

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

<b><u>Date: June 11, 2024</u></b>	2:00 p.m.	Maryland Dept. of Labor
Meeting called to order at 2:01 p.m. by	Antonio P. Salazar, Chairman	
Administrator	Kelly Mack	
Attendees	<p>Members: Tracy Rezvani, Shawn Kennedy, Sandra Holland and Eric Friedman</p> <p>Counsel: Kenneth Krach and Emily Hanson</p> <p>Staff: Cliff Charland, Amy Hennen, Shereefat Balogun, Kelly Mack, Dana Allen, Betty Yates, Arlene Williams, Heidi Boyd and Kat Hyland</p>	
Meeting Location	Google Meet	

<b>Acknowledgements</b>	
Mr. Salazar	
Discussion	<p>Upon request, Ms. Mack provided the following dates regarding June 11, 2024, meeting: notice was: (i) posted on the Dept. of Labor/Board website on May 17, 2024; and (ii) published in the Maryland Register on May 17, 2024. Further, the agenda for the June 11, 2024, meeting was posted on the Dept. of Labor/Board website on May 29, 2024.</p>

<b>Approval of Minutes</b>	
Mr. Salazar	
Discussion	<p>Mr. Salazar noted the Open Minutes from the April 29, 2024 (Emergency Meeting) were sent out to the Board on June 6, 2024. On Mr. Kennedy's motion, with a second from Ms. Albert, the Board unanimously approved the April 29, 2024 minutes.</p> <p>Mr. Salazar noted the minutes for the May 14, 2024, Board meeting had previously been circulated for review and asked for questions or comments. On Mr. Kennedy's motion, with a second from Ms. Rezvani, the Board unanimously approved the May 14, 2024 minutes.</p>

**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 has reviewed four pending applications, together with all supporting materials, and is satisfied that the applicant meets the requirements for licensure. Accordingly, Ms. Yates recommended that the Board grant a collection agency license to each of the following entities:

- 1. NMLS ID 1105528 Friendly Finance Corporation
- 2. NMLS ID 2600469 Speed Kingz Recovery, L.L.C.
- 3. NMLS ID 1439408 Middle Country Collection Services, Inc.
- 4. NMLS ID 2566265 Calhoun Properties Group, LLC

There are no collection agency licensees that surrendered in the past 30 days.

There is one Change in Control approval since the last Board meeting:

- 1. Petal Card, Inc (2295169)

As of 5/31/2024 the Maryland collection agency company count was 1,051 compared to 5/31/2023 when the count was 1,561.

Note, the May 31, 2023, license count included branch office licenses.

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

**2. Consumer Services Unit Report**

Ms. Mack

Ms. Mack advised the Board that the Consumer Services Unit circulated its current report for Fiscal Year 2024 showing that as of May 31, 2024, 141 complaints have been received, 48 are open and 93 were closed.

### 3. Debt Collection Trends Analysis Presentation Slides

Mr. Armbruster	
Discussion	<p>Pursuant to Ms. Rezvani’s and Mr. Kennedy’s prior request for more details on the types of collection agency issues and their volumes, Mr. Salazar arranged for a Debt Collection Service presentation at the June 11, 2024 meeting. Mr. Armbruster provided this presentation which specifically outlined data retrieved from FY 2023 and to date for 2024, also providing new items measuring a higher volume of complaints coming in for the CSU investigation. The presentation measured detailed numbers, geographical area concentration and specific categorization of reasoning, outcome and actions taken during investigation. Complaints received from the CFPB were also included in this measured data. Ms. Rezvani was interested in the complaints received in Howard County. Mr. Armbruster identified 21043 (Ellicott City area) as zip code generating the most complaints in Howard County.</p>

### 4. Enforcement Unit Report

Ms. Allen	
Discussion	<p>Ms. Allen advised the Board that there are five current/on-going collection agency cases in a pre-charge status.</p> <p>Mr. Salazar requested an update to the 2019 Midland Credit Management (MCM) Consent Order and Settlement Agreement for which Ms. Allen advised this matter is still proceeding. Additionally, during the meeting, a message from Ms. Hyland was provided updating this issue stating that MCM are on track to deliver their response to the Office’s data requests by June 21, 2024.</p>

### 5. Legislative Session

Ms. Hennen	
Discussion	<p>OFR is reviewing and considering several legislative proposals for the upcoming year. She advised the Board that there are still opportunities to raise other proposals and if any member had a suggestion, they should reach out to her directly for consideration. She also advised that the branch office license legislation proposed regulation will be published in the next few weeks. That proposed regulation relates to the branch office elimination rights and calculation of future assessments. Once issued she said that an email blast will also be sent out to the relevant parties.</p>

## 6. Federal Activities

Ms. Hanson/Mr.  
Charland

Discussion

**Medical Bill Implementation** - Ms. Hanson advised that OFR checked in with the cost review commission and advised that the regulations have not yet been approved, but they expect approval and that they should be published by the end of the summer.

**FTC**- Ms. Hanson mentioned the FTC Collection Protection call details and advised that Kelly Mack joined the call to promote attendance and provide agenda focus details on the upcoming NACARA Training and Conference.

She further explained there was another speaker Attorney from the FTC, Mr. Ashe, who provided information on a federal case involving a commercial transaction wherein the provisions of the Gramm-Leach-Bliley Act were used to pursue this collections case against RCG Advances. That entity collects merchant cash advances. The focus of this case was that they used false statements, egregious language, and threats of physical violence for which the FTC was unable to enforce due to commercial collection status.

**CFPB** – Mr. Charland advised the Board that the CFPB announced the final rule regarding the registry for non-bank repeat offenders. This registry is being set up for certain institutions who have been the subject of enforcements actions, government orders, cease and desist orders, etc. Entities will need to report this information publicly. They also issued a bulletin relating to deceptive practices regarding fine print for contracts that may have language inclusive of a fee where enforceable. Mr. Salazar commented that medical debt billing is far from perfect but emphasized the importance of making sure correct information is being reported.

## 7. NACARA Update

Ms. Mack	
Discussion	Ms. Mack reported that she participated as a guest speaker to the FTC quarterly Collection Protection Call last week to promote the NACARA Training and Conference scheduled for this Fall. She further explained that the conference will focus on extensive training (3-4 hours) in cybersecurity, inclusive of a tabletop exercise presentation from the CSBS. Other areas of focus will include updates from the FTC, CFPB, ACA, RMAI and the Student Loan Task Force.

Adjournment	<p>Mr. Salazar informed the Board that the next scheduled meeting will be held on Tuesday, July 9, 2024, and it will take place virtually via video conference call.</p> <p>On an unanimously approved motion, the meeting adjourned at 2:33 p.m.</p>
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