

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

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| <u>1.11.21</u> | 2:01 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 | Devki Dave (attended via video conference call) | |
| Attendees | <p>Members: Susan Hayes and Eric Friedman (each attended via video conference call)</p> <p>Counsel-Kenneth Krach, Esq. (attended via video conference call)</p> <p>Staff: Jedd Bellman, Sean McEvoy, Arlene Williams, Dana Allen, and Priscilla Wynn (each attended via video conference call), Clifford Charland (attended via conference call)</p> | |
| Acknowledgements | Mr. Salazar acknowledged that the meeting notice was published in the Maryland Register on January 04, 2021, on the Board’s website on December 23, 2020, and the Agenda was posted on the Dept. of Labor/Board’s website on January 05, 2021. | |
| Approval of Minutes | | |
| Mr. Salazar | | |
| Discussion | After reviewing the minutes of the December 14, 2020 meeting, on a Friedman/Hayes motion, the Board unanimously approved the minutes. | |
| Recognition of Public Comments | | |
| Mr. Salazar | | |
| Discussion | No members of the public were present. | |

1.Non-Depository Licensing Expiration Update

Ms. Williams

Ms. Williams presented the Non-Depository Licensing Unit report. Ms. Williams advised the Board that each entity’s application and supporting materials for licensure had been reviewed and found to have satisfied the licensing qualifications. Ms. Williams proceeded to recommend that the Board issue collection agency licenses to the following entities: EPA USA, Inc., JCAP Funding LLC, Stillman P.C, Kinum, Inc., Encore Receivables Management, Inc. (Branch), Receivables Management Partners, LLC (Branch), and Constar Financial Services, LLC (Branch).

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

Ms. Williams reported that there were four collection agency licensees that surrendered their license in the past 30 days: PSS Patient Solution Services, LLC, Bridgecrest Credit Company, LLC, Optimum Outcomes, Inc., and Mercantile Adjustment Bureau, LLC. Ms. Williams reported these surrenders were not COVID related

Ms. Williams also informed the Board that there were five change in control requests from the following entities: Community Loan Servicing, LLC, CKS Prime Investments, LLC, Centre Collections, Ltd., State Collection Service, Inc., and Delta Outsource Group, Inc.

Ms. Williams also presented a snapshot of the current renewal licensing reports from 2020 and 2021 and the number of renewal licenses were 1,144 and 1,145, respectively. Ms. Hayes asked where the Office obtained the COVID information and questioned whether NMLS has a surrender functionality. Mr. Bellman and Ms. Williams stated that there was no surrender functionality provided in NMLS but that staff followed-up with all agencies surrendering their license in order to obtain the actual reason for the surrender.

2.Non-Depository Licensing Expiration Update

Mr. Charland

Mr. Charland discussed Non-Depository license expirations with the board members. Mr. Charland stated that under Governor Hogan’s March Executive Order licenses do not expire until 30 days after the state of emergency order has been lifted. Mr. Charland stated that NMLS has a different functionality and that we had 30 collection agency companies who did not submit license renewal requests. He stated that as a result of the Governor’s executive order those licenses are still active. Mr. Salazar said that staff would follow-up with those companies to ascertain their intent with respect to their license. Mr. Charland also stated that due to the NMLS’s functionality, we will be receiving a monthly report from NMLS about

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| | licensing expirations from 1/31/21 onwards and we will continue to receive these reports until the State of Maryland emergency order has been lifted. |
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3.Consumer Services Unit Report

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| Ms. Wynn | |
| Discussion | Ms. Wynn presented the Consumer Services Unit Complaint report in the absence of Ms. Mack. Ms. Wynn advised that the 69 debt collection complaints were received so far in FY21 and nine complaints are currently open (which includes some carried over from FY20). The Unit has closed 91 cases since July 1, 2020. Further, Ms. Wynn compared complaints by fiscal year, noting a declining trend from 2013 through 2020 from 615, 504, 375, 261, 205, 181 and 127 respectively but also noting that complaints are increasing by 24.5% in Fiscal Year 2021. |

4.Enforcement Unit Report

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| Ms. Allen | |
| Discussion | Ms. Allen presented the Enforcement Unit report. She reported that there are seven collection agency cases in pre-charge status. |

5.Legislative session and Agency Rules

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| Mr. McEvoy | |
| Discussion | <p>Mr. McEvoy advised the Board that the Office had two pending bills of interest to the board. The first bill is Senate Bill 206 regarding the extension of the State Collection Agency Licensing Board until 7/1/2022. Mr. McEvoy stated that the SB Bill 206 hearing would be on 1/14/21 at 11:00 a.m. Mr. McEvoy stated that we would like to submit a letter of testimony on behalf of the board members. Mr. Salazar stated that there is no need to sign the letter and it can be submitted with only the board member’s name. The Board members approved the letter with Mr. Friedman explaining that his approval was subject to confirmation that the County management would approve of his signing onto the letter.</p> <p>Mr. McEvoy also discussed Senate Bill 251 regarding the elimination of paper licenses and use of licenses issued by the NMLS system. Mr. McEvoy stated that as per SB 251 no paper licenses will be issued since they can be verified through the NMLS system and the use of this method will be more effective. Mr. McEvoy stated that Pennsylvania, Delaware, Washington,</p> |

D.C., New Jersey, Connecticut, Montana, and Rhode Island are also have similar requirements or are considering a similar approach.

6.Reauthorization legislation support

Mr. Salazar

Discussion

Mr. Salazar stated that the annual legislative memo will be sent out to the board members shortly.

7.New CFPB Regulation

Mr. Bellman

Discussion

Mr. Bellman briefed the Board on the new CFPB regulations that were recently released. Mr. Bellman stated that the topics covered by the regulations included time of debt and temporary validation notices. Restart of debt and licensing requirements were not included in the new regulation.

8.NACARA Update

Mr. Bellman

Discussion

Mr. Bellman provided the board with a NACARA meeting update regarding new membership update requirements. There was a discussion about new NACARA the on-line training program between Mr. Bellman and the board members.

Adjournment

Mr. Salazar announced that the next meeting would held be on February 16, 2021.

On a Hayes/Friedman motion, which was unanimously approved, the meeting adjourned at 2:37 p.m.