

**UTAH RESIDENTIAL MORTGAGE REGULATORY  
COMMISSION MEETING**

Heber M. Wells Building  
Room 464  
9:00 A.M.  
July 12, 2006

**MINUTES**

**STAFF MEMBERS PRESENT**

Derek B. Miller, Division Director  
Jon R. Brown, Enforcement Director  
Dee Johnson, Chief Investigator  
Ron Kunzler, Assistant Attorney General  
Shelley Wismer, Assistant Attorney General  
Renda Christensen, Board Secretary  
Amanda Orme, Mortgage Education Secretary

**COMMISSION MEMBERS PRESENT**

Pierre Alley, Chair  
Alan Bowyer, Vice Chair  
Julie McCann, Commissioner  
Heather MacKenzie, Commissioner  
Rodney "Butch" Dailey, Commissioner  
Kay Ashton, Alternative Commissioner

**GUESTS**

John Norman	Kimberly Kay
Howard Tolley	Ron Winterton
David Luna	Lance Miller
Eva Rees	

The meeting on July 12, 2006 of the Utah Residential Mortgage Regulatory Commission began at 9:06 a.m. with Vice Chair Alley conducting.

A new Commissioner, Rodney "Butch" Dailey, was sworn in by Administrative Law Judge Masuada Medcalf. Director Miller briefly introduced Commissioner Dailey to the Commission and attending guests. Commissioner Dailey has been in the real estate industry for many years as a Principal Broker. He is also a long time member of the Salt Lake County Board of Realtors of which he has served as President, and has spent a number of volunteer hours as a member of the Utah Association of Realtors and has held the office of President.

Commissioner Dailey has also been named Realtor of the Year.

Elections were then held for a new Chair and Vice Chair. The new officers are Pierre Alley as Chair and Alan Bowyer as Vice Chair.

## **PLANNING AND ADMINISTRATIVE MATTERS**

Approval of Minutes - The minutes from the June 7, 2006 meeting were approved as written.

## **DIVISION REPORTS**

Director's Report – Derek B. Miller

Director Miller said the Division has identified the last group of mortgage companies who were operating without a Principal Lending Manager. There were approximately 200-250 companies who had been a pending status, which means the application was in the process of being completed. A letter was sent to these companies saying you have been "in process" long enough, you are now inactivated. As of today, all the currently active companies have a PLM in place.

Director Miller brought up a topic mentioned by the UMLA in reference to people who were working for exempt companies or depositories, and those working for a company licensed with the Division. The question raised was could someone work for both. What the statute says is you can not conduct the business of residential mortgage loans for both a licensed mortgage company and an exempt company which would mean anyone originating loans. Director Miller said an easy way to remember this statute is if you are originating for a depository, you can't have a license for originating with a mortgage company and vice versa. An example is if you are a receptionist for a licensed mortgage company you could also originate for a bank.

Mr. Norman asked if someone has a license to originate in California, but not in Utah, can they have a license with a California company and a license with a Utah company and work for two non-depository companies at the same time, but they are only doing covered functions in Utah with a Utah PLM, and not covered functions because it's not a Utah loan for another company outside of Utah? Director Miller said the Division's authority is only for Utah. The Division only gets involved when it's illegal activity.

Director Miller said the Mortgage Advertising Group met and they have a draft rule for the Commission to review. We will now go forward with the rulemaking process which will allow for a public comment period. Director Miller thanked all those who had served on the group.

### Enforcement Report – Dee Johnson

Mr. Johnson reported in the month of June the Division received 28 written complaints, screened 19 complaints (with no cases opened), opened 7 new cases for investigation, closed 5 cases, leaving the number of open case files at 119. Mr. Johnson said he has seen an increase in money being taken in by the loan officer and never giving the money to the PLM. The money just stays in the hands of the loan officer. He said two of our mortgage investigators are working on two very complicated cases, so currently it takes them out of process of working other cases.

The continuing education audits are stable. There were no open cases in the month of June, 2 cases closed, leaving the number of open cases at 4. Mr. Johnson is very pleased on the mortgage side of the CE audits.

### OTHER BUSINESS

Commissioner Dailey asked what could be done about getting information out on the process for filing complaints. He said the perception on the real estate side is that nothing ever gets done when they file a complaint. Director Miller said the number one thing, and the source of many people's frustration, is they misunderstand the process of filing a complaint. Typically, people think the Division will mediate or arbitrate with them to help solve their problem. The Division does not do that, and doesn't have the authority to act in that manner.

Filing a complaint gives the Division information to regulate the industry better. Commissioner Dailey said we need to better educate the real estate side of the industry.

Ms. Wismer briefly addressed the draft rule R162-3-5, Activation. The changes are on CE banking in stating what the disciplinary sanction would be for someone who fails to bank, or a student who fails to provide adequate licensing information. It will become effective after it has gone through the rulemaking process.

### **INFORMAL HEARINGS**

10:06 Gerald Scott Weaver – PLM Application

10:50 Christopher MacKintosh – Application for License

11:30 Willard Shane Nelson – Application for License

An Executive Session was held from 11:33 a.m. to 12:17 p.m.

## **EXECUTIVE SESSION**

### Results of Executive Session

Gerald Scott Weaver – Granted, immediately suspended until legal issues are resolved. After proof of being resolved, the license will be on a probationary status for the first term of the licensure.

Christopher MacKintosh – Granted on probation for the first term of the licensure.

Willard Shane Nelson – Allowed to reschedule at a later date.

A motion was passed to adjourn at 12:20 p.m.