Maryland Home Improvement Commission

Business Meeting

Meeting Minutes

DATE: April 4, 2024

TIME: 10:00 AM

LOCATION: ***(Teleconference via Google Meet)***

MEMBERS PRESENT: Joseph Tunney, Chairman

Robert Altieri, *Commissioner*

Heather Connellee, *Commissioner*

Lauren E. Lake, *Commissioner*

Chandler Louden, *Commissioner*

Michael Shilling, *Commissioner*

I. Jean White, *Commissioner*

STAFFPRESENT: David Finneran, *Executive Director*

Deborah Irvin Cromwell, *Assistant Director*

Lance Franklin, *Licensing Supervisor*

Kimberly Rosenthal, *Administrative Officer*

Kenneth Sigman*, Assistant Attorney General*

Tenaea Thomas*, Panel Secretary*

MEMBERS ABSENT: Wm. Bruce Quackenbush, *Commissioner*

# **Meeting Called to Order**

The meeting was called to order at 10:01 a.m.

**Approval of the February 1, 2024 Minutes**

Commissioner Shilling moved to approve the Minutes of the February 1, 2024, meeting, and Commissioner White seconded it. The motion passed unanimously.

# **Commissioner Michael A. Newton’s Resignation**

Commissioner Tunney informed the Commissioners that Commissioner Michael Newton resigned from the Commission. Commissioner Newton was a pleasure to work with and we wish him nothing but the best in the future.

**Proposed Legislation 2024 Update**

Ken Sigman informed the Commissioners that SB 806, the Bill that increases the amount of general liability insurance that a licensed home improvement contractor (or an applicant for a home improvement contractor license) must maintain from $50,000 to $500,000 is going to pass.

Mr. Sigman also informed the Commissioners that SB 54 will not be enacted. This bill makes several alterations to existing statutory provisions that prohibit specified executive departments from denying an occupational license or certificate to an applicant solely on the basis of the criminal history of the applicant. The bill also prohibits a department from requiring an applicant to disclose specified criminal history information and establishes a predetermination review process under which an individual can request a department to review the individual’s criminal history to determine whether that criminal history would disqualify the individual from obtaining the occupational license or certificate being sought.

# **Guaranty Fund Activity Report**

The MHIC Guaranty Fund Activity Report dated March 21, 2024, is as follows:

Balance as of July 1, 2023 $ 4,350,003.01

Receipts $ 1,199, 637.92

Disbursements

Claims ($1,551,169.45)

Refunds ($0.00)

Balance as February 29, 2024 $3,998,471.48

Reserve

FMIS Balance $,868,931.48

Difference $129,540.00

Please note that the “Receipts” amount of $1,199,637.92 includes electronic licensing receipts of $129,415.00 and lockbox receipts of $125.00 for the month of February that was not posted into FMIS until the month of March 2024.

**MHIC Pro Rated Claims Report**

**MHIC - Prorated Claims April 4, 2024**

**Anticipated pro-rated claims**

**Expected to exceed $250,000 in Guaranty Fund claims**

**Contractor O**

**October 25, 2021 (GF payout suspension)**

The MD Consumer Protection Division has initiated administrative actions

against this contractor in an effort to recover additional funds that may

reimburse homeowners for their actual loss.

The Baltimore City Office of the Inspector General has initiated an investigation to address the criminal aspect of these cases.

59 total MHIC complaints - Latest complaint opened March 19, 2024

33 criminal charges filed by MHIC

31 total MHIC claims received

4 claims denied

2 remaining complaints – Homeowners failed to file claims to date

$461,482.00 total claim exposure. Five additional claims expected to be filed

Commissioner White made a motion that the Claims Window will close as of September 4, 2024. All Claims filed against Contractor O must be received by September 4, 2024 to be considered for a claim against the MHIC Guaranty Fund. Commissioner Shilling seconded the motion. All the Commissioners present were in favor of the motion.

**Contractor R**

**June 1, 2022 (Emergency Suspension)**

Guaranty Fund reimbursements recovered, and/or expected to be recovered by the MD Consumer Protection Division are expected to cover substantially all homeowner claim awards. No proration of any homeowner claim is expected.

The MHIC Claims Window closed on March 7, 2024. No future claims in excess of the maximum $250,000 Guaranty Fund cap will be considered.

46 total MHIC complaints - Latest complaint opened March 29, 2023

34 total MHIC claims received

1 claim denied

Last 3 Claims have hearing dates at OAH

$265,393.45 total claim exposure

**Contractor U**

**October 17, 2022 (Emergency Suspension)**

The MD Consumer Protection Division (CPD) is in the early stage of its investigation. CPD is developing a strategy to address the large volume of homeowners with possible Guaranty Fund claims.

161 total MHIC complaints - Latest complaint opened February 22, 2024

86 total MHIC claims received

$1,576,094.77 total claim exposure to date

Mr. Finneran would like to discuss a possible claims closing date for this contractor at the next Commission meeting. The Commissioners agreed.

**Contractor V**

**Voluntary Termination February 10, 2023**

Multiple State agencies have initiated investigations against this contractor. The investigations include criminal and financial crimes.

36 total MHIC complaints - Latest complaint opened August 3, 2023

17 criminal charges filed by MHIC

33 total MHIC claims received

$824,739.91 total claim exposure to date

One homeowner has failed to file a claim.

# **Review of MHIC Statistics**

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| --- | --- |
| **JANUARY 2024** | |
| **LICENSING ACTIVITY** |  |
| **Current Licenses Total** | 39,994 |
| *Contractor/Salesperson* | 20,394 |
| *Salesperson* | 2,982 |
| *Contractor/Salesperson (Corp/Part)* | 15,709 |
| *Applications Approved* | 204 |
|  |  |
| **COMPLAINTS RECEIVED** | |
| **Complaints Received** | **119** |
| *Licensed* | 84 |
| *Unlicensed* | 35 |
| PendingShow Cause Hearings | **21** |
| Waiting to be sent to OAH | **82** |
| Pending Hearing/Decision at OAH | **267** |
| Mediation | **12** |
|  | |
| **Claims** | |
| Total Open Claims | **626** |
| New Claims Received | **60** |
| Small Claims Received | **6** |
| Pending Potential MHIC Claim |  |

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| --- | --- |
| **FEBRUARY 2024** | |
| **LICENSING ACTIVITY** |  |
| **Current Licenses Total** | 40,142 |
| *Contractor/Salesperson* | 20,450 |
| *Salesperson* | 2,991 |
| *Contractor/Salesperson (Corp/Part)* | 15,778 |
| *Applications Approved* | 214 |
|  |  |
| **COMPLAINTS RECEIVED** | |
| **Complaints Received** | **118** |
| *Licensed* | 82 |
| *Unlicensed* | 36 |
| PendingShow Cause Hearings | **15** |
| Waiting to be sent to OAH | **80** |
| Pending Hearing/Decision at OAH | **233** |
| Mediation | **14** |
|  | |
| **Claims** | |
| Total Open Claims | **595** |
| New Claims Received | **48** |
| Small Claims Received | **4** |
| Pending Potential MHIC Claim |  |

# **Review of the February 2024 & March 2024 PSI Results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Below are the examination statistics summary for the month of February 2024 & March 2024.  February 2024 | | | | | |
| **Home Improvement** | | **Candidates Tested** | **Passed** | **Failed** | **Pass %** |
| Contractor | | 158 | 117 | 41 | 74% |
| Contractor Spanish | | 147 | 77 | 70 | 52% |
| Salesperson | | 84 | 49 | 35 | 58% |
| Salesperson Spanish | | 1 | 0 | 1 | 0% |
| **TOTAL** | | **390** | **243** | **147** | **62%** |
| March 2024 | | | | |
| **Home Improvement** | **Candidates Tested** | **Passed** | **Failed** | **Pass %** |
| Contractor | 192 | 135 | 57 | 70% |
| Contractor Spanish | 148 | 60 | 88 | 41% |
| Salesperson | 128 | 76 | 52 | 59% |
| Salesperson Spanish | 2 | 1 | 1 | 50% |
| **TOTAL** | **470** | **272** | **198** | **58%** |

# **CITATION REPORT**

**There were no Citations for February 2024 or March 2024**

Commissioner White said that she appreciates all the work that the MHIC staff makes in getting the Stats to the Commissioners. She believes it gives the Commissioners a much clearer look everything. Mr. Finneran thanked Commissioner White for the kudos and he said that he agrees with her and that he appreciates his staff as well.

# **Comments from the Chairman**

The Chairman also gave kudos to the staff of the MHIC for all their hard work. The Chairman also thanked the Commissioners for taking time out of their busy day to sit on the Commission. He appreciates them all.

**Comments from the Executive Director**

Mr. Finneran appreciates the Commissioners for volunteering to sit on the Commission. Mr. Finneran also informed the Commissioners that the MHIC has two new scan clerks that are scanning MHIC records into the database. He hopes that soon the Commission will be paperless at some point in the future. Further, Mr. Finneran hopes that all the scanning will pay off in preparation for the move in late summer to the downtown area.

# **Adjournment**

The meeting was adjourned at 10:41 a.m.

### Chair’s Signature: **Signature on File** Date: June 6, 2024

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