remains open and Mr. Bellman stated he would keep the Board apprised of any additional information. However, he said that a consensus seems to be that collections can't proceed until all the regulations are issued.</p> <p>Ms. Holland asked a question about how Maryland specifically defines Medical Bill debt. Mr. Bellman's response was it pertains to patient services but will provide her additional information on the specifics of the definition.</p>

5.) CFPB & NACARA Update

Mr. Bellman	
Discussion	Mr. Bellman discussed the CFPB's newly issued regulations and their impact on State and Federal law. He said the CFPB continues to move forward with implementation and that the CFPB recently issued FAQs and

	<p>other information about a week and a half ago. The FAQ’s focus was on some of the issues that NACARA and CSBS had raised about both operating under a trade name and use of a limited content message, highlighting that a collector would still need to follow Maryland law. He noted that Maryland allows for the use of trade names that are legitimately registered with the NMLS. Accordingly, it appears from the FAQ that if a company uses a trade name that doesn’t look like a debt collector, they can utilize the limited contact message. Finally, he noted that the CFPB will be at OCFR’s debt collection agency training later this month.</p>
6.) Hun stein Case	
Mr. Salazar	
Discussion	<p>Mr. Salazar advised the Board there were no new developments on the Hun stein case.</p>
7.) OCFR Collection Agency Symposium	
Ms. Merchant	
Discussion	<p>Mr. Salazar introduced Meredith Merchant, OCFR’s Director of Outreach. She was asked to present information about the incoming OCFR virtual information session for collection agencies.</p> <p>Ms. Merchant informed the Board that OCFR staff will be hosting the webinar on October 26, 2021. It will include speakers from the CFPB and industry trade associations, in addition to presentations from OCFR’s licensing, compliance, consumer services, and enforcement units. The webinar has currently 183 registrants and ten OCFR staff members will attend. There targeted audience is collection agencies. Invitations were sent to, all of license agencies who were encouraged to share about the session with interested individuals. The agenda will include a variety of topics such as Regulatory groups to help smaller businesses, State updates, purchasing standards and medical debt law with numerous other topics.</p>
Adjournment	<p>Mr. Salazar concluded with miscellaneous comments about Ms. Hayes’ service on the Board. Ms. Holland informed the Board said she admired her leadership on the Board and with their recent conversation she determined the pandemic played a huge role in her having to withdraw from the Board and sell her agency. This fact caused Mrs. Holland to express her concern for smaller businesses and their loss within the industry. Mr. Bellman acknowledged Ms. Hollands’ concern by stating the point of the</p>

OCFR's upcoming seminar was a focus on small agencies and trying to help them from a compliance standpoint.

Mr. Salazar informed the Board that due to the resignation of Ms. Hayes he is working on getting new members and encouraged existing members to make suggestions for new members. Also, November's meeting will be rescheduled for November 23th and be reposted on the MD Register and OCFR's website of that change immediately. On a unanimously approved motion, the meeting adjourned at 2:39 p.m.