



SF 2922 / HF 4048

Clarifying Minnesota's Collection Agency Licensing Statute to Allow Employees To Work From Home

Over the past 2 years, countless Minnesotans have worked from home throughout the COVID pandemic, including third-party collection professionals. During this time, collection professionals have demonstrated they are able to perform their duties remotely in a safe and compliant manner under the oversight of their employers - licensed third-party collection agencies - and the Minnesota Department of Commerce.

Unlike other financial service employees, working from home has only been possible for collectors due to a waiver from the Department of Commerce during the COVID-19 Peacetime Emergency and passage of temporary legislation last session. The 2021 session law, which expires May 31, 2022, revised a unique requirement in the collector licensing statute – that third-party collection agencies secure a separate and expensive license for each location where an employee worked – to clarify that an agency license was not required for an employee's home. The original licensing structure made it financially prohibitive for collection agency employees to work from home and put these workers on unequal footing with other financial service employees, including individuals doing similar work for first-party creditors.

SF 2922/HF 4048 would remedy this disparate treatment by making permanent the allowance for third-party collection agency employees to work remotely. This bill allows collection agencies to continue offering their employees the option to work in their physical office, in their homes under secure conditions, or under a hybrid structure – whatever best fits their business and employee needs. Absent this permanent change, our employees will lose the valuable flexibility they have had for the past two years.

The language of SF 2922/HF 4048 was included in the 2021 Department of Commerce technical bill and the Department continues to support its passage. All laws and regulations, both state and federal, apply regardless of where an employee is conducting their work. Collection calls are monitored just as they are when made from the office, and the Department of Commerce retains its authority to oversee collection activity and enforce all laws covering the licensed agencies and registered collectors. The current work from home model is working – according to both Great Lakes Credit and Collection Association (GLCCA) members and the Department of Commerce, there has been no uptick in consumer complaints since remote work was permitted.

Given the ever-changing work environment and advances in technology, workplace flexibility has become a critical concern for both employers and employees. While we have hopefully seen the worst of the COVID-19 pandemic, it has confirmed the value placed on remote work by our workforce. Without this option, third-party collection agencies will be competitively disadvantaged when seeking new workers. Likewise, collection agency employees will be at a disadvantage compared to their peers in similar industries. This bill will eliminate those disadvantages.

To determine how workers themselves viewed the work from home experience, GLCCA members surveyed their employees and received overwhelmingly positive feedback. Here are a few examples (with more are attached):

- “On top of the safety benefits there has been other positive effects from working from home. I normally have an hour commute to work. The ability to work from home has saved me time, gas money, wear on my vehicle and has reduced my carbon footprint. It has also allowed me to be home to help/monitor my kids with their distance learning and has provided more family time in general. My actual job experience has also been a positive. The situation has also helped me to become more patient, improve my written communication and my problem-solving skills. If given the opportunity, I would like to continue to work from home as long as possible.”
- “I always have support from my Managers and IT, while at home, so that has been no different than being in the office. I honestly don't see even one reason why working from the office would be better for me than working from home.”
- “I also enjoy working from home. It is very quiet here so I am able to concentrate on my job more effectively. My coworkers and managers are easily reachable by email or phone so I never feel separated from my team. We have daily team conference calls also. My home is a stress-free environment. My desk overlooks a wooded back yard, the dogs lay by my feet, I can grab a cup of coffee, and I enjoy being in a familiar place that is comfortable. There is also something to say about not fighting traffic for half an hour each way to and from work. I really appreciate the extra 5 hours every week that not driving gives me to spend with my family.”

This bill will provide much-needed flexibility and timing is critical. The current allowance to permit remote work expires on May 31st. Collection agencies are therefore facing uncertainty and are being forced to prepare for the worst-case scenario, despite two years of proven success allowing remote work.

In short, unless SF 2922/HF 4048 is passed, all third-party collection employees will be forced to return to the office, regardless of whether it makes sense for their employer or their personal situations. Great Lakes Credit and Collection Association members respectfully ask the legislature to pass these bills quickly to avoid this unfortunate and negative impact.

Thank you.



Michael Klutho
Past-President, GLCCA

Minnesota collection agency employees' have been working from home over the past year due to the COVID-19 pandemic. A number of those workers submitted comments about their experience and how working from home has impacted their lives. Below is a sampling of comments.

"As a someone who acts as a personal care taker for my father, working from home has allowed me to continue to work from home during the pandemic. During the beginning of the pandemic before getting switched to remote I cried daily at work in fear of catching Covid and infecting my Father. Continuing to work from home has been a huge help to take care of my dad, because I am at home and can check on him a few times a day we did not need to hire a home health aide to come to the house once a day. When he had a medical emergency and I had to call 911, I was home to do that. Even on days that are good medical days, working from home gives peace of mind as we know someone will be home with my dad at all times."

"The flexibility is fantastic. No commute! Save an hour or more of my day in the car. Get to eat dinner with my family. I had worked remotely for 10+ years prior to joining the company so the adjustment was simple for me. My team has thrived in this environment and done all the company has asked of them. If they were to have to come back to the office I foresee turnover on my team. Which would be a negative to the company. In my interactions with others throughout the company this seems to be a common feeling. The preference is to continue to work from home. Now the work from home is the norm at the company that will be a continued expectation. Flipping the switch on something perceived as a benefit after a year will be a tough sell for many."

"On the work side, productivity has increased on my end. There is less running around, less interruptions day to day and more organization and I can get to more things and feel more accomplished and on pace getting work done. I am 100% secure and private and follow all our security protocols that I would at the office. We have someone at the office that handles paper and that means I don't have or need any paper copies at home for anything myself. Our AR's are the same, as we are able to access everything electronically and virtually. This has showed us how little paper waste we really need! But on a personal level, working from home removed and lifted a lot of my day to day anxiety. Because we've had more time at home (no commute or getting ready, etc.) and such I then have more personal time to work on my mental & emotional health. I can say I have more "me time", which waterfalls to my focus state of mind and to my family at home. We have actually been able to have family dinner by 6! When before we weren't having dinner until 8 because of when we got home and commute and picked up our dog from the shelter (some people drive an hour+ to and from work and still have childcare to deal with). Happy people & families = even better work quality."

"Working from home has been a "blessing in disguise" for me during COVID. I have a six year old son who has a rare genetic syndrome. He has a medical staff of over 25 doctors, specialists, and therapists that we see throughout the year. He also attends kindergarten class five days a week. By working from home, it allows me the flexibility to take him to his appointments, drop him off at therapy, attend conference calls with the state and county social staff, and pick him up from school abruptly, if needed. On top of having a special needs child, I also have medical appointments of my own due to being diagnosed with breast cancer two years ago and currently in remission. I have to see my oncologist and get medical injections every 12 weeks. Since I am an hourly employee, it has been a major stress reliever for me to not have to worry about making up my time. Working from home has given me the flexibility to continue to work a full 40-hour week and being able to attend to my child's and my medical needs. I am a better parent and a better employee because of it."

"I am of the opinion that working from home is not only beneficial to my employer through higher production in working hours, but also beneficial to our environment by putting less cars on the road, not only reducing our carbon footprint as a company, but also less wear and tear on the roads. My family really enjoys the additional time I get to spend with them every day."

"Working remote gave me the opportunity to keep my job during the pandemic, also, I was able to have the opportunity to get promoted to lead while working remote. Working remote was a big advantage for me, it allowed me to have my mom come and stay with me for a while, who has medical problems, as she had lost her caregiver for a few months. At that time, if I wasn't working remote and still working on site I would have had to take a few months off to take care of her. I feel the ability to work remotely is definitely something I would take advantage of and would allow anyone to work while they are dealing with family issues and be able to stay away from other co-workers if they aren't feeling well. This would allow everyone to be able to get a paycheck to pay their bills."

"Working from home has greatly improved my job satisfaction. I find my stress levels are much lower for not having to commute, rush in the morning & feeling comfortable/ relaxed in my work environment. I do not find my productivity has faltered- if anything I feel more motivated to achieve my tasks due to my company's faith in me. Should I have a question, my supervisor is very prompt at answering via email or Microsoft chat. I do not feel it is necessary to report to an office to perform my job. I would find it very disappointing if things went back to the way they were. I am very happy & grateful for the opportunity to work remotely. Thank you for your consideration."

"Working from home as a supervisor I feel has increased productivity on my team.

- I have found more ways to check work remotely. There are less interruptions. I can work nontraditional hours as long as I get the work done. I have the ability to come in occasionally which has been helpful.
- No commute means everyone is logged in and ready to work at their starting time. No traffic or weather delays. Virtually no requests to leave early due to bad weather.
- I receive feedback of employee satisfaction. Despite a lack of flexibility, my team needs to be available to cover phones 8:00 am – 4:30 pm, they are still happier that they save money due to not having to budget for lunch/snacks at work, not having to purchase work outfits, and reduced transportation costs.
- Better health. Staff is not calling in sick. Say they are healthier.
- Improved family life."

"I think working from home has been very important for many reasons. I have been able to have better focus and less distractions which has resulted in better productivity with my overall job performance. Better collections, better attendance and have not had any problems reaching another member of the company for help or communication issues. I also think it has been very important in an outside perspective as this allows more time for family and less travel time which allows me to work more hours b/c I get the cut out the 2 hours a day driving."

"The WFH has helped me tremendously in being a "mom" again to my kids. I have a long commute from my home (62 miles one way) and with working from home, I am able to effectively do my job with 40+ hours a week and still be here for my kids and be home to cook well balanced/healthy meals during the week, take them to appointments rather than have them call our neighbor, be here to cheer them on during their sporting events and not miss it! This has been HUGE for me and my family and really balanced family and work life. My stress has gone down so much because the time I can spend logging right into work and not dealing with traffic, getting up at 4:40a and getting up at 6a, which the full 8-9 hours of sleep has helped in the stress levels alone. I have been able to manage my team, the team has been just as productive, if not even more productive since we have been WFH. My team is happier

overall. I can see the stress levels have gone down immensely just in my reps. This is another benefit I see every day that is a plus for the company.”

“Working from home has been a big plus for me. I have been able to maintain my income during this time. As a single person my income is the only one paying the bills. I have a private office in my home where there are no distractions and can maintain the company policies and the privacy of the clients. I feel it is easier for me to work without outside distractions from normal workplace noise. I feel my production has increased and I have kept my stats above what is expected. Being an older employee in age (in my 60s) working from home would be a plus in considering how long I will continue to work before my decision to retire. Working from home has worked out very well for me, I have the ideal work situation at home and feel that I have helped the company in this uncertain time. My hope is that it can continue.”

“Working from home has allowed me to be a caregiver to my mother and father, who passed a few months ago. The time and money I would have normally spent in the office or commuting I was able to spend with them and provide care they would have struggled without. Work from home has also enabled me to address other tasks and appointments throughout the day I would not have normally been able to take advantage of or take time off of work to attend to. Also, I am way more focused at home and it’s a lot quieter so I am able to be more productive.”

“Working from home as a single mom with two younger kids in school has really helped me this past year. Having a more flexible schedule for them helps me put in more hours and work more efficiently than if I were driving into the office. Not as easy to drive 20 mins then leave and drive home 20 mins multiple times a day if need to. Also allows me to really help my 12-year-old more with schoolwork and fundamentals since he does have an IEP and reading disability. since covid happened my kids no longer have before/after school childcare there for if I returned to the office, they would be home alone for 9 hours a day essentially. My youngest is only 9 and that is way too young to stay home alone with a 12-year-old.”

“It is important for me to be able to work from home because my husband and I both have elderly parents that we help to take care of and need to be available at any given time.”

“My personal health is far better while working from home-even prior to Covid ,traveling to work and the physical environment caused me physical pain. I am far more productive and have had far better results than I ever have because of it. The same securities utilized in the workplace are utilized at home. With less commuters on the road, less emissions are good for the planet as well as saving the state tax dollars with less road repairs.”

“I find working from home more productive in my business life and personal life. It's a win-win. According to my manager I have a better performance than when I was working at the office. I have two kids and during my breaks I can still be father when I need to be. Not to mention the 45-minute drive to work saves me time. Being required to go back to the office not only would break my kids' heart but I would always know that there are better ways of doing business.”

“Since working from home I have found myself to be more productive with my collection efforts. I also do not have a car and have a 15 min walk to the bus stop and then 30 min commute on the bus. being able to work from home especially in the winter has been a blessing not having to walk and wait out in the cold for the bus.”

“Working from home helps me manage my own environment and control any potential distractions at a more effective rate. My productivity and focus towards my work has increased. The lack of commute has also decreased my carbon footprint.”

“It's been shown by us that working from home can be just as productive or even more productive than working in the office. Putting aside the major risks from Covid-19, which we all hope can be made a thing of the past sometime soon, working from home has allowed us all to be in an environment free of the loud distractions of a busy office and where we're all able to comfortably work as an office environment doesn't work for everybody.”

“Working from home has been an absolute game changer for me. One of the main positives is my production. Without any distraction I am able to focus directly on my work without the inner office chatting around me, and the urge to chat with others myself. Also to be able to be in my own environment makes it so much more comfortable. The other highs to working from home is saving on the long trips to and from the office daily, and having the ability to be home for my children while they have no other care while still being able to work.”

“The first thing I would like to express about working remotely is gratitude for the opportunity to continue working without interruption as many have been laid off, so I am thankful for this opportunity and the challenges that it presents! The growth and learning opportunities afforded by working from home are multifold and new ones present themselves almost daily as we are constantly challenged by needing to find new ways to do old things. That being said first and foremost I continue to become more and more flexible and more readily adapt to new challenges that require creative solutions. I am learning a new patience as the answers to my inside questions come more slowly and is no longer so simple as turning around and asking "hey Pete" etc. I must now clearly articulate my question in an email to the individual and also relate the level urgency of the question by using subject line indicators and wait for a response. I may have quite a few of these inside email questions which also presents an opportunity for increased and better organization. When I am called upon as a team lead to provide coaching or technical help I must not only have increased patience and flexibility but, in my communication, I must listen carefully and answer back verbally and or in writing via email in a way that is clear and understandable to the person I am helping and be effective in helping them achieve the training they need. All of the growth areas above, flexibility, patience, creativity, organization and communication also directly strengthen my abilities as a collector as these are the skills that often make the difference between a good call and a bad one.”