

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber M. Wells Building
Second Floor - Room 210

9:00 A.M.

February 2, 2005

MINUTES

STAFF MEMBERS PRESENT

Dexter Bell, Division Director
Mark Fagergren, Education/Licensing Director
Jon Brown, Enforcement Director
Dee Johnson, Investigator
Shelley Wismer, Assistant Attorney General
Ron Kunzler, Assistant Attorney General
Brad Pyne, Investigator
Marv Everett, Investigator
Amanda Orme, Division Staff
Renda Christensen, Board Secretary

COMMISSION MEMBERS PRESENT

A. Thompson Calder, Chair
Pierre Alley, Vice Chair
Eva Rees, Commissioner
Julie McCan, Commissioner
Alan Bowyer, Commissioner

GUESTS

Russ Harris, Attorney for NovaStar Mortgage
Irene Kennedy, Stringham School
Brandy Overstreet
Marvin Curtis
Lance Miller
Shannon Taylor
Dave Luna
Al Bingham

The meeting on February 2, 2005 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Chair Tom Calder conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

The minutes from the January 5, 2005 meeting were approved as written.

DIVISION REPORTS

Enforcement Report – Jon Brown

Mr. Brown reported there were 24 written complaints in the month of January, 3 new cases opened for investigation, 6 files closed, leaving a total of 111 open case files.

Mr. Johnson reported that the investigators went out to companies checking for unlicensed or inactive individuals that were working. All of the investigators were out for several days covering the areas on the Wasatch Front. The investigators asked the company for a pipeline report to see who had been originating loans. The investigators will be covering the southern area of the state at the end of next month.

The investigations revealed a problem with branch offices not being registered. It was suggested that an article in the upcoming newsletter would help notify all companies and Control Persons. It was also suggested to include an article about no referral fees to lenders.

Director's Report – Dexter Bell

Director Bell said the legislature approved an increase in late fees (the fee for renewals within 30 days after the renewal date) to \$50.00. If an individual is in the 31 days to 6 month period, the reinstatement fee will be \$100.00.

The deadline requirements for PLM's will be pushed back to take affect in May of 2005, instead of January 1, 2005. The current law states that the control person is responsible for loan officers. There will be an article in the newsletter to remind licensees.

There was a 2004 year-end rush for new licensees to submit a completed application to the Division to avoid the 20 hours of pre-licensing education.

Director Bell stated there is some talk of sending regulation of contractors over to the Division of Real Estate. If this happens, the Division will need to gear up for the added 18,000 licensees. There was some speculation as to whether the title industry would also be sent to the Division. It looks as if they will remain with Insurance.

The Commerce Department has a hiring freeze in place, so it is preventing us

from hiring the licensing technician and one investigator that have been approved.

It was announced that BCI currently has a large backlog of fingerprint cards from numerous state agencies needing to be processed. They said it will be necessary for them to increase their staff to process all the cards.

The January statistics show there are approximately 6,300 individuals (or 53% of licensees) are inactive, and 46% that are active. Figures also show approximately 65% of renewing licensees did their renewal online in the month of January.

Director Bell mentioned the advertising rule for mortgage lenders. He referred to the October 29, 2004 and January 14, 2005 drafts. There was much discussion about the draft rules, and it was decided there should be a public input session to get further feedback.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren stated there have been many new items that have impacted the Division, primarily the licensing area. First was the exam (which didn't grandfather existing licensees), then pre-licensing education, online renewals, change cards, and coming soon will be the PLMs. He said the "wave effect" that has impacted licensing from the public trying to understand all of the new changes. There has been confusion as to all the new changes, so the staff is keeping busy trying to educate everyone.

There was a question from an attorney representing a mortgage company about possibly extending the deadline on taking the exam to allow his employees to still work until they have taken the exam. Ms. Wismer said that this deadline was well publicized and the statute does not allow the Division to grant any extensions.

Mr. Fagergren gave a brief description of the different types of education that are now in place. There is now 20 hours of pre-licensing education which must be taken by all new applicants. This does not effect the people that were inactivated because of not taking the exam by the end of the year. There will be 14 hours of CE, which includes 5 hours of mandatory courses and 9 elective courses, going into effect in January 2006. People that have failed to renew their licenses and haven't renewed within 30 days after expiration must now take 12 hours of penalty CE to reinstate the license.

Exam statistics for the month of January show there were 721 people who took

the test. The pass rate has been dropping because of the different test questions being added to the exam. Also, the pass rate for the Utah portion of the test has dropped.

Mr. Fagergren said there have been 3 education providers that provided a copy of their online distance education course. Two of these have been rejected, and one has been approved. It should be available by March 15, 2005.

INFORMAL HEARINGS

10:42 Scott Roestenburg – Post-Revocation Hearing
Robert J. Gunn, Attorney

11:17 Spencer Carver – Post-Revocation Hearing
Sydney Magid, Attorney

11:58 Ryan Mosher – Post-Revocation Hearing
J. Bradley Griffiths, Attorney

Executive Session was held from 12:45 p.m. to 1:10 p.m. This was a working lunch.

1:10 Trevor Stevens – License Application

1:45 Garth Davidson – License Application

2:15 Lance Petner – Post-Revocation Hearing

REVIEW LIST OF LESSER CRIMINAL CONVICTIONS

Fermanda Aced

James Askins

Robert Hart

Julie Holden

Deedra Johnson

Paul LaChance

Gary Matkin

Richard Pater

A motion was made and accepted to have a second Executive Session from 3:05 to 3:30 p.m.

EXECUTIVE SESSION

Results of Executive Session

Scott Roestenburg – Revocation was reversed.
Spencer Carver –Revocation was reversed.
Ryan Mosher – Denied, revocation was upheld.
Trevor Stevens – Approved on probation with control person notification
Garth Davidson – Approved
Lance Petner – Revocation was reversed.

Stipulations:

Robbi Billman – Approved
Luanna Armitage – Approved
Laurie May Ballard – Approved
Lindsey Sinclair – Approved

Lesser Criminal Convictions List:

Fermanda Aced – Approved
James Askins – Approved
Jason Gale – Approved
Robert Hart – Approved
Julie Holden – Schedule for hearing
Deedra Johnson – Approved
Paul LaChance – Approved
Gary Matkin – Approved
Richard Pater - Approved

A motion was accepted to adjourn at 3:45 p.m.