

**Maryland Home Improvement Commission  
Public Business Meeting Minutes**

DATE: December 3, 2020

TIME: 10:00 a.m.

PLACE: Teleconference through Google Meet

MEMBERS PRESENT: Robert Altieri  
James Berndt  
Lawrence Helminiak  
Lauren Lake  
Wm. Bruce Quackenbush  
Michael Shilling  
Joseph Tunney, Chair  
I Jean White

MEMBERS ABSENT: Michael A. Newton

DEPARTMENT OF LABOR OFFICIALS AND  
STAFF PRESENT: David Finneran, Executive Director  
Deborah Irvin-Cromwell, Assistant Executive Director  
Lance Franklin, License Supervisor  
Kimberly Rosenthal, Administrative Officer  
Kenneth Sigman, Assistant Attorney General  
Tena A. Thomas, Panel Secretary

**Call to Order**

Chair Tunney called the meeting to order at 10:03 a.m.

**Approval of the October 1, 2020 Minutes**

Mr. Quackenbush made a motion to approve the minutes of the October 1, 2020 Commission meeting. Ms. Lake seconded the motion and all approved the minutes.

### **Guaranty Fund Activity Report**

The MHIC Guaranty Fund Activity Report dated November 30, 2020 is as follows:

Balance as of July 1, 2020	\$ 3,738,738.15
Receipts	\$ 426,835.30
Interest	-0-
<b>Disbursements</b>	
Claims	(\$377,735.30)
Refunds	(\$200.00)
Balance as of October 20, 2020	<u>\$3,787,638.15</u>
Reserve	
Anticipated Large Claims	\$ 800,000.00
FMIS Balance	\$3,703,713.15
Difference	\$ 83,925.00

Please note that the "Receipts" amount of \$426,835.30 include electronic licensing receipts of \$69,250.00 and Lockbox receipts of \$14,675.00 for the month of October that was not posted into FMIS until the month of November, 2020.

Mr. Finneran said that the MHIC Guaranty Fund remains healthy. Contractor E had a \$100,000 payout and the homeowner's received 50.99% of their Guaranty Fund award. The checks were already mailed out and the homeowners should have received them.

Mr. Finneran stated that there are no new contractors listed on the Pro-Rated Claims report. We still have seven contractors who will exceed \$100,000 payouts. Contractor G claims date has closed and no more claims will be accepted. All Claims for Contractor G needed to be submitted by November 20, 2020. There are eight total claims for Contractor G that have to be adjudicated before they can be paid out. There are no other Contractors on the report that is close to the 18 month expiration of the claims. One new claim came in for Contractor K which now total eight complaints. Contractor L is under emergency suspension and the contractor has appealed the suspension. The appeal hearing was scheduled for today. However, the appeal hearing was postponed because Contractor L is in negotiations with the Attorney General's office to settle all complaints that are against Contractor L. The Commission is going to allow Contractor L to attempt to get the claims settled.

Ms. White asked Mr. Finneran if the Commission had received any complaints against a contractor after a \$100,000 MHIC Guaranty Fund award payout. Mr. Finneran

said that the MHIC received one complaint against a contractor that the MHIC paid out \$100,000 in Guaranty Fund awards but that complaint was closed with no jurisdiction.

**Prorated Claims Report - MHIC Business Meeting  
December 3, 2020**

<b><u>Contractor</u></b>	<b><u>Suspended date</u></b>
<b>Contractor A</b> Payout completed on March 27, 2018	<b>June 9, 2015</b>
<b>Contractor B</b> Payout completed on December 6, 2018	<b>June 16, 2016</b>
<b>Contractor C</b> Payout completed on October 4, 2018	<b>February 1, 2017</b>
<b>Contractor D</b> Payout completed on January 1, 2019	<b>June 29, 2017</b>
<b>Contractor E</b> 24 – Complaints Claims date closed as of January 1, 2019	<b>June 29, 2017 (Emergency Suspended)</b> Latest complaint opened May, 2018
<b>Contractor F</b> Payout completed on September 3, 2019	<b>December 21, 2017</b>
<b>Contractor G</b> 9 – Complaints	<b>May 8, 2019 (voluntary termination)</b> Latest one opened May 20, 2019 Claims date to close November 20, 2020
<b>Contractor H</b> 7– Complaints 1-Criminal Complaint	<b>June 24, 2019 (Emergency Suspension)</b> Latest one opened October 29, 2019 Criminal Charges filed
<b>Contractor I</b> 6 – Complaints	<b>March 8, 2019 (license expired)</b> Latest one opened Sept. 16, 2020
<b>Contractor J</b> 18 – Complaints	<b>Dec. 16, 2019 (Emergency Suspension)</b> Latest complaint opened April 29, 2020
<b>Contractor K</b> 8 – Complaints	<b>Jan. 16, 2020 (show cause suspension)</b> Latest complaint opened Nov 13 2020
<b>Contractor L</b>	<b>March 12, 2020 (Emergency Suspension)</b>

9--Complaints

Emergency Suspension under Appeal

Contractor M  
11-Complaints

December 5, 2019 (Show Cause Suspension) Latest complaint opened May 29, 2020

**Review of Exam Results**

Below is the examination statistics summary for the month of October 2020 and November 2020

October 2020

<b>Home Improvement</b>	<b>Candidates Tested</b>	<b>Passed</b>	<b>Failed</b>	<b>Pass %</b>
Contractor	192	130	62	68%
Contractor Spanish	153	73	80	48%
Salesperson	76	53	23	70%
Salesperson Spanish	0	0	0	
<b>TOTAL</b>	<b>421</b>	<b>256</b>	<b>165</b>	<b>61%</b>

November 2020

Contractor	126	82	44	65%
Contractor Spanish	102	45	57	44%
Salesperson	34	23	11	68%
Salesperson Spanish	0	0	0	
<b>TOTAL</b>	<b>262</b>	<b>150</b>	<b>112</b>	<b>57%</b>

Mr. Finneran said that O & P sent out an MHIC Newsletter and that he drafted the leading paragraph of the newsletter. The newsletter went out to all the licensed contractors and sales people, MHIC staff and the Commissioners. On the recommendation of the Commissioners, the newsletter reinforced the reminder that MHIC licensed contractors are required to get their salespersons licensed. Anyone who negotiates or sells a home improvement contract for a company must hold an MHIC salesperson license. The Commission won't know how effective the newsletter was until salesperson candidates pass the exam and apply for an MHIC Salesperson license. He suggested that the Commission keep an eye on the number of salesperson tested number on the PSI Services report to see if that number trends upward. Mr. Tunney and Ms. White said that it was a very well done newsletter and that Mr. Finneran did a good job

on the topic. The newsletter also requested that all MHIC licensees submit any change of address or trade name promptly. Mr. Finneran would like to receive input on the upcoming newsletters from the Commissioners.

### Maryland Home Improvement Stats

<b>SEPTEMBER 2020</b>	
<b>LICENSING ACTIVITY</b>	
<b>Current Licenses Total</b>	<b>34,848</b>
<i>Contractor/Salesperson</i>	<b>18,251</b>
<i>Salesperson</i>	<b>3,074</b>
<i>Contractor/Salesperson (Corp/Part)</i>	<b>12,352</b>
<i>Applications Approved</i>	<b>119</b>
<b>COMPLAINTS RECEIVED</b>	
<b>Complaints Received</b>	<b>110</b>
<i>Licensed</i>	<b>64</b>
<i>Unlicensed</i>	<b>49</b>
Pending Show Cause Hearings	<b>55</b>
Waiting to be sent to OAH	<b>109</b>
Pending Hearing/Decision at OAH	<b>108</b>
Mediation	<b>32</b>
<b>CLAIMS</b>	
Total Open Complaints/Claims	<b>550</b>
New Claims Received	<b>18</b>

Mr. Finneran said that contractor applications during the pandemic have been processed with a slight delay but the pace of the review and approval process are returning to normal. With the spring market approaching, he anticipates that the applications received will be an increasing number.



<b>OCTOBER 2020</b>	
<b>LICENSING ACTIVITY</b>	
<b>Current Licenses Total</b>	<b>35,110</b>
<i>Contractor/Salesperson</i>	<b>18,384</b>
<i>Salesperson</i>	<b>3,073</b>
<i>Contractor/Salesperson (Corp/Part)</i>	<b>12,583</b>
<i>Applications Approved</i>	<b>133</b>
<b>COMPLAINTS RECEIVED</b>	
<b>Complaints Received</b>	<b>86</b>
<i>Licensed</i>	<b>51</b>
<i>Unlicensed</i>	<b>35</b>
Pending Show Cause Hearings	<b>48</b>
Waiting to be sent to OAH	<b>84</b>
Pending Hearing/Decision at OAH	<b>98</b>
Mediation	<b>31</b>
<b>CLAIMS</b>	
Total Open Complaints/Claims	<b>550</b>
New Claims Received	<b>21</b>

Ms. White asked why the category "Waiting to be sent to OAH" for September was 109 and in October the amount changed to 84. Ms. White noted that for several months the number was 109. Mr. Finneran let the Commissioners know that for 10 months, OAH was not accepting any MHIC cases due to a backlog. Mr. Finneran stated that the Attorney General's office interceded on the Commission's behalf and the Commission was able to send 25 cases to OAH after being informed how critical the situation was. The Commission is hoping that they can start sending new cases to OAH in January. OAH is currently conducting in person and virtual hearings.

Ms. White also asked if the 571 claims listed will all go to OAH. Mr. Finneran stated that all 571 claims will have to be heard at OAH before an Administrative Law Judge unless the cases are settled between the parties beforehand.

Ms. White stated that the Contractor's and homeowners are taking advantage of Mediation. Mr. Finneran agreed but notified the Commissioners that even Mediation is backed up at this time. The Pandemic has a lot to do with the backlog. Ms. White feels

it's going to be a long time for the homeowner and contractors to get some relief from the Pandemic and the backlog that it's causing.

Mr. Tunney asked if there are any alternatives that if it's agreeable with the homeowner and the contractor that a Commission Panel could hear the cases? Mr. Finneran stated that yes they could but the cases may be long and drawn out a few days. Mr. Sigman also stated that it would take up too much time of the Commissioners to even attempt to conduct more hearings. Mr. Sigman said that some of the cases could go on all day or at least several hours. Mr. Sigman feels things are starting to move faster with OAH and hopes that it continues.

Mr. Finneran asked if it would be a proper time to discuss the small claims cap which is currently at \$7500.00. The Cap was raised in the past from \$5000.00 to \$7500.00 and should the cap be raised again? Mr. Sigman stated that in this type of industry an increase to the cap may be justified. Mr. Sigman said that any change in the small claims cap would require a change in legislation which could not be done this year. Commissioners were in agreement and requested that Mr. Sigman pursue proposed legislation to increase the MHIC Guaranty Fund small claim cap to \$10,000.

### Mhic Citation Report

**There were no Citations for October 2020**

## **NOVEMBER 2020**

<i>Citation #</i>	<i>Total \$ Amount</i>	<i>Violations</i>	<i>Investigator</i>	<i>Due Date</i>	<i>Citation Date</i>
722	\$1,000.00	BB-1	R. Richburg	1/19/2021	11/20/2020
723	\$1,500.00	Y-01	R. Richburg	1/19/2021	11/20/2020

### Comments from the Chairman

Mr. Tunney would like for the next newsletter to mention to the Contractor's about Identify theft against them personally and their company. Due to Covid 19, there is lots of fraud with identity theft. Mr. Tunney suggested that the contractors obtain a free credit report on a regular basis.

**Mr. Tunney wished everyone a Merry Christmas and a Happy Holiday season.**

**Mr. Shilling asked Mr. Finneran what happens when a member of the public contacts the Commission asking for licensing and complaint history of a contractor. Mr. Finneran stated that before the former Commissioner Victoria Wilkens became Commissioner, MHIC restricted reporting only the last three fiscal years of closed complaints to anyone that inquired. The former Commissioner informed the MHIC staff that the MHIC may not withhold complaint information and must report all of the closed complaints. The complaint information available to the public is now limited to the number of complaints, the nature of the complaints, and the fiscal year the complaint was filed. Mr. Shilling feels that when a homeowner calls and finds out a Contractor has an open complaint, even if it's just one, that it scares them away. He feels it makes the homeowner not want to pursue a home improvement project with that Contractor. Mr. Shilling asked if a member of the public may request the licensing history of a contractor. Mr. Finneran said yes. Mr. Shilling asked if an MHIC staff member should give their opinion to a homeowner about a Contractor if a member of the public asks if they should hire that Contractor. Mr. Finneran said that a staff member should not at any time give their opinion, whether good or bad, about a Contractor. Mr. Finneran said that the only information that can be given to the public should include, the number of complaints, liability insurance information, address of the business and any business email address if available. Mr. Finneran will meet with the staff remind them to not include their opinion when relaying information about a Contractor. Mr. Finneran will also discuss it with the call center staff.**

### **Comments from the Executive Director**

**Mr. Finneran asked the Commissioners if there was anything else that they would like placed in the Newsletter. He mentioned that in the last newsletter, contractors were asked to update their addresses, business trade name, and personal information with the Commission. The Commission was flooded with emails for address changes and name changes. He said that Ms. Rosenthal processed more than fifty address changes etc. within two days of the newsletter going out. He asked for any other subjects or if they care to be a guest writer on the newsletter it would have to reviewed by the Secretary's Office before approval.**


**Ms. White asked that the Newsletter inform Contractors and remind them that home improvement contractors are required to put their license number in their advertisements and flyers. Mr. Tunney said that the license number should be displayed on all advertisements including newspapers, flyers, television, billboards, on their business trucks advertising the business name and websites. Mr. Finneran feels this is a great idea and he will include it in his next newsletter. Ms. White said it should be in every newsletter as a reminder to the Contractors.**



Mr. Finneran informed the Commissioners that he will be presenting at a Zoom meeting, in participation with the Maryland Insurance Administration, on December 8, 2020 at 1:00 pm. The outreach event is titled "Public Adjusters/Contractors-What you need to know before you sign on the dotted line". The Commissioners asked that Mr. Finneran to email them the flyer and the most recent newsletter.

**Adjournment**

The meeting was adjourned at 10:56 a.m.

  
\_\_\_\_\_  
Joseph Tunney, Chairman

  
\_\_\_\_\_  
David Finneran, Executive Director

RECEIVED  
FEB 08 2021