

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber M. Wells Building
Second Floor - Room 210

9:00 A.M.

August 3, 2005

AMENDED MINUTES

STAFF MEMBERS PRESENT

Dexter Bell, Division Director
Mark Fagergren, Education/Licensing Director
Jon Brown, Enforcement Director
Dee Johnson, Investigator
Jim Bolton, Investigator
Carlos Alamilla, Investigator
Shelley Wismer, Assistant Attorney General
Ron Kunzler, Assistant Attorney General
Renda Christensen, Board Secretary
Amanda Orme, Mortgage Education Secretary
Jody Colvin, Mortgage Licensing Technician

COMMISSION MEMBERS PRESENT

Pierre Alley, Vice Chair
Julie McCan, Commissioner
Alan Bowyer, Commissioner

GUESTS

David Luna	Luke Ericksen
John Norman	Lance Miller
Al Bingham	Irene Kennedy

The meeting on August 3, 2005 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Vice Chair Pierre Alley conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

The minutes from the July 6, 2005 meeting were approved as written.

DIVISION REPORTS

Enforcement Report – Dee Johnson

Mr. Johnson said in July the Division received 25 written complaints, opened 4 cases for investigation, 6 cases were closed, leaving a total of open cases at 120. The two new investigators recently added will help with the backlog of older cases. Mr. Brown said the Division got behind in January when the investigators went to the mortgage companies to see if licensees had taken the required test. They are still finding individuals that don't have licenses who are actively doing business.

Director's Report – Dexter Bell

Director Bell said there are two rules ready to be approved that have completed the public comment period. The first is R162-202, Initial Application. This rule is about people seeking licenses through reciprocity having to take the pre-licensing education, and this rule eliminates the requirement. Rule 162-208, Continuing Education, was amended to clarify having educators getting courses approved before they were taught. Director Bell asked Ms. Wismer to submit the notice of effective date today.

Director Bell said he is in favor of approving the \$2,100 grant from the education fund for Luke Ericksen's Master thesis at Utah State University. The thesis is on predatory lending and Mr. Ericksen gave a brief summary for the Commissioners benefit. He estimates the results from the summary will be available in February or March. A motion was made and unanimously approved to accept the proposed grant.

Commissioner Alley asked if proposed rules were needed in case something happened to a Principal Lending Manager, "PLM", such as being fired, or death. Ms. Wismer said it was statutory that if the PLM were to depart the company, they would be prohibited from doing any business until the PLM was replaced. Mr. Brown said it would be beneficial to check the rule where if the PLM were to go to another company, to whom do the applications belong. The question was also asked if two companies were to merge, until completed, what happens to the loans in process and how would the agents get paid. Mr. Brown said in real estate there is a rule saying if the loan is in process, the agent can continue to get paid.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren reminded the Commission that before the beginning of this year the Division didn't regulate CE classes, and didn't have any pre-licensing education. As of last month, there are now 80 CE courses approved and there are currently 14 schools approved.

As of January 1, 2006 there will be 14 hours of CE required, 5 of which will be required courses (3 hours on federal or state regulations, and 2 hours on ethics). The courses must be approved in advance, and the staff will have to track the CE to make sure the applicant meets all the requirements.

Commissioner Bowyer gave a summary of the proposed PLM education curriculum 40 hour outline. He said someone who has less than 3 years of lending experience (either registered or licensed), can't apply. Anyone with greater than 5 years of experience isn't required to take the pre-PLM licensing education. This leaves a window of people who have 3-5 years of experience who would need to take the class.

Test questions will be taken off the outline that has been handed out, and Commissioner Alley's committee will write the questions.

PUBLIC INPUT SESSION

Draft Rule R162-205-1, Residential Mortgage Unprofessional Conduct was presented last December for public input and had a large turnout. There have been considerable comments and recommendations, and in taking these in to consideration, another draft was created.

Those giving comments and/or recommendations were:

Scott Walters, Max Walters with Best Mortgage/Best USA Realty

Brian Boyle

Richard Grant

Chris Vantage, Vantage Lending

David Luna

Al Bingham

Joe Strongo

John Norman

The public input session ended at 11:00 a.m.

INFORMAL HEARINGS – CLOSED TO PUBLIC

11:15 Brian Hammad – Post-Revocation Hearing

11:30 Aviel Addrode-Miller – Post-Revocation Hearing
Requested to reschedule

REVIEW LIST OF CRIMINAL CONVICTIONS FOR CONCURRENCE

Thomas Anderson

Matthew R. Bayer
Michael Belnap
Damon Bocchino
Mohammad Elqanni
Shanelle Gailey
Jason P. Hall
Benjamin Green
Leslie Kerr
Mortgage Lenders Network USA Inc.
Origen Financial
Jay Orton
Pinnacle Financial LLC
John Seymour
Maria Soto
Paul Staley
Daniel J. Stevens
Lance Strosser
Dallas Utley
Lucius L. Valencia
Amber Vigil

12:00 Craig Casper – Post-Revocation Hearing
Arnold Swensen, Associated Mortgage Co.

1:00 Mike Tidwell – Post-Revocation Hearing
Requested to reschedule

Executive Session was held from 12:38 p.m. until 1:30 p.m. This was a working lunch.

1:34 Scott Mackay – Post-Revocation Hearing
Douglas Brewer, Attorney
Ross Holliday, Holmes Homes
Gloria Fillmon, CTX Mortgage, Chief Compliance Officer

2:18 Stanley Wulf – Post-Revocation Hearing

A second Executive Session was held from 2:42 p.m. until 3:00 p.m.

EXECUTIVE SESSION

Results of Executive Session

Brian Hammad – Revocation was upheld for 1 year

Aviel Androde-Miller – Allowed to reschedule
Craig Casper – Revocation was reversed
Mike Tidwell – Allowed to reschedule
Scott Mackay – Revocation was reversed
Stanley Wulf – Revocation was upheld for 1 year

A third Executive Session was held from 3:05 p.m. until 3:08 p.m.

List of Criminal Convictions for Concurrence

Thomas Anderson - Approved
Matthew R. Bayer - Approved
Michael Belnap - Approved
Damon Bocchino - Approved
Mohammad Elqanni - Approved
Shanelle Gailey - Approved
Jason P. Hall - Approved
Benjamin Green - Approved
Leslie Kerr - Approved
Mortgage Lenders Network USA Inc. – Schedule for hearing
Origen Financial - Approved
Jay Orton - Approved
Pinnacle Financial LLC – Schedule for hearing
John Seymour - Approved
Maria Soto - Approved
Paul Staley – Schedule for hearing
Daniel J. Stevens – Schedule for hearing
Lance Strosser - Approved
Dallas Utley - Approved
Lucius L. Valencia – Schedule for hearing
Amber Vigil – Schedule for hearing

OTHER BUSINESS

A motion was made and unanimously passed to take the proposed Curriculum Outline and create the questions for the PLM exam.

A motion was passed to adjourn at 3:12 p.m.