

# Utah! DIVISION of REAL ESTATE NEWS

*A publication for Utah's real estate,  
appraisal, and mortgage professionals.*

Jon M. Huntsman, Jr., Governor • Francine A. Giani, Executive Director • Derek B. Miller, Division Director

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## Introducing New Online Real Estate License Management System



The Division of Real Estate is pleased to announce the introduction of an innovative new online Real Estate License Management system (RELMS).

Principal Brokers, Branch Brokers and Principal Lending Managers were notified of this new licensing management system in mid September by way of an introductory letter.

This currently operational new system **will allow real estate and mortgage licensees** to personally:

- \* Update their mailing and physical address
- \* Change their license status (from active to inactive, or vice versa)
- \* Change their company affiliation (this requires online approval/ acknowledgement from the effected Broker's/PLM's)
- \* Manage company roster (for Brokers/PLM's)
- \* Order a duplicate license
- \* Easily view completed continuing education courses at any point in time during the two years of an individual's license
- \* View and order a license history
- \* Renew their license

The significant advantage of RELMS is that it allows licensees to personally monitor and change information regarding their license in a prompt and efficient manner. RELMS will replace the paper change card system we have used for many years. Rather than taking several days for a change card to be mailed to the Division followed by manual processing; **changes made by licensees using RELMS will be reflected in the Division's database (and website) the next business day.** Once you have created your own account you may begin utilizing the many features of the RELMS system. Change cards are now a thing of the past...

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## From the Director's Desk



**Derek B. Miller**

On October 25<sup>th</sup> Governor Huntsman and U.S. Attorney Brett Tolman held a joint press conference to announce the formation of the Utah Mortgage Fraud Task Force. The Task Force brings together local, state, and federal government agencies to target real estate and loan fraud schemes in Utah.

Mortgage fraud is on the rise across the county, as indicated by FBI reports of a 64 percent increase in cases over the past year. Unfortunately, our state is not immune from this problem. In fact, Utah is consistently ranked as a “hot spot” for mortgage fraud. A 2006 FBI Report ranks Utah as one of the top ten states for mortgage fraud. The 2007 Mortgage Asset Research Institute’s Ninth Periodic Report ranks Utah as fifth in the nation for mortgage fraud.

In the past, a checkerboard of jurisdictions and investigations between state and federal agencies has left gaps that have been exploited by those committing fraud. Differences between administrative action and criminal prosecution has allowed those who lose a professional license in one industry to simply move to another industry and continue committing the same type of fraud. This newly formed Task Force is made up of state and federal agencies, both administrative and criminal, and brings all the stakeholders to the same table where the problem of mortgage fraud can be addressed comprehensively - so that, as Governor Huntsman said at the press conference “no gap, no crack, and no hole exists where the scam artists can hide”.

In addition to the U.S. Attorney’s Office, members of the Task Force include the Utah Attorney General’s Office, the Utah Division of Real Estate, IRS, FBI, Department of Insurance, U.S. Postal Inspection Service, State Bureau of Investigation, US Department of Housing and Urban Development, the Social Security Administration, as well as local law enforcement and County Attorneys.

Members of the real estate, mortgage, and appraisal industries understand better than most how this fraud hurts our entire state: from the victims whose credit history and financial well-being are destroyed, to the communities whose neighborhoods are left with vacant and foreclosed homes; from the citizens paying higher property taxes because of artificially inflated home values, to lenders losing millions of dollars in unpaid fraudulent loans; from the homeowners paying higher interest rates on their mortgages, to those who cannot afford to purchase a home because of over-inflated housing prices. And, of course, the fraud hurts hard-working industry professionals who suffer from scam artists who jeopardize the integrity of their professions and the market.

Members of the real estate, mortgage, and appraisal industries also understand that this problem is not new. Over the past few years, State agencies and industry associations have worked closely with the Legislature to pass and enforce tougher laws to fight mortgage fraud. These laws are having their intended impact, as seen in a number of cases recently reported in the press. Additional actions, not reported in the media, have been taken BUT there is more that must be done.

I am confident the industry will come forward again this year with a mortgage fraud bill that will provide tough criminal penalties. It will be the capstone piece of legislation to a multi-year effort by the Utah Attorney General’s Office, the Division of Real Estate, and the real estate, mortgage and appraisal industries, and will provide valuable tools for the newly formed Mortgage Fraud Task Force.

I am also confident that with the right people and the right tools, working towards the same goal, we will continue to see the amount of mortgage fraud in our state decrease and industry members along with the public will be safer from the mortgage fraud scams that hurt us all.



## INSTRUCTOR DEVELOPMENT WORKSHOP

The 2007 Instructor Development Workshop (IDW) featured John Hamilton who provided very valuable instruction on various topics such as; taking your presentation to another level, course development, talk less teach more, and self evaluation for instructors. We appreciate John coming all this way and sharing his vast knowledge.

A special thanks to our facilitators Commissioner Maralee Jensen, Commissioner Kay Ashton, Board Member Ron Smith, Commissioner Lance Miller, Arnold Stringham, Marti Stringham, Tammy Lund, Linda Leavitt, Dave Luna, John Norman and Jack Marinello for making the annual IDW a huge success. Each of the facilitators led lively discussions on a variety of topics such as "How to Market Continuing Education", "Commissioner Discussion" and "Implementing New Education Rules".

This year's IDW was not only our best attended, but certainly one of our most successful. Thank you to those who attended this years IDW. We hope to see you next year.



### Save a Tree...

**Make double-sided  
copies whenever possible**



### Save a Tree...

**Reuse envelopes and make  
scratch pads from used paper**

**Utah!** DIVISION of REAL ESTATE  
**NEWS**

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# January 1, 2008 Deadline For Certified General Appraiser Applicants

Under Title XI, AQB criteria, and ASC Policy Statements there are two basic types of appraisal transactions: residential and non-residential (not residential and commercial). Except for certain transactions, Licensed and Certified Residential appraisers are limited to appraisals associated with residential transactions, while Certified General appraisers are authorized to appraise all residential and non-residential transactions. The Appraisal Subcommittee expects applicants for Licensed and Certified Residential credentials to demonstrate USPAP competency for residential transactions, and applicants for Certified General credentials to demonstrate USPAP competency for both residential and non-residential transactions.

Previously the Division received some Certified General applications where no residential experience points/hours were claimed. Beginning 1/1/08 all Certified General applications will be required to submit some residential experience on their experience log(s) to be reviewed and evaluated. The Division will select sample work from both residential as well as non-residential for work experience evaluation.



**Save a Tree... Only fax applications to the Division one time!**

## Licensee Statistics

*As of October 2007*

- REAL ESTATE

Sales Agents. . . . .	20,442
Principle Brokers. . . . .	2,603
Associate Brokers. . . . .	1,272
Branch Brokers. . . . .	240
Dual Brokers . . . . .	12
Property Management Brokers . . . . .	20
Real Estate Companies. . . . .	2,336
Pre-license Schools. . . . .	18
Pre-license Instructors. . . . .	69
CE Instructors . . . . .	549
CE Providers. . . . .	407
CE Courses. . . . .	888
Inactive Individuals . . . . .	4,415

- MORTGAGE

Mortgage Lending Officers. . . . .	8,242
Principal Lending Managers. . . . .	1,355
Associate Lending Managers. . . . .	214
Mortgage Companies. . . . .	1,470
Pre-license Schools. . . . .	20
Pre-license Instructors. . . . .	52
CE Providers. . . . .	93
CE Instructors. . . . .	170
CE Courses. . . . .	449
Inactive Individuals . . . . .	1,296
Inactive Entities. . . . .	511

- APPRAISERS

Certified General Appraisers. . . . .	385
Certified Residential Appraisers. . . . .	687
Licensed Appraisers. . . . .	230
Trainees. . . . .	524

## New Mortgage Commissioners



**Lance Miller**

"I am excited for the opportunity to serve on the Mortgage Commission. Mortgage licensees play an integral role in transactions which are typically financially significant and often emotional for the consumer. I look forward to working with the Division and licensees to further improve the mortgage industry in the state of Utah."

Commissioner Miller is a 14+ year veteran of the mortgage and real estate industries, he has held virtually every job available in the mortgage business including loan officer, senior underwriter, secondary marketing manager, and servicing manager. Lance is a licensed attorney, real estate broker, and principal lending manager. He graduated from the J. Reuben Clark Law School and received an MBA from the Marriott School of Management at Brigham Young University.



**Maralee Jensen**

"I have been active in The Utah Mortgage Lenders Association since 1989 and in 1998 was the Utah County Chapter President when we began to combine the Utah County and Salt Lake County Chapter's together forming one big UMLA. Many people were involved in the transformation and I gained a lot of respect for my fellow mortgage/banking competitors. Kay Ashton and Julie Mackay both played huge roles in keeping the ball rolling and making sure that UMLA succeeded to the level that it represents today."

Maralee served as a Commissioner for the Real Estate Commission for the State from 2002 to 2006 and says she enjoyed learning and understanding the other side of the table from the real estate agents view of a transaction. Maralee also served in many capacities as a processor, closer, underwriter, shipper and loan officer. That is where she got her training and realized her love for the mortgage industry.

Maralee says, the greatest gift that she has received from serving in various capacities has not only been the knowledge that she gained, but the friendships and respect that she has for the people that she has been fortunate to serve with and for.



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## New License Management System

To establish your own RELMS account complete the following steps:

1. Visit the Division's website at [www.realestate.utah.gov](http://www.realestate.utah.gov)
2. Click on "Online Real Estate License Management System".

Click on "Create New Account" and follow the online instructions. You will receive a confirmation/activation e-mail to activate your account.

**(PLEASE BE SURE THAT YOUR COMPUTER SPAM FILTER IS SET TO ENABLE YOUR COMPUTER TO RECEIVE THIS E-MAIL FROM [RELMS@UTAH.GOV](mailto:RELMS@UTAH.GOV))**

By now, Principal Brokers, Branch Brokers and Principal Lending Manager's should have each established their own individual RELMS account. This is critical for individual licensees to be able to fully utilize the capabilities of the RELMS system. Licensees will not be able to change company affiliation using RELMS unless their Principal, Branch Broker or Principal Lending Manager have activated their individual RELMS account.

All Division licensees (whether they be real estate, mortgage or appraisal) may utilize the features of RELMS however appraisers cannot change company affiliation (because they do not place their licenses with a broker or PLM), and currently appraisers may not renew online (although we anticipate this occurring sometime in early 2008).

The Division is discontinuing the use of, and no longer printing paper change cards. The change card that used to be on the Division website will soon be removed. All business activities that used to be conducted on a change card will now be performed by accessing your individual license account on the RELMS system.

## Important reminders:

### Status Change Requires Notification of Division.

A licensee must notify the Division within ten working days of any status change. Status changes are effective on the date the properly executed forms and appropriate non-refundable fees are received by the Division (R162.3.1).

**Voluntary Status Changes** are to be initiated by the licensee on the RELMS system. An e-mail will be sent to your existing broker or PLM to acknowledge this status change.

**Unavailability of Licensee or Involuntary Status Changes** may be initiated by a Principal Broker, Branch Broker or Principal Lending Manager by indicating the licensee, that is being involuntarily inactivated by marking the licensee and then the initiating party shall enter in the certified mail receipt number into RELMS.

**Thank you for your cooperation in the transition to this new and exciting system!**



**Save a Tree...**



## Use the RELMS System Available Online Services:

- Renew License
- Change Address
- Change License Status
- Change Affiliation
- Manage Company Roster
- Order Duplicate License
- View CE Courses Taken
- View and Order License History

## Licensing Actions and Disciplinary Sanctions



### APPRAISER

*Please note that there are 30 days after the order date for a licensee or an applicant to file a request for agency review of the order, and that there are 30 days after the issuance of an order on review for a licensee or an applicant to file a petition for judicial review. Some of the orders listed may be within those appeal periods.*

*No Disciplinary Actions  
administered for the quarter.*

### MORTGAGE



*Please note that there are 30 days after the order date for a licensee or an applicant to file a request for agency review of the order, and that there are 30 days after the issuance of an order on review for a licensee or an applicant to file a petition for judicial review. Some of the orders listed may be within those appeal periods.*

AUBUCHON, JANICE, Mortgage Officer, Washington, UT. Renewal application approved in an August 27, 2007 Order but then immediately suspended for 30 days. The license will then be removed from suspension and placed on probation for the remaining term of the license. Ms. Aubuchon failed to reveal a Class A Misdemeanor DUI conviction within 10 business days as required by Utah Code Section 61-2c-205(4)(a)(i). During the probationary period, Ms. Aubuchon is required to provide a copy of the order to any Principal Lending Manager with whom she affiliates.

BONDS, MICHAEL, Mortgage Officer, Costa Mesa, CA. Renewal application approved in an August 28, 2007 Order but then immediately placed on probation for the remaining term of the license. Mr. Bond's failed to reveal a DUI

conviction within 10 business days as required by Utah Code Section 61-2c-205(4)(a)(i). Mr. Bonds further failed to accurately respond to a screening question when he failed to report a DUI conviction within the past two years. During the probationary period, Mr. Bonds is required to provide a copy of the order to any Principal Lending Manager with whom he affiliates.

EVANS, BRIAN, Mortgage Officer Applicant, Sandy, UT. Application for Mortgage Officer license approved on probationary status for two years in a August 27, 2007 Order because of factors including Alcohol, Driving License Revocation and a conviction for battery. Mr. Evans is required to provide a copy of the Order to any Principal Lending Manager with whom he affiliates.

E-Z LOANS FINANCIAL.COM, aka E-Z LOANS, aka E-Z LOANS FINANCIAL, Anniston, Al. Order to Cease and Desist issued on August 1, 2007, from transacting the business of residential mortgage loans, or advertising or otherwise offering to engage in the business of residential mortgage loans in this State.

GOSS, JACOB, Mortgage Officer Applicant, Lehi, UT. Application for Mortgage Officer license approved in a September 14, 2007 Order, but then immediately suspended until Mr. Goss successfully completes his court-ordered probation from his January 23, 2007 conviction for attempted aggravated assault, and then his license will be placed on probation for the remaining term of the license.

GREAVES, GARY N., Mortgage Officer, Salt Lake City, UT. Agreed to pay a \$200 fine and complete a 2-hour ethics course in a September 5, 2007 Order for renewing his license and affirming that he completed 14 hours of qualified continuing education, including a minimum of 2 credit hours of ethics and a minimum of 3 credit hours related to compliance with Federal and State laws governing mortgage lending. Mr. Greaves completed 14 hours of continuing education, but those hours did not include 2 credit hours of ethics.

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HARRIS, DAVID, Mortgage Officer Applicant, St. George, UT. License for Mortgage Officer was approved on probationary status for two years in a September 14, 2007 Order because of factors including a misdemeanor conviction and the fact that his insurance license was on probation.

HARRIS, JEFFREY, Mortgage Officer Applicant, Aurora, CO. Application for Mortgage Officer license approved on probationary status for two years in an August 27, 2007 Order for having a business related judgment and entering a Stipulation and Consent Decree with the Colorado Department of Revenue concerning problems regarding misrepresentations Mr. Harris made with a tax service he operated. Mr. Harris is required to provide a copy of the Order to any Principal Lending Manager with whom he affiliates.

LEYBA, GILBERT, Mortgage Officer Applicant, West Jordan, UT. Application for Mortgage Officer license approved on probationary status for two years in a September 14, 2007 Order because of factors including his failure to disclose a past criminal conviction.

MILES, MASON, Mortgage Officer Applicant, Sandy, UT. Application for Mortgage Officer license was approved on probationary status for two years in a September 14, 2007 Order, but then immediately suspended for 30 days because of factors involved in multiple misdemeanor convictions.

MOLINA, CARLOS M., Mortgage Officer Applicant, Salt Lake City, UT. License for Mortgage Officer Applicant was denied in a September 14, 2007 Order due to factors including the applicant's admission to lying to the Division when he said the company's secretary had changed the company's name in the fall of 2002. He also admitted that he did not pay a \$1500 fine as a "protest" and that he intentionally did not renew his license and continued to work as a licensee. The applicant cannot apply for a Mortgage Officer License for a period of 24 months.

MORRIS, LOREN, Mortgage Officer Applicant, Draper, UT. Application for Mortgage Officer license approved on probationary status for two years in an August 27, 2007 Order for failing to disclose a misdemeanor conviction. Mr.

Morris is required to provide a copy of this Order to any Principal Lending Manager with whom he affiliates.

NEOFITOS, EFIGENIA, Mortgage Officer Applicant, Salt Lake City, UT. Application for Mortgage Officer license approved on probationary status for two years in an August 27, 2007 Order because of factors including entering a plea in abeyance to operating a vehicle without insurance, and being held in contempt by the Justice Court for failure to pay the fine. Ms. Neofitos must provide a copy of this Order to all Principal Lending Managers with whom she affiliates.

PURCELL, VAIOLETI, Mortgage Officer Applicant, Magna, UT. Application for Mortgage Officer license approved on probationary status for two years in an August 27, 2007 Order because of factors including a misdemeanor Assault as well as failing to report a Retail Theft conviction. Ms. Purcell is required to provide a copy of the Order to any Principal Lending Manager with whom she affiliates.

OLSEN, BRANDON, Mortgage Officer Applicant, West Jordan, UT. Application for Mortgage Officer license was approved on probationary status for two years in a September 14, 2007 Order, but then immediately suspended for one month because of factors involved in several prior misdemeanor convictions and/or his failure to disclose a misdemeanor conviction.

RANES, WHITNEY, Mortgage Officer Applicant, Salt Lake City, UT. License for Mortgage Officer license was approved on probationary status for two years in a September 14, 2007 Order because of factors including her failure to disclose a past criminal conviction.

ROGERS, CARL, Mortgage Officer Applicant, West Jordan, UT. License for Mortgage Officer Applicant was denied in a September 14, 2007 Order due to factors including multiple controlled substance convictions, an attempted tampering of evidence and a retail theft conviction; and his failure to disclose a misdemeanor conviction. Further, Mr. Rogers engaged in the practice of residential mortgage loans without applying to the Division for a license. Mr. Rogers cannot apply for a Mortgage Officer License for a period of 12 months.

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SARGENT, MITCHELL, Mortgage Officer Applicant, Sandy, UT. License for Mortgage Officer license was approved on probationary status for two years in an August 28, 2007 Order because of factors including four Alcohol Related convictions. Mr. Sargent is required to provide a copy to any Principal Lending Manager with whom he affiliates with.

THOMAS, DARIN, Mortgage Officer Applicant, North Salt Lake, UT. License for Mortgage Officer was approved in an August 27, 2007 Order but then immediately suspended for 30 days. The license will then be removed from suspension and placed on probation for the remaining term of the license. Mr. Thomas failed to reveal two misdemeanor convictions. During the probationary period, Mr. Thomas is required to provide a copy of the Order to any Principal Lending Manager with whom he affiliates.

TRUJILLO, SHAWN, Mortgage Officer Applicant, Taylorsville, UT. License for Mortgage Officer was approved on probationary status for two years in an August 27, 2007 Order for failing to disclose a misdemeanor conviction. Mr. Trujillo is required to provide a copy of the Order to any Principal Lending Manager with whom he affiliates

WOODMAN KURT MICHAEL, Mortgage Officer, Salt Lake City, UT. Agreed to surrender his mortgage officer license effective July 11, 2007 and that he would not reapply for a new license for at least two years for violating U.C.A. Section 61-2c-301(1)(l), which prohibits causing false documents to be generated to induce a lender to extend credit. Mr. Woodman rewrote a letter from a borrower's employer to state that the borrower had been employed a month longer than was actually the case, and signed the employer's name to the letter and submitted it to the loan underwriter to meet a loan condition. The loan file also contained a falsified pay stub and a backdated Verification of Employment.

## REAL ESTATE



*Please note that there are 30 days after the order date for a licensee or an applicant to file a request for agency review of the order, and that there are 30 days after the issuance of an order on review for a licensee or an applicant*

ANDERSON, ALAN, Sales Agent Applicant, Springville, UT. License for Sales Agent license was approved on probationary status for two years in a September 14, 2007 Order due to the applicant's failure to reveal a past criminal history resulting from a single incident.

CASTANEDA, MARIO, Sales agent, Midvale, UT. Agreed to have his license suspended for 60 days and that he would complete a trust account course for violating U.C.A. Section 61-2-11(16), which prohibits breaching a fiduciary duty to a principal in a transaction. Mr. Castaneda represented a buyer in a transaction and did not follow up on the transaction by either attempting to obtain an extension of the loan qualification deadline or making sure that the buyer knew how to obtain a loan denial letter and cancel the contract if he was not going to be able to qualify for the loan.

CHRISTENSEN, LYNN A., Associate Broker, Salt Lake City, UT. Agreed to pay a \$100.00 fine in an August 15, 2007 Order, for renewing his license and affirming that he had taken 12 hours of continuing education, including the Core Course. The Division's audit of Mr. Christensen's continuing education indicated that he had taken 9 hours of qualified continuing education in the past two years, and additional courses that he had taken from the Kenai, Alaska Association of Realtors on December 9, 2005 and January 20, 2006 that had not been approved by the Utah Division of Real Estate. Mr. Christensen subsequently applied to, and on April 26, 2007 received approval from the Division for Utah continuing education credit for the courses he had taken in Alaska.

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CURRIER, NATHAN, Sales Agent Applicant, Holladay, UT. License for Sales Agent license was denied in an September 14, 2007 Order due to factors including the revocation of the applicant's licenses to practice as a physician/surgeon and to administer and prescribe controlled substances. DOPL revoked Mr. Currier's medical licenses because he failed to comply with requirements of his probation. The applicant cannot apply for a sales agent license for 12 months.

GOODWIN, BENNY, Sales Agent, Salt Lake City, UT. License renewed in an August 27, 2007 Order, but immediately placed on probation for the remaining term of the license. This action was taken because Mr. Goodwin failed to notify the Division within ten business days of an Alcohol Related criminal conviction and for his failure to disclose the conviction on his license renewal form. During the probationary period, Mr. Goodwin is required to provide a copy of the Order to all Brokers with whom he affiliates.

GRIFFEE, MICHAEL, Sales Agent Applicant, Pleasant Grove, UT. Application for Sales Agent license granted in an August 27th Order, but then immediately suspended for 30 days. The license will then be removed from suspension and placed on probation for the remaining term of the license. Mr. Griffiee was convicted of several misdemeanor offenses. During the probationary period, Mr. Thomas is required to provide a copy of the Order to any Broker with whom he affiliates.

HANSON, JOSEPH, Sales Agent Applicant, Salt Lake City, UT. License for Sales Agent license was approved on probationary status for two years in an August 27, 2007 Order due to factors involved in entering a plea in abeyance charge. During the probationary period, Mr. Hanson is required to provide a copy of the Order to all Brokers with whom he affiliates.

JARED MACK AND/OR MACK 10 INVESTMENTS, Sandy, UT. Order to Cease and Desist on August 28, 2007, for engaging in the business of, acting in the capacity of, advertising or assuming to act as a real estate broker or real estate sales agent in this State.

JOHNSTON, JUSTIN D., Associate Broker, Cedar Hills, UT. Agreed to pay a \$300.00 civil penalty and to complete an additional 3 hours of continuing education for failing to comply with administrative rule R162-9.1.2.2, which states that a minimum of 6 hours of the 12 hours of continuing education required to renew a license must be live continuing education. Mr. Johnston completed 12 hours of continuing education prior to his license renewal, but only 3 hours were from live courses.

JUAREZ, CARLOS, Sales Agent Applicant, Salt Lake City, UT. License for Sales Agent license was approved on probationary status for two years in a September 14, 2007 Order due to the applicant's failure to reveal a past criminal history resulting from a single incident.

KAHN, JUSTIN, Sales Agent Application, Salt Lake City, UT. License for Sales Agent license was approved on probationary status for two years in a September 14, 2007 Order due to the applicant's failure to reveal a past criminal conviction.

LEGG, RICH H., Broker, Draper, UT. Agreed to pay a \$1,000 civil penalty and satisfactorily complete an ethics course for violating Utah Code Annotated Section 61-2-11 (16), which prohibits breaching a fiduciary duty owed to a principal in a real estate transaction, and a violation of Utah Code Annotated Section 61-2-11 (15) unprofessional conduct and in violation of Administrative Rule R162-6.1.8 to sign a document for a principal without a written power of attorney from the principal. Mr. Legg represented buyers in the purchase of a "fixer-upper." After closing, the buyers had a number of complaints about the condition of the home and claimed that Mr. Legg had not represented them properly in the transaction. Mr. Legg denies the allegations.

MARSH, LYNN J., Sales Agent, Salt Lake City, UT. Agreed to pay a \$500.00 fine in an August 15, 2007 Order for renewing his license and affirming that he had taken 12 hours of continuing education, including the Core Course. The Division's audit of Mr. Marsh's continuing education indicated that he had taken 10 hours of qualified continuing

education in the past two years, and claimed to have completed the Division's Core Course on-line in late November, 2006. Despite supplying proof of having logged on to an education provider's website and completing part of the Core Course, the licensee could not supply a course completion certificate for the course. The Core Course completed by the licensee in February, 2007 shall count retroactively toward his 2006 renewal and shall not count toward his continuing education requirement on his 2008 renewal.

MATHEWS, DON A., Sales Agent, South Jordan, UT. Agreed to the revocation of his license, not to apply for a new license for at least five years and to pay a \$10,000 civil penalty within 30 days after the date of the Order (September 19, 2007). Before the platted lots were recorded, Mr. Mathews represented to a buyer of what would later become Lot #1 that he and his company owned Lot #1 but neither Mathews nor his company owned the land at that time. Mr. Mathews prepared a REPC to purchase the lot from RDM. He included in the REPC that he and RDM received \$30,000 earnest money from the buyer when Mr. Mathews had not received any earnest money. The REPC prepared by Mr. Mathews was used by the buyer to obtain a loan based in part on the buyer having paid \$30,000 earnest money. After the buyer's loan involving the REPC was approved and settlement was held Mr. Mathews received \$223,853.71. He then used a portion of the loan proceeds he obtained to purchase the undeveloped land. The Order also cites Mathews for illegally paying an unlicensed real estate agent to bring him buyers for the remaining building lots. Mr. Mathews failed to inform his broker of any of the transactions involving the property that became known as the Chateau Flats Subdivision in South Jordan, UT. These acts constitute making a substantial misrepresentation, dishonest dealing, being unworthy to act as a sales agent in such a manner as to safeguard the interest of the public, and creating a false device and loan fraud.

MCDUGALL, ASHLEY, Sales Agent, North Salt Lake, UT. License renewed in an August 27, 2007 Order, but immediately placed on suspension for the first 60 days of the license and then placed on probation for the remaining term

of the license. These actions were taken because of factors including the failure to notify the Division within ten business days of Alcohol Related incidents resulting in criminal convictions, having his probation revoked and re-instated for 2 years and for pleading guilty to No Insurance. During the probationary period, Mr. McDougall is required to provide a copy of the Order to all Brokers with whom he affiliates.

MORGAN, DOUGLAS, Sales Agent, Orem, UT. In a September 14, 2007 Order Mr. Morgan's Real Estate license immediately suspended until he pays a \$1000 fine for violations R162-7.2 and R162-3.6.1.3, Utah Administrative Code dealing with failure to respond to a notice or complaint and application for a license after a license has expired for more than six months. Mr. Morgan is also required to complete an approved 2-hour class on ethics and a 3-hour class/classes on state and federal law. Mr. Morgan renewed his license and affirmed that he had completed the required 12 hours of continuing education, at least 6 hours of which were "live" education, and that he had completed the Core Course. The Division notified Mr. Morgan of a "Notice of Audit" on March 9, 2006. He failed to respond to the Division within 10 days and failed to respond to phone calls from the Division. Ultimately he provided proof of completion of 7 classroom hours of continuing education, but did not provide the balance of his certificates until March 21, 2007.

MORGAN, THOMAS LUKE, Associate Broker Applicant, Midvale, UT. License application for Associate Broker approved on probationary status until June 1, 2008 in an August 27, 2007 Order because of factors including pleas in abeyance to misdemeanor traffic offenses.

PRADO, JORGE, Sales Agent, Washington, UT. Agreed to pay a \$1,500.00 civil penalty and complete a trust account course for violating administrative rule R162-4.2.5, which provides that all consideration receipted by a licensee must have in fact been received by the licensee. Mr. Prado offered to purchase property for himself and receipted an earnest money deposit that he had not actually made. No funds were deposited after the seller's acceptance of the offer. Mr. Prado maintained in mitigation that the failure to write out an

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*continued from page 11*

earnest money check was an oversight and not an intentional failure to deposit the funds.

PAGE, STEPHEN, Sales Agent Application, Fairview, UT. Application for Sales Agent license was approved on probationary status for two years in a September 14, 2007 Order due to factors involved in a recent alcohol related misdemeanor conviction.

PHILLIPS, NATHAN, Sales Agent Application, St. George, UT. License for Sales Agent license was approved on probationary status for two years in an August 27, 2007 Order due to factors involved in entering a plea in abeyance to two charges. During the probationary period, Mr. Phillips is required to provide a copy of the Order to all Brokers with whom he affiliates.

RASMUSSEN, TIFFANY, Sales Agent Application, Roosevelt, UT. Application for Sales Agent license was approved on probationary status for two years in a September 14, 2007 Order because of a past misdemeanor conviction and the failure to disclose criminal history to the Division.

RENFRO, MARK L., Sales Agent, Salt Lake City, UT. Agreed that if he applies to renew his license in 2007, he will not be permitted to use any appraiser continuing education courses toward that renewal. On Mr. Renfro's 2005 license renewal, he counted continuing education courses that had not been approved for continuing education for Utah real estate licensees. He subsequently obtained approval from the Division of courses he had taken out of state and the credit from those courses was applied retroactively to his 2005 renewal.

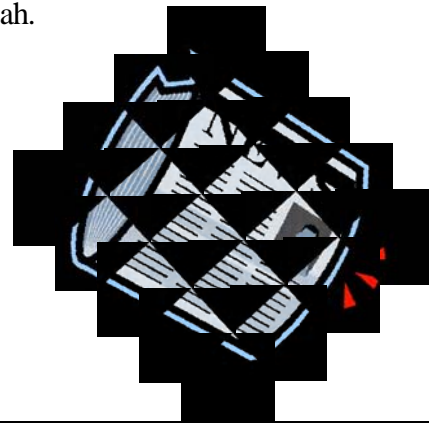
SEPULVEDA, KAM, Sales Agent Application, Salt Lake City, UT. License for Sales Agent license was approved on probationary status for two years in an September 14, 2007 Order due to factors involved in two felony drug related convictions. During the probationary period, Mr. Sepulveda is required to provide a copy of the Order to all Brokers with whom he affiliates.

SUBERVILLE, JESUS, Sales Agent Application, Salt Lake City, UT. License for Sales Agent license was approved on probationary status for two years in a September 14, 2007 Order due to the applicant's failure to reveal a past criminal history.

TERWILLIGER, JAMES, Sales Agent Application, Clearfield, UT. License for Sales Agent license was approved on probationary status for two years in a September 14, 2007 Order due to factors involved in a number of prior criminal convictions that occurred before the applicant reach 21 years of age and occurred over nine years ago. During the probationary period, Mr. Terwilliger is required to provide a copy of the Order to all Brokers with whom he affiliates.

VELASQUEZ, FERNANDO ALMA, Sales Agent, Salt Lake City, UT. Agreed to pay a \$1,500.00 civil penalty and complete a trust account course for violating administrative rule R162-4.2.5, which provides that all consideration received by a licensee must have in fact been received by the licensee. Mr. Velasquez received a \$1,500.00 earnest money deposit although the buyer did not give him any earnest money. The seller accepted the offer but no earnest money was thereafter deposited. When the buyer failed to close by the settlement deadline and the seller demanded the earnest money deposit, it was discovered that there was no earnest money on deposit.

WALBURGHER, ADAM, Sales Agent Application, Lehi, UT. Application for Sales Agent license approved on probationary status for two years in a September 14, 2007 Order because of factors including recently pleading guilty to the possession of an out of state hunting license while he was living in Utah.



WILKINSON, BRYSON, Sales Agent Application, Salt Lake City, UT. License for a Sales Agent was issued in an August 27, 2007 Order, but immediately placed on suspension for the first 30 days of the license and then placed on probation for the remaining term of the license. These actions were taken because of factors including two Alcohol Related incidents resulting in criminal convictions and for his conviction of providing False Information to Police. During the probationary period, Mr. Wilkinson is required to provide a copy of the Order to all Brokers with whom he affiliates.

ZIMMERMAN, KYLE Sales Agent, Lehi, UT. License renewed in an August 27, 2007 Order, but immediately placed on suspension for the first 30 days of the license and then placed on probation for the remaining term of the license. These actions taken because of factors including the failure to notify the Division within ten business days of alcohol related incidents resulting in criminal convictions. During the probationary period, Mr. Zimmerman is required to provide a copy of the Order to all Brokers with whom he affiliates.

**The following is a list of individuals whose real estate licenses were revoked for failure to accurately disclose their criminal background on their initial applications:**

<u>Name</u>	<u>Revocation Date</u>
CZYRAS, ANDREW	08/14/07



## **When does a Real Estate, Mortgage, or Appraiser licensee have to notify the Division of an address change?**

A licensee must notify the Division within TEN business days on any status change. Example: Any Change of name, business, home or mailing address, or brokerage or mortgage company name.



## **Save a Tree, Get an E-Newsletter**

**Would you prefer to receive  
an electronic newsletter?**

**Are you tired of getting multiple newsletters?**

If your answer is yes, please go to the Division's website at [www.realestate.utah.gov](http://www.realestate.utah.gov), click on newsletters and then select

“Subscribe to our electronic mailing list”.

Enter a valid email address, you will receive a verification email, then click on the link to confirm.

This will enable you to receive an electronic DRE newsletter in your inbox instead of mail box.

# In The News....



## TV sports anchor pleads guilty, will testify in fraud

By Sara Israelsen

Courtesy of the Deseret Morning News

Published: September 27, 2007

PROVO - A television sports anchor has pleaded guilty to communication fraud Tuesday and agreed to testify against others in what officials are calling a multimillion-dollar fraud and conspiracy ring.

Dave Fox, anchor/reporter for Channel 2 news, and Mark Atkin both pleaded guilty Tuesday in 4th District Court, signing a plea agreement in which they admitted that in April and January of 2006, the men signed loan papers to get homes that they said they would live in but never actually intended to.

The plan was to buy the homes and turn them around and sell them as quick investments.

The problem was Fox and Atkin allegedly applied for homeowner loans, which meant better interest rates and a quicker approval than an investment-type loan, which is what should have been obtained for the moneymaking venture.

The Utah County Attorney's Office filed charges Tuesday. The same day, Fox and Atkin pleaded guilty and were placed on 36 months of a plea in abeyance.

A plea in abeyance means that if the men don't violate any other laws and agree to pay their fees, the case will be dismissed after three years, according to court documents.

"Mr. Fox has taken what we feel is appropriate action for his responsibility in this, and we are perfectly satisfied with this resolution," said Mariane O'Bryant, deputy Utah County attorney.

If the men violate a clause of the plea in abeyance, they will be called back to court to face sentencing on the second-degree felony of communications fraud, which has the potential of 15 years in prison.

As part of the plea deal, Atkins and Fox also agreed to testify against other individuals involved much more deeply in the alleged housing conspiracy ring.

"This is one level of a multilayered criminal fraud involving millions of dollars," said Joe Christensen, director of the State Insurance Fraud Division, whose office has been investigating the case along with the Utah County Attorney's Office.

He said the ring - which allegedly involves real-estate appraisers, mortgage brokers, title insurance agents, investors and in some cases the homeowners - is working together to defraud mortgage companies out of millions of dollars by artificially and fraudulently inflating the values of the homes, then trying to sell them.

Fox and Atkin made factual misrepresentations on their loan applications and were not charged with anything to do with the actual home price inflation. Christensen said there is no indication that Fox and Atkin knew about the entire fraudulent scheme.

The County Attorney's Office is looking at filing charges within the next two weeks against two other individuals involved, but also to a lesser degree, O'Bryant said.

Even though Fox took responsibility, his attorney said he has also been victimized through the fraud.

"He purchased a home, which he's responsible to make all the payments for, and he got no money out of it," said attorney Jim Bradshaw. "There are people who did make money off of this transaction, but the one who was stuck with the loss was Dave Fox."

Only one week after the purchase of the home, Fox realized that the proposition wasn't exactly as it had been portrayed, Bradshaw said.

"I think he's taken full responsibility for what occurred, and the plea agreement fully encompasses that," he said.

Calls to Atkin's attorney were not immediately returned.

Tanya Vea, news director for KUTV 2News, said the station has placed Fox on administrative leave while they investigate the situation.

"We take it seriously, which is why we're taking the steps we're taking," Vea said.

Fox is also on the radio at 1320 KFAN, but attempts to reach the station for comment were unsuccessful.



## How to Submit a Complaint

The Utah Division of Real Estate has regulatory jurisdiction over appraisers, residential mortgage lenders, real estate brokers and agents; and salespeople for subdivisions, timeshares, and camp resorts. The Division's jurisdiction over mortgage lenders is limited to the origination of residential, retail, first mortgages. Banks, credit unions, loan-servicing, and second mortgages are regulated by the [Department of Financial Institutions](#).

The Division **does not** have jurisdiction over homeowner associations, providers of nightly lodging, landlord/tenant disputes, contract disputes, or monetary damages.

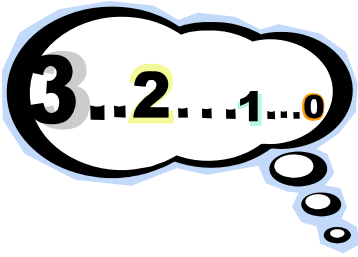
The Division uses complaints to regulate licensees, not to mediate or resolve professional or personal disputes. If you believe you have a legal claim for monetary damages, you should consult an attorney about pursuing a civil lawsuit.

If you have a complaint relating to the honesty and competency of one of the Division's licensees, please submit your complaint to the Division by fax, mail or in person. Please also submit all documentation that supports the complaint.



Where you end up isn't the most important thing. It's the road you take to get there. The road you take is what you'll look back on and call your life.  
- Tim Wiley





## -Final Countdown-

### One Month To Go Before New 2008 Appraisal Criteria

The long anticipated time has arrived. For over three years the Division has informed, notified and reminded you of significant changes to appraiser qualification criteria going into effect as of 1/1/08. How will these changes effect you? Are you ready? What are the consequences if you are not?

Effective January 1, 2008, the requirements an individual must meet in order to become a Licensed, or State Certified appraiser will significantly increase. The most significant changes in the new qualifying criteria relate to qualifying education. These changes are expressed as follows:

- 1) There are college level course requirements for the Certified Residential and Certified General classifications,
- 2) The number of classroom hours in qualifying education has increased significantly in all three licensure classifications, and;
- 3) There are minimum classroom hours of curriculum coverage requirements for specific topic areas, which are known as modules.

Another reminder of the significant educational changes that will soon be occurring is listed below:

It is important to recognize that not only is the overall number of qualifying education hours dramatically increasing, but potentially equally important is the understanding that the new requirements move appraiser qualifying criteria from essentially a “selection of elective courses” to a “mandatory education module curriculum.” In short, any appraiser who has taken appraiser qualifying education which exceeds that which they were required to receive for their current license credential (i.e. Licensed or Certified Residential), risk that the qualifying education that exceeds their current license or certification **will no longer qualify when/if the appraiser seeks to “upgrade” their current appraiser credential, under the new education qualifying criteria (after 1/1/08).**

After 1/1/08 all Qualifying education courses require AQB Course Approval Program (CAP) approval. Distance education courses taken for qualifying education require both CAP as well as International Distance Education Certification Center (IDECC) approval for the course design and delivery mechanism.

**Strong Reminder/Recommendation:** If you have given any thought to upgrading your license status within the next three years you would be well advised to complete any remaining qualifying education now (under the current qualification requirement) and submitting a “segmented” appraisal application prior to the end of this year. In this way you won’t “lose” qualifying education that you have taken (pre 2008) that exceeds your existing appraisal credential.



# IMPORTANT CHANGES TO APPRAISER QUALIFICATIONS

On February 20, 2004, the Appraiser Qualifications Board of The Appraisal Foundation adopted changes to the *Real Property Appraiser Qualification Criteria* that will become effective on January 1, 2008. These changes represent the minimum national requirements that each state must implement for individuals applying for a real estate appraiser license or certification as of January 1, 2008. The changes include increased required education, which is summarized as follows:

Category	Current Requirements <sup>1</sup>	1/1/08 Requirements <sup>1, 2</sup>	1/1/08 College-Level Course Requirements <sup>3</sup>
License	90 hours	150 hours	None
Certified Residential	120 hours	200 hours	<i>Associate degree or higher.</i> In lieu of the required degree, Twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Computer Science; and Business or Real Estate Law.
Certified General	180 hours	300 hours	<i>Bachelors degree or higher.</i> In lieu of the required degree Thirty (30) semester credit hours covering the following subject matter courses: English Composition; Micro Economics; Macro Economics; Finance; Algebra, Geometry or higher mathematics; Statistics; Computer Science; Business or Real Estate Law; and two (2) elective courses in accounting, geography, ag-economics, business management, or real estate.

<sup>1</sup> Required hours include completion of the 15-hour *National USPAP Course* (or its equivalent).

<sup>2</sup> Required hours include specific core curriculum courses and hours – please see the *Real Property Appraiser Qualification Criteria* for details.

<sup>3</sup> College-level courses and degrees must be obtained from an accredited college or university.

Please note that individual states may adopt requirements more stringent than the national requirements, and may opt to impose those requirements prior to January 1, 2008. Therefore, applicants for a real estate appraisal license or certification should always check with their state for individual requirements.

Copies of the *Real Property Appraiser Qualification Criteria* (contains the current and 2008 *Criteria*) as well as guidance such as *A Guide for Understanding the 2008 Criteria* are available from The Appraisal Foundation. To receive your complimentary copies, please visit [www.appraisalfoundation.org](http://www.appraisalfoundation.org). Questions regarding the national requirements can be directed to The Appraisal Foundation, 1155 15th Street, NW, Suite 1111, Washington, DC 20005; online at [www.appraisalfoundation.org](http://www.appraisalfoundation.org); or, via phone at 202.347.7722.

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## **-Final Countdown-**

Continuing Education requirements are not changing under the new criteria. The requirement of twenty eight classroom hours every licensing period (two years) remains unchanged. In addition, the requirement that individuals must successfully complete the 7-hour National USPAP Update Course every two calendar years as part of the overall twenty eight class hour requirement remains in effect.

The examination criteria for appraisal credentials is changing, however somewhat less dramatically than are the qualifying educational requirements. Commencing 1/1/08, the Appraisal Qualifications Board will offer new uniform state certification examinations to all states. All appraisal applicants (including "Segmented" appraisal applicants) who do not receive the credential they have applied for prior to the end of this year will be required to take and pass the new exam(s). More time will be required to complete the new exam(s). Accordingly the exam fee will increase from \$59 to \$75. We are advised that Licensed and Certified Residential exams will take up to six hours. Certified General exams will require up to eight hours, although the number of questions will not increase significantly over existing exams.

Individuals who take the exam shortly after the first of the year may not receive an immediate pass/fail result (while the national test developer determines a "cut score" for the exam). The delayed exam result could take up to six weeks.

The only significant change in experience requirements resulting from the new criteria deals with Registered Trainees. Currently either State Licensed or Certified appraisers may supervise any number of Registered Trainees. Effective January 1, 2008, only State Certified appraisers in good standing may supervise Registered Trainees. No more than three Registered Trainees may be supervised at any one time by a Certified appraiser. Registered Trainees who are currently being supervised by a Licensed Appraiser will need to discontinue any appraisal related work until such time as they are supervised by at least one Certified appraiser. Experience points earned after 1/1/08 by a Registered Trainee from a State Licensed supervisor will not count towards earning a credential and will potentially

subject both the Trainee and the Licensed Supervisor(s) to discipline by the Division.

To read The Real Property Appraiser Qualification Criteria prepared by The Appraiser Qualifications Board in its entirety please go to [www.appraisalfoundation.org](http://www.appraisalfoundation.org).

Then click on "Education/Qualifications". Then click on "08' Qualification Criteria Changes".

Many of you have taken previous directives seriously and the Division is currently reviewing and evaluating (with the help of a dedicated group of approximately twenty five volunteer experience review committee members), a large number of appraiser applications (both complete and segmented) that have been submitted. We are still confident that all "complete" applications submitted prior to September 1st, (that are not denied for deficiencies in either education and/or experience) will be evaluated and approved to take the state exam, prior to year end. Remember, once approved by the Division to take the state exam you have until the end of this year to pass the current test. If the exam is not passed in 07', passing the new exam will be required prior to licensing.

"Segmented" applications can be submitted up until the last business day of this year. They will be processed (with the help of another dedicated group of education review committee volunteers), and those with acceptable education will be granted approval for their education. These approved "segmented" appraisal applicants will then have three years from "segmented approval" (no later than 1/1/11) to complete the remaining portions of their appraisal application (i.e. experience, exam, and submission of completed application and final federal registry fee) in order to be licensed. Those "segmented" applicants who fail to complete the requirements within three years will be required to submit an entirely new application (including all fees, forms, etc.).

No "segmented" appraisal applications will be accepted after 1/1/08, only "complete" applications will be received for processing after that date.

Thank you for your rigorous efforts to complete licensing applications prior to the implementation of new requirements. We recognize that much sacrifice and dedication

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have gone into these preparations. As we now move forward, it is our belief that these new requirements will help to ensure that future appraisers will have the minimum qualifications necessary to meet the every changing challenges they are likely to face.

The appraisal industry is evolving into a much more sophisticated profession. Each of you should be proud of the license credential that you hold. □

## Appraiser Exam Notification

A reminder to all appraiser candidates who have been approved by the Division to sit for an appraiser exam; you have only two years to complete the exam after approval by the state.

R162-102.1.2.1 – Upon determining the candidate has completed the education and experience requirements, the Division will issue to the candidate a form permitting the candidate to register to sit for the examination. The permission to register to sit for the examination **shall be valid for 24-months after issuance...**

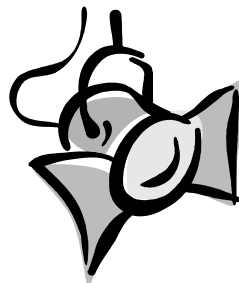
Most appraisal applicants are anxious to take and pass the exam after receiving approval to do so. However there are a few exceptions to this general standard. Some have career “distractions,” “exam phobia,” or have failed the exam on more than one occasion. Take note that the clock is “ticking” on the allowable time that you have to sit for the exam. Don’t let the clock “strike twelve” and find that you have neglected to complete the exam and licensing process. After the two year exam approval timeframe lapses, an applicant will need to re-apply (including all forms and fees) in order to reestablish their qualification for the credential sought. □

## Staff Spotlight

### Mortgage

#### Investigator

#### Marv Everett



Marv has worked for the Division of Real Estate for three years as a Mortgage Investigator. He has been in the mortgage industry for many years serving in many different capacities including teller, mortgage officer, loan originator, loan supervisor and construction loan administrator. In 1993 Marv moved to Arizona to work as a

financial planner and a personal banker in the financial industry.

He enjoys the many aspects of the investigation process. He is the puzzle master and likes the challenge in discovery of cases, sorting out and piecing the puzzle together. The one thing that keeps surprising him after three years at the DRE as an investigator are the people who are generally surprised to see someone from the DRE actually show up to offices for investigations.

If someone was to describe Marv in our office they would say he is easy going, funny and known as a “prankster”. He is always trying to get someone to fall for a hoax and then enjoys sitting back to watch it unravel. Marv has been happily married with four children for 24 years. On his off time Marv spends time with his family making home made ice cream (burnt almond fudge is actually his favorite) and watching old black and white movies.

Marv says the best parts of his job are assisting the licensee to understand the administrative rules and state statutes so they have a better knowledge of the industry they are in and protecting the public from people who get taken advantage of. □

**Department of Commerce  
Division of Real Estate  
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