

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

<b><u>Date: July 11, 2023</u></b>	2:00 p.m.	Maryland Dept. of Labor
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Meeting called to order at 2:03 p.m. by	Antonio P. Salazar, Chairman (attended via video conference call)
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Administrator	Ayanna Daugherty (attended via video conference call)
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Attendees	<p>Members: Sandra Holland, Eric Friedman, Tracy Rezvani, and Shawn Kennedy (each attended via video conference call)</p> <p>Counsel: Emily Hanson and Kenneth Krach, Esq. (each attended via video conference call)</p> <p>Staff: Clifford Charland, Shereefat Balogun, Amy Hennen, Dana Allen, Kelly Mack, Brendan Armbruster, and Betty Yates (each attended via video conference call)</p>
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**Acknowledgements and Public Statement Regarding a Closed Session**

Mr. Salazar	
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Discussion	<p>Mr. Salazar stated that the notice of the July 11, 2023 meeting was: (i) posted on the Dept. of Labor/Board website on June 15, 2023; and (ii) published in the Maryland Register on June 16, 2023. Additionally, Mr. Salazar stated the agenda for the July 11, 2023 meeting was posted on the Dept. of Labor/Board website on June 28, 2023.</p> <p>Mr. Salazar advised the Board in open session of the need for a closed session. Mr. Salazar described the topics to be discussed in the closed session and identified the statutory authority for recommending a closed session. Specifically, Mr. Salazar read a closing statement which cited General Provisions Article, § 3-305 (b)(7) and (b)(8), Annotated Code of Maryland as the basis for a closed session and identified the topic for discussion as a potential Enforcement Action, possible settlement via an MOU, and the entity’s licensing status. Mr. Salazar’s statement included advising the Board that discussion in the closed session must be limited to the topics Mr. Salazar identified. Mr. Salazar then opened the floor to questions/discussion. There were no questions or discussions. Mr. Kennedy moved to conduct a closed session for the purposes Mr. Salazar identified and Ms. Holland seconded the Motion. The Board unanimously voted to move to a closed session and there upon adjourned to a closed session at 2:09 p.m.</p>
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	<p>In accordance with General Provisions Article, §3-305, Annotated Code of Maryland, Mr. Salazar prepared a written statement closing statement. Mr. Salazar's closing statement, together with the Closed Session Summary required by General Provisions Article, §3-306(c)(2), Annotated Code of Maryland, are attached to these minutes.</p> <p>Amy Hennen and Brendan Armbruster remained in the public session while the Board met in private session in the event any member of the public joined the meeting after the Board moved to private session.</p> <p>The Board resumed its public session at 2:14 p.m.</p>
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**Approval of Minutes**

Mr. Salazar	
Discussion	<p>Mr. Salazar noted the minutes for the June 13, 2023 Board meeting were previously circulated for review and asked for questions or comments. There were none, and, with a motion from Mr. Kennedy and a second from Ms. Holland, the Board unanimously approved the June 13, 2023 minutes.</p>

**Recognition of Public Comments**

Mr. Salazar	
Discussion	<p>No members of the public were present.</p>

**1. Non-Depository Licensing Unit Report**

Ms. Yates	
Discussion	<p>Ms. Yates advised the Board that the Licensing Unit has reviewed ten pending applications together with all supporting materials and determined these ten applications met the requirements for licensure. Accordingly, Ms. Yates recommended that the Board grant a collection agency license to the following entities:</p> <ol style="list-style-type: none"> <li>1. NMLS ID 2469855 Longhorn Asset Management LLC</li> <li>2. NMLS ID 2487066 Shafer Law Firm, Inc</li> <li>3. NMLS ID 2460289 Conservice, LLC</li> <li>4. NMLS ID 2486090 786 Property Management, Inc</li> <li>5. NMLS ID 1082164 Aqua Finance, Inc.</li> </ol>

6. NMLS ID 1831081 Aqua Finance, Inc. (Branch)
7. NMLS ID 1664694 Marquee Capital, Inc.
8. NMLS ID 2540616 The Nabo Group LLC
9. NMLS ID 2494867 NFSOM, LLC
10. NMLS ID 1784631 Servicing Solutions LLC

On a motion from Mr. Kennedy and a second from Ms. Rezvani, which was unanimously approved, the Board voted to issue licenses to the nine recommended applicants.

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

1. Mirand Response Systems, Inc. - NMLS ID 922818 - Company - Not enough customers in this state to justify the expense associated with holding a license
2. Mirand Response Systems, Inc. - NMLS ID 1124645 - Branch - Not enough customers in this state to justify the expense associated with holding a license
3. Axiom Financial Services LLC- NMLS ID 944372 - Company – Company did not enter the line of business and will close the entity
4. Radius Global Solutions LLC- NMLS ID 1248245 - Branch - RGS is no longer conducting business at its Thorofare, NJ branch location
5. Oportun, Inc.- NMLS ID 1671904 - Company - The company has decided that they will not start operating in the state due to a change in its business priorities

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

1. US Mortgage Resolution LLC (NMLS ID 1455648)
2. Lime Residential, Ltd. (NMLS ID 1197083)
3. DLJ Mortgage Capital, Inc. (NMLS ID 1589)
4. JGW Lending, LLC (NMLS ID 2365173)
5. Equabli, Inc. (NMLS ID 2280646)

Mr. Salazar commented on HB 686 which eliminates branch licenses as of July 1<sup>st</sup> for all licensing categories. Since we had one branch entity, NMLS ID 1831081 Aqua Finance, Inc. (Branch), submit their application for licensure, prior to July 1<sup>st</sup>, they were approved through our normal process.

## 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 June 30, 2023, 135 complaints had been received, 14 are open and 121 were closed.

### 3. Enforcement Unit Report

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

### 4. Legislative Session

Ms. Hennen	
Discussion	<p>Ms. Hennen advised the Board that they are still working on Legislation for 2024 and are compiling a quick list of legislative proposal concepts to be sent to the Governor's Office for consideration by September 1<sup>st</sup>. OFR must complete concept sheets in the July-August time period for prior review/discussion. The next Legislative Session will begin in January.</p> <p>One of the concepts that has been previously discussed is whether or not the SCALB Board should have some revisions, such as a loosening of membership requirements and a re-evaluation of the Board's Licensing function. Mr. Salazar asked if anyone had any suggestions on this.</p> <p>Mr. Friedman stated that it is important to have a Collection Agency board, to represent the industry and consumers. However, the approval of licenses should be handled by the Commissioner.</p> <p>Ms. Holland agreed that the approval of licenses should be handled by the Commissioner to eliminate delays in licensing if there is not a quorum to have the board meeting. But since we have a full Board at this time, we should leave things the way they are currently. She also believes that the Board allows us to have a different perspective on debt management issues. Mr. Salazar reviewed the laws of the collection licensing and the approval time/process.</p> <p>Ms. Rezvani stated that the loosening the membership may be beneficial as it may allow more awareness and discussion of current events in the industry.</p> <p>Mr. Kennedy agreed with Mr. Friedman &amp; Ms. Holland to allow the approvals to be handled by the Commissioner possibly in the future, but since we are fully staffed on the Board at this time, we can continue to operate as normal.</p> <p>Mr. Salazar then asked if anyone had any suggestions on other topics. Ms. Rezvani raised that Fintech products are loan and bank like products, that are crucial and necessary, but they do not have the consumer protections like traditional banks and loans. This seems to be a potential for customer assisted fraud, as it is a means of avoiding any and all responsibility for allowing fraud to occur over platforms like Venmo and Cash App applications. These third party</p>

	platforms can experience data breaches etc, as they do house consumer’s personal information. Another consumer protection issue with these third party platforms are delays in credit reporting, and impact on rental agreements, which has many consumers who use these application facing homelessness. As a result, she feels that this is a topic to be considered.
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### 5. Medical Bill Implementation and CFPB

Mr. Charland	
Discussion	<p><b>Medical Bill Implementation-</b> Mr. Krach advised the Board that the regulations are being revisited and the revisions will probably be republished sometime by the end of summer.</p> <p><b>CFPB –</b> Mr. Charland advised the Board that the CFPB, Health and Human Services, and Treasury announced that they are beginning an inquiry into credit cards and loans that are recommended to patients for health care costs. The CFPB is also looking into junk fees charged by debt collectors.</p>

### 6. Complaint Trend Analysis Report

Mr. Ambruster	
Discussion	<p>In a previous State Collection Agency Licensing Board meeting held on June 13, 2023, Mr. Kennedy inquired about the Maryland quarterly reporting of debt collection complaints from the CFPB. Today OCFR Staff Mr. Ambruster advised the Board the comparison of the debt service complaints filed in the OCFR and with the CFPB for Maryland during the years of 2022 through June 2023. The information provided data on the top issues filed, top respondents, and most popular zip codes.</p> <p>Mr. Friedman commended Mr. Ambruster for gathering and presenting the information and was very appreciative. He mentioned the comparison in data for Montgomery County between OFR and the CFPB, and Mr. Armbruster confirmed that there are differences in cases being reported between the two agencies.</p>

### 7. NACARA Update

Ms. Mack	
Discussion	<p>Ms. Mack advised the Board that the 2023 NACARA Conference is still scheduled for September 17-20, 2023, in Denver, Colorado. The Conference agenda has been finalized. She invited the Board members to the Conference and if anyone is interested, she will provide the registration package. Registration is open now. She also mentioned that OFR staff Arlene Williams will be co-presenting with the State of Washington and California on Teleworking: The New</p>

	<p>Norm-Its Effect on State Government Business Licenses. Amy Hennen is presenting on the Student Loan Debt Panel with Colorado &amp; California Ombudspersons. The CFPB will have a two-fold presence at the Conference: John McNamara will be providing his Annual CFPB Update and Beverly Yang will be presenting on Medical Billing Problems: Findings from the CFPB for Older Americans. Mr. Salazar requested that we provide information on the federal groups that we collaborate with: The Collection Protection Group (which is the FTC and is coordinated by Senior Investigator Kelly Slaughter. This group meets quarterly and the next meeting is on September 7, 2023, if anyone is interested in joining the group.</p> <p>Mr. Salazar commented on a question as to whether or not we participate in the The Sentinel program, and he confirmed that the OFR Consumer Services Unit staff is familiar with this process.</p>
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8. Additional Comments	
Mr. Salazar	
Discussion	<p>Mr. Salazar asked the Board about reconvening periodically to have the SCALB Board meetings in-person. A few Board members offered to house the meeting at their place of business and further discussion will be held as to when this could take place over the next coming months.</p>

Adjournment	
Mr. Salazar	
Discussion	<p>Mr. Salazar concluded the meeting by informing the Board that the next scheduled meeting will be held on Tuesday, August 8, 2023, and it will take place again virtually via video conference call.</p> <p>On an unanimously approved motion, the meeting adjourned at 2:58 p.m.</p>

**CLOSED-SESSION SUMMARY**  
**(General Provisions Article § 3-306(c))**

**SUMMARY OF CLOSED SESSION HELD ON JUNE 13, 2023**

**1. Statement of the time, place, and purpose of the closed session:**

Time of closed session: 2:09 pm - 2:14 pm.

Place (location) of closed session: The closed session took place during the Board's July 11, 2023, monthly meeting. The Board meets remotely so the closed session occurred in a separate zoom session from the public session, following the vote to move to a closed session. At the conclusion of the closed session, the Board returned to the public session.

Purpose of the closed session: To discuss the resolution of a potential enforcement action and associated licensing issues.

**2. Record of the vote of each member as to closing the session:**

Names of members voting aye (5 unanimous): Antonio P. Salazar, Chairman, Sandra Holland, Eric Friedman, Tracy Rezvani, and Shawn Kennedy

Members opposed: 0

Abstaining: 0

**3. Statutory authority to close session:**

This meeting was closed under the following provisions of General Provisions Art. § 3-305(b):

→ *Topic #1: § 3-305(b) (7)* → *Topic #2: § 3-305(b) (8)*

**4. Listing of each topic actually discussed, persons present, and each action taken in the session:**

Topic description	Persons present for discussion	Action Taken/Each Recorded Vote
#1: Status update on potential enforcement action	Antonio P. Salazar, Chairman Members: Sandra Holland, Eric Friedman, Tracy Rezvani, and Shawn Kennedy Staff Members: Clifford Charland, Dana Allen, Arlene Williams, and Betty Yates Counsel: Ken Krach	No action taken
#2: Legal advice on potential enforcement action	Antonio P. Salazar, Chairman	No action taken

	<p>Members: Sandra Holland, Eric Friedman, Tracy Rezvani, and Shawn Kennedy</p> <p>Staff Members: Clifford Charland, Dana Allen, Arlene Williams, and Betty Yates</p> <p>Counsel: Ken Krach</p>	
<p>#3: Confirmation of Licensing Status pending resolution of enforcement action</p>	<p>Antonio P. Salazar, Chairman</p> <p>Members: Sandra Holland, Eric Friedman, Tracy Rezvani, and Shawn Kennedy</p> <p>Staff Members: Clifford Charland, Dana Allen, Arlene Williams, and Betty Yates</p> <p>Counsel: Ken Krach</p>	<p>Entity at issue does not have a license. Board voted to confirm license should not be issued while matter remains unresolved.</p>