

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

<u>Date: May 14, 2024</u>	2:00 p.m.	Maryland Dept. of Labor
Meeting called to order at 2:02 p.m. by	Antonio P. Salazar, Chairman	
Administrator	Ayanna Daugherty	
Attendees	<p>Members: Tracy Rezvani, Shawn Kennedy, and Eric Friedman</p> <p>Counsel: Kenneth Krach</p> <p>Staff: Cliff Charland, Amy Hennen, Shereefat Balogun, Kelly Mack, Dana Allen, Betty Yates, Arlene Williams, and Kat Hyland</p>	
Meeting Location	Google Meet	

Acknowledgements	
Mr. Salazar	
Discussion	Mr. Salazar stated that the notice of the May 14, 2024 meeting was: (i) posted on the Dept. of Labor/Board website on April 11, 2024; and (ii) published in the Maryland Register on April 19, 2024. Additionally, Mr. Salazar stated the agenda for the May 14, 2024 meeting was posted on the Dept. of Labor/Board website on April 23, 2024.

Approval of Minutes	
Mr. Salazar	
Discussion	Mr. Salazar noted the minutes for the April 9, 2024 Board meeting had previously been circulated for review and asked for questions or comments. On Mr. Kennedy's motion, with a second from Mr. Friedman, the Board unanimously approved the April 9, 2024 minutes.

Recognition of Public Comments

Mr. Salazar

Discussion

No members of the public were present.

1. Non-Depository Licensing Unit Report

Ms. Yates

Discussion

Ms. Yates advised the Board that the Licensing Unit had reviewed two pending applications with all the supporting materials and determined the two applicants met the requirements for licensure. Accordingly, Ms. Yates recommended that the Board grant a collection agency license to the following entities:

1. NMLS ID 2503904 Community Association Legal Services LLC
2. NMLS ID 1528616 Sunnova Energy Corporation

On Ms. Rezvani's motion and Mr. Friedman's second, the Board voted unanimously to issue a license to the two recommended applicants.

There were six collection agency licensees that surrendered their license in the past 30 days:

1. NMLS ID 1235300 [Webcollex, LLC](#) - Dissolution of the entity
2. NMLS ID 1404451 [Distressed Asset Portfolio II, LLC](#) - There has been no activity for months, they do not have any employees.
3. NMLS ID 1400173 - [Unipac IX, LLC](#) - There has been no activity for months, they do not have any employees.
4. NMLS ID 1400176 - [Unipac VI, LLC](#) - There has been no activity for months, they do not have any employees.
5. NMLS ID 1400158 - [Pilot Receivables Management, LLC](#) - There has been no activity for months, they do not have any employees.
6. NMLS ID 934311 - [Frontline Asset Strategies, LLC](#) - Frontline ceased operations on 4/1/2024, and the business is no longer operating.

	<p>Ms. Yates reported the following eight change in control approvals in the past 30 days:</p> <ol style="list-style-type: none"> 1. Rawlings Financial Services, LLC (952175) 2. Community Loan Servicing, LLC (2469) 3. Momnt Servicing Company LLC (2373805) 4. Apple Processing LLC (2270445) 5. Titan Asset Purchasing, LLC (1855440) 6. Aqua Finance, Inc. (1082164) 7. Estate Information Services, LLC (934565) 8. BEYOND GREEN SOLUTIONS, LLC (2387018) <p>As of 5/3/2024 the Maryland collection agency company count was 1,053. The count on 5/3/2023 was 1,082.</p> <p>Ms. Yates also mentioned that the count above of 1,082 from 2023 included collection agency companies and branches. The count for 2024 represents only collection agency companies. This is due to the complete elimination of branch licenses after 07/01/2023.</p>
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2. Consumer Services Unit Report

Ms. Mack	
Discussion	<p>Ms. Mack advised the Board that the Consumer Services Unit circulated its current report for Fiscal Year 2024 showing that as of 4/30/2024, 119 complaints have been received, 37 are open and 82 were closed.</p> <p>Ms. Rezvani asked if we could gather more details on the types of collection agency issues are in the count, and Mr. Kennedy requested the same as he is expecting a rising trend in cases within the industry. Ms. Mack and Mr. Salazar advised that OFR can provide this information in our reporting moving forward.</p>

3. Enforcement Unit Report

Ms. Allen	
Discussion	<p>Ms. Allen advised the Board that there are two current/on-going collection agency cases in a pre-charge status.</p> <p>She also advised the Board that in reference to the 2019 Consent Order and Settlement Agreement. OFR sent out a letter to Midland requesting compliance deliverables within 45 days of the date, May 7, 2024. Midland’s general counsel has acknowledged receipt and appears cooperative in planning to provide the information. They have also requested an additional two weeks due to the upcoming Memorial Day holiday and vacation, to return the data. Ms. Allen advised the Board that OFR is expecting to receive the data by end of June.</p>

4. Federal Activities

Mr. Salazar	
Discussion	<p>Medical Bill Implementation- Mr. Krach advised the Board that there were no new updates to report on at this time.</p> <p>CFPB – Mr. Charland advised the Board that the CFPB released some research recently that there’s about 15 million Americans who still have medical bills on their credit reports and discussed some of the reporting issues in the report. The CFPB said they are continuing to take actions against companies with illegal medical debt collection practices. For example, they have shut down Commonwealth Financial Systems and ordered Phoenix Financial to pay a large sum in redress and penalties.</p> <p>Mr. Salazar advised the Board that the CFPB has some proposed regulations to create a Registry for repeat offenders and companies who have consent orders.</p> <p>FTC- There were no new updates to report at this time.</p>

5. NACARA Update

Ms. Mack	
Discussion	<p>Ms. Mack’s advised the Board that NACARA received a \$4,124 refund from the Denver Hospitality Incentive Program, which help recoup some of the costs from the 2023 Conference.</p> <p>The 2024 NACARA Conference will be held in Sacramento, CA from September 30th-October 2nd, 2024. They have a full agenda now and several training opportunities will be available. All registration forms for the dues and registration have been sent out to the membership.</p>

6. Legislative Session and Current Issues

Ms. Hennen	
Discussion	<p>Ms. Hennen advised the Board that the Legislative Session has ended, and House Bill 250 on Third Party Examinations for Banks, Credit Unions, and Non-Depository Financial Institutions passed/was signed by the Governor last week. Commissioner Tony Salazar, Shereefat Balogun, Bob Yeager, and Amy Hennen attended the signing, and it was a lovely event.</p> <p>Ms. Hennen also advised the Board that they will begin preparing for next year’s Legislation, so if anyone has any concepts to be considered, feel free to contact</p>

	<p>her. Mr. Salazar asked the Board to start thinking about if there are any legislative changes they want to consider, in reference to making changes to the SCALB Board, and will begin discussing them during the next meeting.</p> <p>Lastly, Ms. Hennen advised the Board that the private student loan lenders (non-federal loan providers) are now required to provide an Annual Report and the reports for 2023 have been published. Below is the link to the reports under Student Financing Company Reporting:</p> <p>https://www.labor.maryland.gov/finance/industry/frstudentloanombud.shtml</p>
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7. Additional Comments

Mr. Salazar	
Discussion	<p>Ms. Rezvani advised the Board that there was an article that she read about Buy Now Pay Later (BNPL) products in Fortune magazine called <i>Phantom debt' from 'buy now, pay later' schemes is a \$700 billion black hole that economists aren't accounting for.</i></p> <p>The link is below for more details:</p> <p>https://fortune.com/2024/05/08/phantom-debt-buy-now-pay-later-consumer-finances-struggling/?taid=664103c9a4e83300011f87ad&utm_campaign=trueanthem&utm_medium=social&utm_source=twitter</p> <p>Ms. Balogun responded and said that OFR is currently investigating a BNPL company and more information will be forthcoming soon.</p>

Adjournment	<p>Mr. Salazar informed the Board that the next scheduled meeting will be held on Tuesday, June 11, 2024, and it will take place virtually via video conference call.</p> <p>On an unanimously approved motion, the meeting adjourned at 2:24 p.m.</p>
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