

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

Date: April 12, 2022

2:00 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

Cindy McCauley (attended via video conference call)

Attendees

Members: Sandra Holland and Eric Friedman (each attended via video conference call)

Counsel: Kenneth Krach, Esq. and Emily Hanson, Esquire (attended via video conference call)

Staff: Arlene Williams, Betty Yates, Dana Allen, Brendan Armbruster, Brendan Armbruster, Clifford Charland (each attended via conference call)

Acknowledgements	Mr. Salazar stated that the notice of the April 12, 2022, meeting was posted on the Dept. of Labor/Board website on March 10, 2022, and the agenda was posted on the Dept. of Labor/Board website on April 4, 2022. In addition, he stated that the April 12, 2022, meeting notice was published in the Maryland Register on March 25, 2022.
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Approval of Minutes	
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Mr. Salazar	
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Discussion	Mr. Salazar noted the minutes for the 3.8.22 Board meeting had previously been circulated for review and asked for questions or comments. There were none, and, on a Holland, / Friedman motion, the Board unanimously approved the 3.8.22 minutes.
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Recognition of Public Comments	
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Mr. Salazar	
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Discussion	No members of the public were present.
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1. Non-Depository Licensing Unit Report

Ms. Williams

Discussion

Ms. Yates advised that there were sixteen license applications, of which two were reapplicants. Ms. Yates told the Board that each entity's application and supporting materials for licensure had been reviewed and found to satisfy the licensing qualifications. Ms. Yates proceeded to recommend that the Board issue collection agency licenses to:

1. NMLS ID 1832924 AA Recovery Solutions, Inc
(**Reapplication**)
2. NMLS ID 945496 HOVG, LLC (**Reapplication**)
3. NMLS ID 1869563 Above Lending, Inc
4. NMLS ID 2272646 ADC Advance LLC
5. NMLS ID 2297730 Fin Care US LLC
6. NMLS ID 2299753 Kovo Credit Inc
7. NMLS ID 2270445 Pismo Servicing LLC
8. NMLS ID 2183087 RevX Solutions LLC
9. NMLS ID 2337677 RKGOBIG, LLC
10. NMLS ID 1750968 AllianceOne Receivables Management, Inc (**Branch**)
11. NMLS ID 2333403 Cawley & Bergmann, LLC (**Branch**)
12. NMLS ID 2321613 EGS Financial Care Inc (**Branch**)
13. NMLS ID 2293638 Encore Receivable Management Inc (**Branch**)
14. NMLS ID 2239865 Jefferson Capital Systems, LLC (**Branch**)
15. NMLS ID 2245864 Receivables Performance Management, LLC (**Branch**)
16. NMLS ID 2330684 Revco Solutions, Inc (**Branch**)

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

Ms. Yates reported that the following three collection agency licensees surrendered their license in the past 30 days.

1. DCM Services, LLC - **NMLS ID 1989284 - Branch** - License no longer needed.
2. Prince-Parker & Associates, Inc - **NMLS ID 938897 - Company** - Surrender due to an asset sale to Waypoint.
3. Reliant Capital Solutions, LLC - **NMLS ID 1844539 - Branch** - The staff moved over to their headquarters located directly next door at 670 Cross Pointe Road.

	<p>Ms. Yates reported there are four change in control approvals for the April 12, 2022, Board Meeting:</p> <ol style="list-style-type: none"> 1. American Recovery Service Incorporated (933103) 2. Divine and Service LP (954553) 3. Oliphant Financial, LLC (953706) 4. Watercress Financial Group LLC (2109219) <p>There were no questions or comments about the change in control approvals.</p> <p>Ms. Williams informed the Board that the law exempts certain collection agencies from the licensure requirements but that those exempt agencies must now register on NMLS. An advisory was sent out to the forty-six exempt collection agencies reminding them to transition to the NMLS system.</p> <p>Mr. Charland mentioned to the Board those exempt collection agencies are generally companies that are only collecting for an affiliated business. In addition, when sending out the advisory to these agencies some emails were invalid however they will be sent out by mail to make an additional attempt to inform them of the transition.</p>
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2.) Consumer Services Unit Report

Mr. Salazar	
Discussion	<p>Mr. Salazar advised the Board Mrs. Mack could not attend the meeting and that he would give the report in Mrs. Mack’s absence. Mr. Salazar stated the Consumer Services report had been previously sent to the Board members and advised that 126 total debt collection complaints were received in FY 22. There are 34 that are currently open and 97 currently closed.</p>

3.) Enforcement Unit Report	
Ms. Allen	
Discussion	Ms. Allen presented the Enforcement Unit report. She reported that there are three (3) collection agency cases in pre-charge status.

4) Legislative Session	
Mr. Salazar	
Discussion	<p>Mr. Salazar updated the Board on two relevant bills that are of interest described in previous meetings.</p> <p>First, House Bill 111 would have prohibit private education lenders and private education loan collectors from initiating certain actions to collect except under certain circumstances. This bill stalled in the Senate and therefore did not pass.</p> <p>Second, House Bill 128 which requires any person registered as a provider of debt settlement services and who engages in student education loan debt relief, as defined in the bills, to make a certain disclosure statement in its agreement as well as in all advertisements. This bill passed and has gone to the Governor for signature.</p> <p>Mr. Friedman asked the Board for guidance on federally chartered banks that assert an ability to operate in a manner inconsistent with certain Maryland laws.</p> <p>Mr. Salazar commented generally on how the concept of federal pre-emption may allow a federally chartered financial institution or certain out of state financial institutions to operate in a manner inconsistent with certain Maryland laws. Mr. Salazar indicated Mr. Friedman could follow up with Mr. Charland on specific questions and concerns.</p>

5.) CFPB Data Collection & Medical Bill Implementation

**Mr. Armbruster &
Mr. Charland**

Discussion

Mr. Salazar introduced Brendan Armbruster who is OCFR’s Director of Trend Analysis to present data relevant to debt collection. Mr. Armbruster presented a report summarizing the state of Maryland in conjunction with the CFPB complaints organized by financial products. The report provided details on specific issues driving their complaints, the specific issues, the outcomes of such complaints and whether such complaints result in monetary relief or non-monetary relief.

He also explained the commented data in the report on trends in the consumer complaints about the collection, financial services, or products and all Maryland based complaints to CFPB. Mr. Armbruster indicated all this information given can be accessed on the CFPB website for further or future reference.

Mr. Salazar suggested to the Board members that this information be tracked and provided on an ongoing basis at the Board meetings. Mrs. Holland suggested this information be presented quarterly moving forward. The Board will deliberate and come up with an agreeable timeframe to present the information to the Board on an ongoing basis in the upcoming months.

Mr. Salazar informed the Board since Mr. Bellman former Assistant Commissioner has resigned Mr. Charland will be taking his place as Acting Assistant Commissioner.

Mr. Charland advised the Board that OCFR staff continues to work with colleagues at the Health Care Cost Review Commission on implementing the medical debt bill. The Commissions working group has drafted initial payment plan guidelines and will submit the proposed guidelines to the Commission for review. In addition, the Commission and OCFR have developed FAQs which will be finalized once the Commission approves the guidelines and developed relevant regulations. Once documents are ready for circulation OCFR will provide such to the Board for feedback. OCFR will continue to monitor this situation and advise the Board as OCFR finalizes some of the deliverables.

6.) CFPB & NACARA Update	
Mr. Charland	
Discussion	<p>Mr. Charland informed the Board it is their goal to create a more consistent coordination with the CFPB and a better opportunity for states both from an examination and investigation side to be able to regularly interact with them.</p> <p>In addition, he reminded the Board the NACARA conference is scheduled on October 12th - 14th 2022 and is taking place in Nashville, Tennessee. The speakers and details of the agenda are still being finalized and will be provided in the upcoming month.</p> <p>Mr. Salazar extended invitation to the Board members to attend the NACARA conference with the cost of travel covered by OCFR.</p> <p>Mr. Charland informed the Board CFPB announced last month that they are looking at discrimination as a UDAT in applying them across the board and put focus on lending activity and including collections. Businesses should review their processes and update their procedures to address this initiative.</p>
Adjournment	<p>Mr. Salazar concluded with miscellaneous comments and is asking for recommendations for candidates for the Boards vacant positions. He informed the Board of the next scheduled meeting on Tuesday May 10, 2022, which will take place virtually.</p> <p>On an unanimously approved motion, the meeting adjourned at 2:44 p.m.</p>

