

**ARKANSAS STATE BOARD OF COLLECTION AGENCIES
DEPARTMENT OF LABOR AND LICENSING**

Meeting Minutes – November 17, 2021

I. Call to Order

Mr. Guinn called the meeting to order at 1:02 PM.

II. Roll Call

Mr. Smith called the roll.

Present	Absent
Rusty Guinn, Chair *	<i>none</i>
Warner Smith, Secretary *	
Tyler Steele, Vice-Chair *	
Ed Vance	

Board staff in attendance: Boyd Maher, Executive Director
Rhonda Hetland, Licensing Manager
Lacie Kirchner, Assistant Attorney General *

Others in attendance: Bradley Dixon, Governor's Office

** Participated virtually via Teams videoconference.*

III. Approval of Minutes

Mr. Smith presented the minutes of the August 18, 2021 meeting. **Mr. Guinn** moved to adopt the minutes as presented. **Mr. Steele** seconded. The motion passed unanimously (4-0).

IV. Consent Agreement

A. Mr. Maher explained that case #2021-002, represented an agreed upon settlement between staff and a Georgia collection agency. The agency in question contacted an Arkansas consumer without having first obtained a license and had agreed to pay a \$50 fine to settle the case. **Mr. Guinn** moved to adopt the agreement as presented. **Mr. Smith** seconded. The motion passed unanimously (4-0).

V. Financial Reports

A. Mr. Maher reported that revenue for the first four months of this fiscal year was roughly level with same period from previous years. He explained that these months represent a slow time of year for revenue collection.

VI. Old Business / New Business

A. Mr. Maher reported there had been no new administrative variances granted or requested since the last meeting. He continued that he had participated in the North American Collection Agency Regulatory Association's (NACARA) virtual conference where he learned about new federal regulations affecting collection agencies. **Mr. Maher** summarized the new federal rule, Regulation F, as applying the requirements of the federal Fair Debt Collection Practices Act to modern communication technology like email and text messaging. **Mr. Vance** said the new federal rules will significantly change the way collection agencies do business, to the benefit of consumers.

Mr. Maher explained how he had also learned from the NACARA conference about the differences between consumer credit counseling organizations and debt settlement companies. He reported that some debt settlement companies have developed a reputation in the industry for inundating creditors and collection agencies with frivolous disputes. **Mr. Maher** reported that he had also spoken to the Arkansas Collectors Association, and its members had shared similar experiences. **Mr. Vance** noted that federal rules now allow collection agencies to ignore debt validation requests made in bad faith.

B. Mr. Maher reported that a legislative committee had approved the Board's proposed rule changes earlier in the day, and barring any unforeseen delays, the new rules should be effective by the end of the month. **Ms. Kirchner** noted that rules become effective 10 days after filing with the Secretary of State.

C. Mr. Maher reported that staff is now receiving license applications and collector registrations from the Enterprise Licensing and Permitting (ELP) system, the Board's new licensing and database platform. He continued that there were still some technical issues to work through, but functionality was expected to improve as staff continues to work with Information Network of Arkansas to improve the online application process. **Mr. Steele** expressed that constituent feedback over the coming months would be useful in further refining the product. **Mr. Smith** agreed that the spring renewal period would be likely to reveal more technical issues.

VII. Officers

Mr. Guinn opened the floor for officer nominations. **Mr. Smith** nominated Mr. Guinn to continue serving as chair. **Mr. Steele** seconded. The motion passed 3-0, with Mr. Guinn abstaining.

Mr. Steele nominated Mr. Vance to serve as Vice-Chair. **Mr. Smith** seconded. **Mr. Vance** declined nomination, and instead nominated Mr. Steele as Vice-Chair. **Mr. Smith** seconded. The motion passed 3-0, with Mr. Steele abstaining.

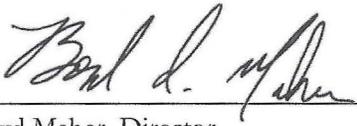
Mr. Vance nominated Mr. Smith to continue serving as secretary. **Mr. Steele** seconded. The motion passed 3-0, with Mr. Smith abstaining.

Mr. Maher reported that the Governor's office was aware of the Board's vacant position.

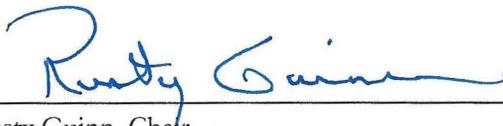
VII. Adjourn

Mr. Smith moved to adjourn. **Mr. Guinn** adjourned the meeting at 1:23 PM.

Mr. Maher announced the Board's next meeting would be in February. **Mr. Vance** and **Mr. Maher** wished everyone a happy holiday season.



Boyd Maher, Director



Rusty Guinn, Chair