

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber M. Wells Building
Second Floor - Room 210

9:00 A.M.

June 7, 2006

MINUTES

STAFF MEMBERS PRESENT

Derek B. Miller, Division Director
Mark Fagergren, Education/Licensing Director
Jon R. Brown, Enforcement Director
Dee Johnson, Chief Investigator
Ron Kunzler, Assistant Attorney General
Shelley Wismer, Assistant Attorney General
Marvin Everett, Investigator
Jim Bolton, Investigator
Renda Christensen, Board Secretary
Amanda Orme, Mortgage Education Secretary
Jody Colvin, Licensing Supervisor

COMMISSION MEMBERS PRESENT

A. Thompson Calder, Chair
Pierre Alley, Vice Chair
Alan Bowyer, Chairman
Kay Ashton, Alternative Commissioner

GUESTS

Brant Hayward	Elizabeth Walther
Eva Rees	Michael Welker
John Norman	Ron Winterton
Holly Argyle	Ron Duyker
Paul Naylor	Al Bingham
Lance Miller	Howard Tolley

The meeting on June 7, 2006 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Chair Calder conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes - The minutes from the May 3, 2006 meeting were approved as written.

DIVISION REPORTS

Enforcement Report – Dee Johnson

Mr. Johnson reported in the month of May the Division received 33 written complaints, 10 complaints were screened (no cases opened), 6 new cases were opened for investigation, 7 cases were closed, leaving the number of open cases at 117.

The continuing education audits had 3 cases opened, 1 case closed, leaving 6 audit investigations open.

Director's Report – Derek B. Miller

Director Miller said the Division is planning the first meeting of the Mortgage Advertising Committee. Both Commissioner Bowyer and Alternative Commissioner Ashton were identified as two of the members. Other members are Tom Calder, representatives from UMLA and UAMB, and from the Division it will be Shelley Wismer, Dee Johnson, and Mark Fagergren. He has asked the UAR to submit someone who could serve on the committee. Ms. Christensen will coordinate scheduling the meeting and contacting the members.

The official MARI report has come out and it shows Utah has gone up from number 4 to number 2 in statistics for mortgage fraud. There is an acknowledgement in the report that the data is 2-5 years behind, which means a loan will not be reported fraudulent until it has gone through some servicing, foreclosure, investigation, and then actually reported. The report mentions serious early defaults are the lead indicator where loan fraud is headed. In 2001 Utah has been increasing in serious early defaults, and for 2005 Utah is not even on the top 10.

Director Miller reported approximately 600 mortgage companies have been inactivated or have chosen not to renew because of the PLM issue. The inactivated companies were mostly wholesalers who had a license, or sole practitioners. There were approximately 700-800 individual loan officers who have been inactivated because of the companies not having a PLM in place. Director Miller wanted to thank Ms. Orme and Ms. Colvin for their work on the PLM applications and answering the volume of questions.

Director Miller recognized Chair Calder for his work on the Mortgage Commission. Chair Calder has served 4 years on the Commission, and has been considered to be tough but fair on all matters coming before the Commission. The Division would like to thank Chair Calder for his work, and he will be missed.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren reported on the statistics from Promissor which cover the numbers of test takers for both the PLM and loan originator tests. In the month of May there were 592 test takers, with 263 taking the PLM test and 329 taking the loan originator test. For first time PLM test takers there was a pass rate of 44.6%, and for those who have retaken the test the number went up to 54%.

The year-to-date figures show the number of PLM test takers (1,714) versus the loan originator test takers (1,746) are almost even, with a total of 3,460 test takers. The overall pass rate for the PLM's were 62.78% for the year.

Mr. Fagergren brought up CE banking and the problems a provider has in being able to read the information on the rosters. The practice is to give out CE certificates as proof of taking the class until there has been a full 2-year cycle for CE banking. Some providers are not giving out the certificates and are not banking in a timely manner. Director Miller said a licensee can still renew on-line and enter in their own education. The Commission and the Division would like Ms. Wismer to write a draft rule saying the providers must bank the CE within 10 days.

OTHER BUSINESS

Ms. Wismer handed out a copy of the draft rule R162-209-1, Requests for Agency Action. This rule would change hearings from formal to informal so they would come before the Commission instead of going before an Administrative Law Judge.

INFORMAL HEARINGS

- 10:05 Blaine Saunders – Application for License
- 10:50 Antoine Sims – Application for License
- 11:33 Steven Coombs – Application for Renewal
Marlene Sanders, Underwriter, Utah Mortgage Loan Corp.
Todd Whittaker, PLM, Utah Mortgage Loan Corp.
William E. Strong, Witness
Paul L. Woolf, Witness
Marvin Everett, Investigator
Commissioner Bowyer has recused himself for this hearing.

An Executive Session was held from 1:20 p.m. to 2:05 p.m. This was a working lunch.

2:07 Gerald Weber – Application for License

EXECUTIVE SESSION

Results of Executive Session

Blaine Saunders – Denied, not to re-apply for 12 months.

Antoine Sims – Denied, not to re-apply for 12 months or off probation, which ever is longer.

Steven Coombs – Granted.

Gerald Weber – Allowed to reschedule in July.

A motion was passed to adjourn at 2:23 p.m.