

# State Collection Agency Licensing Board

## Open Session Minutes

<b><u>3.9.2020</u></b>	2:05 p.m.	Maryland Dept. of Labor 500 N. Calvert Street Baltimore, MD 21201
Meeting called to order at 2:05 p.m. by	Antonio P. Salazar, Chairman	
Administrator	Devki Dave	
Attendees	<p>Members: Eric Friedman, Steve Hannan, Susan Hayes, and Joanne Young (attended via phone call)</p> <p>Staff: Jedd Bellman, Sean McEvoy, Betty Yates, Priscilla Wynn, Kelly Mack and Tom Koehler</p>	
Acknowledgements	Mr. Salazar acknowledged the meeting notice was published in the Maryland Register on February 28, 2020, and on the Board's website on February 12, 2020, and the Agenda was posted on the Dept. of Labor/Board's website on March 5, 2020.	
<b>Approval of Minutes</b>		
Mr. Salazar		
Discussion	After reviewing the minutes of the February 10, 2020 meeting, on a Hannan/Young motion, which was unanimously approved, the Board approved the minutes.	
<b>Recognition of Public Comments</b>		
Mr. Salazar		
Discussion	No members of the public were present.	

### 1. Maryland Collection Agency Icon - Mr. Leon Snyder

Ms. Mack	
Discussion	<p>Ms. Mack read a tribute to Mr.Snyder for his 24 years of service to the Maryland Collection Agency Licensing Board. In her message she recounted that Mr.Snyder was born and raised in Baltimore, Maryland, he received his graduate degree from University of Maryland and started his own collection agency business in Baltimore, Maryland. She recounted that Mr. Snyder later became a member of the Baltimore Collection Services and was also a past director of the Baltimore Association. Mr. Snyder served as a Chairman of the board for many years. Mr.Snyder passed away in November 25, 2019. Ms. Young mentioned that she joined Maryland State Collection Agency Board after Mr. Snyder left the board. Mr. Salazar also appreciated Mr. Snyder’s collection agency work for Marylanders.</p>

### 2. Consumer Services Unit Report

Ms. Mack	
Discussion	<p>Ms. Mack presented the Consumer Services Unit Complaint Report. Ms. Mack advised that the Unit had received 83 total complaints during the fiscal year-to-date, 22 of which are open and 80 of which are closed. Further, Ms. Mack compared complaints by fiscal year, noting a declining trend from 2013 through 2019 from 615, 504, 375, 261, 205 and 181, respectively, but an increase to 83 for fiscal year 2020.</p>

### 3. Non-Depository Licensing Unit Report

Ms. Yates	
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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 have satisfied the licensing qualifications. Ms. Yates proceeded to recommend that the Board issue collection agency licenses to the following entities: RGN Management LLC, Goldberg &amp; Donovan Inc., BWW Law Group, LLC, Dominion Management LLC, Motta &amp; Motta Real Estate LLC, Tidewater Property Management Inc., Alliance One Receivables Management, Inc. (branch), Financial Recovery Services, Inc. (branch), Upgrade Inc. (branch), WorldPay Company, LLC (previously licensed).</p> <p>On a Hayes/Young motion, which was unanimously approved, the Board voted to issue licenses to all recommended applicants.</p> <p>Ms. Yates also informed the Board that there were six change in control requests: Second Round Sub, LLC, Integral Recoveries, Inc, Nationwide Capital Services, LLC, Front Line Asset Strategies, LLC, ARstrat, LLC, and CMRE Financial Services, Inc.</p>
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4. Enforcement Unit report	
Mr. Koehler	
Discussion	Mr. Koehler presented the Enforcement Unit report in the absence of Ms. Allen. Mr.Koehler reported that there are 7 collection agency cases in pre-charge status.

5. Legislative Update	
Mr.McEvoy	

Discussion

Mr. McEvoy discussed six bills that might be of interest to the Board: SB155 - Consumer Protection-Mobile Home Purchasers (Departmental bill); HB855 - Money Transmissions (Departmental bill); SB262 - Maryland Collection Agency Licensing Act - Definitions and Legislative Intent; SB411-Business Regulations-Pawnbrokers-Interest Rate on Pawn Transactions; SB913 -Commercial Law-Merchant Cash Advance-Prohibition; and SB957 - Maryland Online Consumer Protection Act.

Mr. McEvoy advised that SB155 establishes a duty of good faith and fair dealing for mobile home retailers to ensure that Maryland’s consumers are protected from unfair and deceptive practices it requires retail sellers to provide certain disclosures, and it prevents steering by retail sellers.

Mr. McEvoy reported that HB855 updates Maryland’s money transmission law by specifically including crypto currency and prepaid cards in the definition of money transmission, and requiring licensees to file their reports through NMLS.

Mr. McEvoy reported that SB262 (OAG bill) is in response to the Sharma Court of Appeals decision. It amends the definition of “consumer claim” under the Maryland Collection Agency Licensing Act to include secondary market trusts. Mr. Salazar advised that bill did not have the votes to pass during this legislative session.

Mr. McEvoy reported that SB411 prohibits pawnbrokers from charging interest on so-called “pawn transactions “, as well as establishes maximum interest rates that pawnbrokers may charge for certain of those so-called “pawn transactions”.

Mr. McEvoy reported that SB913 defines “Merchant Cash Advance Transaction” as an arrangement between a buyer and a seller in which the buyer agrees to purchase an agreed-upon percentage of future credit/debit card receivables due the seller for a predetermined price.

Mr. McEvoy reported that SB957 is a comprehensive bill dealing with privacy of personal/sensitive consumer data or information.

## 6. CFPB Time Barred Debt Proposal

Mr. McEvoy

Discussion

Mr. McEvoy mentioned that on February 13th, 2020 the Consumer Financial Protection Bureau (CFPB) issued a supplemental notice of proposed rulemaking. Mr. McEvoy mentioned that on May 21, 2019, the CFPB published, in the Federal Register, a proposed rule that would amend Regulation F, which implements the Fair Debt Collection Practices Act (FDCPA) and governs the activities of Debt Collectors. Mr. McEvoy mentioned that SCALB was briefed on the original May 21, 2019 proposed rule at the September 12, 2019 meeting. Mr. McEvoy mentioned that this February 13<sup>th</sup>, 2020 amended the original notice by proposing to require debt collectors to make certain disclosures when collecting time-barred debts. Mr. McEvoy mentioned that the Bureau proposes to prohibit collectors from using non-litigation means to collect on time-barred debt unless collectors disclose to consumers during the initial contact and on any required validation notice that the debt is time-barred. Mr. McEvoy mentioned that Financial Regulation offered to provide copies of the supplemental notice to SCALB by email if board members wanted to read the proposal.

## 7. Medical Debt

Mr. Bellman

Discussion

Mr. Bellman reported on a NACARA conference held in Washington, DC last month. Mr. Bellman reported that at the conference he participated in roundtable discussions with other NACARA regulators and CFPB regulators discussing Medical debt. Mr. Bellman reported that a major issue discussed by the participants was that after hospitals process a patient's claims, there is very often no quality control check for determining the validity of claims that are later sought to be collected.

### 8. Andrews/Galen v.Mills Follow-up

Mr. Salazar	
Discussion	Mr. Salazar mentioned that he wanted to provide further information regarding Andrews/Galen v. Mills case and he mentioned that the Office of the Commissioner will provide further information on Andrews/Galen v.Mills case to all other law firms for the reference.

### 9. NACARA Annual Conference 10/5-10/7 in Nashville

Mr. Salazar	
Discussion	Mr. Salazar mentioned that the next NACARA annual conference will be held in Nashville, Tennessee from 10/5 - 10/7. Mr.Salazar mentioned that if any board members would like to attend NACARA conference, they should contact Mr. Salazar to permit staff to develop a travel budget.

### 10. Chairman's Statement

Mr. Salazar	
	Mr. Salazar provided the Chairman's statement. On a Hayes/Young motion the meeting was closed.

## 11.Re-Open Session

Mr. Bellman

Discussion

Mr. Bellman advised the Board that the licensing qualifications of RGN Management, LLC and Rudder Management, Inc. had been reviewed and staff had determined that both were qualified for licensing. On a Hayes/Young motion, which was unanimously approved, the Board voted to issue a license to RGN Management, LLC AND Rudder Management, Inc., as recommended by Ms. Yates.

Adjournment

Mr. Salazar announced that the next meeting would be by conference call on April 13, 2020.

On a Hannan/Young motion, which was unanimously approved, the meeting adjourned at 2:45 p.m.