

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

<b><u>3.8.2021</u></b>	2:01 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	Devki Dave (attended via video conference call)	
Attendees	<p>Members: Susan Hayes and Eric Friedman (each attended via video conference call)</p> <p>Counsel-Sloane Kinsler, Esq. (attended via video conference call)</p> <p>Staff: Arlene Williams, Betty Yates, Jedd Bellman, Clifford Charland, Dana Allen, Kelly Mack, and Sean McEvoy (attended via conference call)</p>	
Acknowledgements	<p>Mr. Salazar acknowledged that the notice of the March 8<sup>th</sup> meeting was posted on the Board's website on March 3, 2021, and the Agenda was posted on the Dept. of Labor/Board's website on March 3, 2021. Mr. Salazar stated that the meeting notice for the March 8, 2021 meeting was published in the Maryland Register on February 26, 2021.</p>	
Approval of Minutes		
Mr. Salazar		

Discussion	After reviewing the minutes of the February 26, 2021 meeting, on a Friedman/Hayes motion, the Board unanimously approved the minutes.
<b>Recognition of Public Comments</b>	
Mr. Salazar	
Discussion	No members of the public were present.
<b>1.Non-Depository Licensing Expiration Update</b>	
Ms. Yates	
Discussion	<p>Ms. Yates presented the Non-Depository Licensing Unit report. Ms. Yates advised 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 the following entities: NDF1 LLC, Residential Credit &amp; Collections, LLC, Peak Management LLC, and Brown and Joseph, LLC (branch).</p> <p>On a Hayes/Friedman motion, which was unanimously approved, the Board voted to issue licenses to all recommended applicants.</p> <p>Ms. Yates reported that three collection agency licensees surrendered their licenses in the past 30 days: Sherman, Clay &amp; Co, Central Research Inc., and National Recoveries, Inc. Ms. Yates reported these surrenders were non-COVID related.</p> <p>Ms. Yates also informed the Board that there were eight change in control requests from the following entities: Bell and Williams Associates, Inc., Lakeland West Capital, LLC, Universal Fidelity LP, First Investors Servicing Corporation, Lentigriti, LLC, Afni, Inc., Revco Solutions, Inc., and Dignify Tech Inc.</p> <p>Ms. Yates also presented a snapshot of the current renewal licensing reports from 2020 and 2021 and the number of renewal licenses were 1,144 and 1,145, respectively.</p> <p>Ms. Hayes and Ms. Yates held a brief discussion regarding the closing of two collection agency branches in Maryland related to the companies’ headquarters closing in their home states. Mr. Salazar stated that because of COVID-19 pandemic there has been increase in the number of collection agency complaints.</p>

## 2.Consumer Services Unit Report

Ms. Mack	
Discussion	<p>Ms. Mack presented the Consumer Services Unit report. Ms. Mack advised that 75 total debt collection complaints were received so far in FY21 and 4 complaints are currently open (which includes some carried over from FY20). The Unit has closed 102 cases. Further, Ms. Mack compared complaints by fiscal year, noting a declining trend from 2013 through 2020 from 615, 504, 375, 261, 205, 181, 127 and 102 respectively but also noting that complaints are increasing by 24.5% in Fiscal Year 2021.</p> <p>Ms. Hayes discussed the consumer complaint numbers from the CFPB and stated that 60% of complaints from the CFPB reports were related to the consumer's credit report. Mr. McEvoy gave an overview of consumer complaints from the CFPB and discussed the various consumer complaint data reports with the board members. Mr. McEvoy stated that they ran reports related to consumer complaints for Maryland and found that from the period March 2020 to March 2021 there were 199 complaints in the first half of that period and 227 complaints in the second half of that period. Most of the consumer complaints were related to credit reporting agencies. Mr. McEvoy stated that when COVID-19 pandemic began, CFPB gave relief to consumers in many areas because of the CARES Act. Mr. Bellman also stated that consumers were protected in most states because pandemic related relief was provided to consumers and such relief put a hold on many issues. Mr. Salazar stated that it was his belief that many of the collection agency agencies operating in Maryland were very careful because they knew Maryland has more stringent consumer protection laws.</p>

## 3.Enforcement Unit Report

Ms. Allen	
Discussion	<p>Ms. Allen presented the Enforcement Unit report. She reported that there are eight collection agency cases in pre-charge status.</p>

#### 4. Legislative session

Mr. McEvoy

Mr. McEvoy advised the Board that the Office had three pending bills of interest to the board. The first bill is Senate Bill 206 regarding the extension of the State Collection Agency Licensing Board until 7/1/2022. Mr. McEvoy stated that we would like to submit a letter of testimony on behalf of the board members. Mr. Salazar stated that there is no need to sign the letter and it can be submitted with only the board members' names. The Board members approved the letter with Mr. Friedman explaining that his approval was subject to confirmation and that County management would approve of his signing of the letter.

Mr. McEvoy also discussed Senate Bill 251 which eliminates the requirement that certain non-depository financial institutions (collection agencies, credit services businesses, lenders, installment lenders, mortgage lenders, mortgage loan originators, sales finance companies, check cashing services, money transmission businesses, and debt management services businesses) obtain a paper license with the Office of the Commissioner of Financial Regulation (OCFR). Instead, affected licensees will obtain a single electronic license issued by the Nationwide Multistate Licensing System (NMLS). A licensee's NMLS number will serve as their license number, and no paper license will be issued.

Discussion

Mr. McEvoy also discussed House Bill 565 which requires State Circuit Courts and District Courts to collect a filing fee of \$30 from a collection agency attempting to collect on a claim for unpaid consumer debt and pay the fee into the Financial Capabilities and Legal Assistance Fund created by the bill. Collection agencies will be required to pay a \$30 fee for every action filed in court to collect an unpaid consumer debt and this additional filing fee may not be, directly or indirectly, passed on to consumers in any way. The proposed fund must be used only to provide funds to nonprofit entities that provide debt counseling services and related legal assistance to consumers. The Consumer Protection Division within the Office of the Attorney General (OAG) will administer the fund and adopt regulations to enforce the bill's provisions.

#### 5. NACARA Update

Mr. Bellman	
Discussion	Mr. Bellman provided the board with a NACARA meeting update regarding new membership requirements. There was a discussion between Mr. Bellman and the board members about new a NACARA on-line training program.

## 6. Maryland's Open Meeting Act

Ms. Hayes	
Discussion	<p>Ms. Hayes discussed about article about complaints skyrockets at Consumer Financial Protection Bureau. Ms. Hayes stated that there should be a board manual for the incoming new board members.</p> <p>Mr. Salazar discussed different options about such board manuals. Mr. Salazar stated that Ms. Dave and Mr. Charland will work on a new board manual before the next board meeting. Mr. Salazar stated his expectation that a new board manual would be very helpful and a resource for the existing and incoming board members.</p>

Adjournment	<p>Mr. Salazar announced that the next meeting would held be on April 12, 2021.</p> <p>On a Hayes/Friedman motion, which was unanimously approved, the meeting adjourned at 3:07 p.m.</p>
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