Maryland Home Improvement Commission

Business Meeting

Meeting Minutes

DATE: February 6, 2025

TIME: 10:00 AM

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

MEMBERS PRESENT: Wm. Bruce Quackenbush, *Chairman*

Robert Altieri, *Commissioner*

Heather Connellee, *Commissioner*

Lauren E. Lake, *Commissioner*

Chandler Louden, *Commissioner*

Michael Shilling, *Commissioner*

Michael Thomas, *Commissioner*

I. Jean White, *Commissioner*

STAFFPRESENT:

David Finneran, *Executive Director*

Deborah Irvin Cromwell, *Assistant Director*

Kimberly Rosenthal, *Administrative Officer*

Kenneth Sigman*, Assistant Attorney General*

Tenaea Thomas*, Panel Secretary*

# **Meeting Called to Order**

The meeting was called to order at 10:03 a.m.

**Approval of the December 5, 2024 Minutes**

Commissioner Connellee moved to approve the Minutes of the December 5, 2024, meeting, and Commissioner Shilling seconded it. All Commissioners approved the motion.

**Welcome Commissioner Michael Thomas**

Chairman Quackenbush welcomed Michael Thomas as the newest member of the Maryland Home Improvement Commission. Commissioner Thomas is an Associate Professor of Real Estate and Management at Morgan State University. He is also a licensed residential and commercial real estate agent with Smart Realty, LLC. Commissioner Thomas brings a broad range of corporate and community development experience to the commission. He expressed his honor and eagerness to work with such an esteemed group of commissioners and MHIC staff. All the commissioners welcomed Commissioner Thomas and look forward to working with him.

**Recommendation-Perceived Issues with the Arbitration Process**

The Commissioners decided to discuss this matter at the April 3, 2025 Commission Meeting.

**Discussion-Senate Bill 578**

The Commission discussed Senate Bill 578. Mr. Sigman explained that the bill is intended to make it easier for the Commission to grant Guaranty Fund awards based on court judgments and arbitration awards obtained by homeowners against their contractors and authorize awards of attorney’s fees from the Guaranty Fund. Commissioners expressed concern about allowing awards for attorney’s fees because it would deplete the Fund more quickly, open the door to future amendments expanding the scope of awards, and be unfair to homeowners whose actual losses exceed the $30,000 cap on awards by allowing homeowners with smaller actual losses to recover their entire actual loss plus attorney’s fees. Commissioner Altieri made a motion to support the portion of the bill that facilitates the payment of awards based on court judgments and arbitration awards and oppose the portion that authorizes awards for attorney’s fees, Commissioner White seconded the motion, and it was unanimously approved.

**Discussion-Senate Bill 794**

The Commission discussed Senate Bill 794. Mr. Sigman explained that the bill would clarify that the installation of solar panels on residences constitutes a home improvement, which is already the Commission’s understanding of the law. Commissioner Altieri made a motion for the Commission to support the bill, Commissioner White seconded the motion, and it was unanimously approved.

# 

# **Guaranty Fund Activity Report**

The MHIC Guaranty Fund Activity Report dated January 27, 2025 for the month of December, 2024, is as follows:

Balance as of July 1, 2023 $ 4,031,651.85

Receipts $ 1,057,437.13

Disbursements

Claims ($1,162,927.96)

Refunds ($0.00)

Balance as December 31, 2024 $3,926,161.02

Reserve

FMIS Balance $3,780,476.28

Difference $-145,684.74

Please note that the “Receipts” amount of $1,057,437.13 includes electronic licensing receipts of $145,684.74 and Lockbox receipts for $0 for the month of December that were not posted into FMIS until the month of January.

**MHIC Pro Rated Claims Report**

**MHIC – Anticipated Prorated Claims February 6, 2025**

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

**Contractor O**

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

65 total MHIC complaints

36 criminal charges filed by MHIC

31 total MHIC claims received

4 claims denied

$432,082.00 total Guaranty Fund claim awards

All Guaranty Fund claims paid out at a prorated 57.85% of each claimants Guaranty Fund award

**Contractor U**

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

161 total MHIC complaints

109 total MHIC claims received

2 claims denied

$2,154,412.80 total potential claim exposure

**Claims closed on December 31, 2024**

Based on potential claim awards, each claimant will receive about 11.6% of their Guaranty Fund award.

**Contractor V**

**Voluntary Termination February 10, 2023**

36 total MHIC complaints

16 criminal charges filed by MHIC

31 total MHIC claims received

$911,139.91 total potential claim exposure

**Claims closed on February 3, 2025**

Based on potential claim awards, each claimant will receive about 27.43% of their Guaranty Fund award.

**Contractor W**

**Emergency Suspension June 6, 2023**

25 total MHIC Complaints – Latest complaint opened on January 3, 2024

19 Claims to date

One claim denied

17 Criminal charges filed by MHIC

$329,121.43 total potential claim exposure to date

Based on potential claim awards, each claimant will receive about 75.9% of their Guaranty Fund award.

Possible Claims Closing date of July 3, 2025

**Contractor X**

**Emergency Suspension September 21, 2023**

52 total MHIC Complaints – Latest complaint opened November 25, 2024

34 Claims to date

One claim denied

23 Criminal charges filed by MHIC

$260,238.29 total potential claim exposure to date

**Contractor Y**

**Failure to respond Suspension September 15, 2022**

12 total MHIC complaints – Latest complaint opened September 26, 2023

11 Claims to date

One Claim denied

$258,554.48 total potential claim exposure to date

Possible Claims Closing date of May 6, 2025

Commissioner Shilling made a motion for Contractor Y’s claims closing date to be May 6, 2025. Commissioner White seconded it. All were in favor.

# **Review of MHIC Statistics**

|  |  |
| --- | --- |
| **November 2024** | |
| **LICENSING ACTIVITY** |  |
| **Current Licenses Total** | 41,722 |
| *Contractor/Salesperson* | 21,051 |
| *Salesperson* | 3,142 |
| *Contractor/Salesperson (Corp/Part)* | 16,572 |
| *Applications Approved* | 139 |
|  |  |
| **COMPLAINTS RECEIVED** | |
| **Complaints Received** | **103** |
| *Licensed* | 69 |
| *Unlicensed* | 34 |
| PendingShow Cause Hearings | **22** |
| Waiting to be sent to OAH | **179** |
| Pending Hearing/Decision at OAH | **192** |
| Files sent to Mediation | **4** |
|  | |
| **Claims** | |
| Total Open Claims | **675** |
| New Claims Received | **39** |
| Small Claims Received | **9** |

|  |  |
| --- | --- |
| **December 2024** | |
| **LICENSING ACTIVITY** |  |
| **Current Licenses Total** | 41,812 |
| *Contractor/Salesperson* | 21,087 |
| *Salesperson* | 3,138 |
| *Contractor/Salesperson (Corp/Part)* | 16,634 |
| *Applications Approved* | 188 |
|  |  |
| **COMPLAINTS RECEIVED** | |
| **Complaints Received** | **98** |
| *Licensed* | 58 |
| *Unlicensed* | 40 |
| PendingShow Cause Hearings | **20** |
| Waiting to be sent to OAH | **199** |
| Pending Hearing/Decision at OAH | **219** |
| Files sent to Mediation | **4** |
|  | |
| **Claims** | |
| Total Open Claims | **620** |
| New Claims Received | **43** |
| Small Claims Received | **11** |

# **Review of the December 2024 & January 2025 PSI Results**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Below are the examination statistics summary for the month of December 2024 & January 2025.  December 2024 | | | | | |
| **Home Improvement** | | **Candidates Tested** | **Passed** | **Failed** | **Pass %** |
| Contractor | | 176 | 123 | 53 | 70% |
| Contractor Spanish | | 154 | 83 | 71 | 54% |
| Salesperson | | 103 | 55 | 48 | 53% |
| Salesperson Spanish | | 0 | 0 | 0 | 0 |
| **TOTAL** | | **433** | **261** | **172** | **60%** |
| January 2025 | | | | |
| **Home Improvement** | **Candidates Tested** | **Passed** | **Failed** | **Pass %** |
| Contractor | 207 | 145 | 62 | 70% |
| Contractor Spanish | 96 | 39 | 57 | 41% |
| Salesperson | 104 | 67 | 37 | 64% |
| Salesperson Spanish | 1 | 0 | 1 | 0% |
| **TOTAL** | **408** | **251** | **157** | **62%** |

# **Comments from the Chairman**

Chairman Quackenbush had no comments.

**Comments from the Executive Director**

Mr. Finneran informed the Commissioners that he expects that licensing activity will be increasing in February, 2025.

Mr. Finneran informed the Commissioners that MHIC moved into their new building at 100 S. Charles Street, Tower 1, Baltimore, Maryland 20201 on January 3, 2025. The Commission is on the third floor of a very nice building in downtown Baltimore across from the Inner Harbor. Various issues with internet connection have been resolved and everyone has settled in. The office is fully functional at this time.

# **Adjournment**

The meeting was adjourned at 11:07 a.m.

Signature on File April 3, 2025

### Chair’s Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# 