

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber M. Wells Building
Room 210
9:00 A.M.
August 2, 2006

MINUTES

STAFF MEMBERS PRESENT

Derek B. Miller, Division Director
Mark Fagergren, Education/Licensing Director
Dee Johnson, Chief Investigator
Ron Kunzler, Assistant Attorney General
Shelley Wismer, Assistant Attorney General
Dave Mecham, Investigator
Amanda Orme, Mortgage Education Secretary
Jody Colvin, Licensing Supervisor
Celia Corey, Division Staff

COMMISSION MEMBERS PRESENT

Pierre Alley, Chair
Julie McCan, Commissioner
Heather MacKenzie, Commissioner
Rodney "Butch" Dailey, Commissioner

GUESTS

John Norman	Kimberly Kay
Howard Tolley	Michael Welker
David Luna	Lance Miller
Cate Burrows	Brant Hayward
Ron Duyker	Al Bingham

The meeting on August 2, 2006 of the Utah Residential Mortgage Regulatory Commission began at 9:11 a.m. with Chair Alley conducting.

Chair Alley said that Mr. Brown and Ms. Christensen will be excused from this meeting because of a death in the family. Mr. Johnson will be covering the report for Mr. Brown, and Ms. Corey will be covering for Ms. Christensen.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes - The minutes from the July 12, 2006 meeting were

approved as written.

DIVISION REPORTS

Director's Report – Derek B. Miller

Director Miller said the PLM status has moved from a licensing issue to an enforcement issue. As of July 2006, there are 974 mortgage entities, all of which have a Principal Lending Manager. In September 2005, there were 1,719 mortgage entities, or a little less than half of what we had last year. Many of the entities calling the Division are located out of state and were having problems finding someone to pass the PLM test. These entities no longer have an active license in our state.

The transition from licensing to enforcement issue has the investigators out visiting companies. The investigators are making sure that each company has a PLM in place. They are also checking those companies working without a PLM in place, to make sure they are out of business. About 90% of the companies of those companies being check, are actually closed down. He believes the Division needs the help of the industry to inform us of any companies who are practicing without a licensed PLM.

The public comment period for the advertising rule is scheduled to open around the middle of August. The comment period runs for 30 days. The website is rules.utah.gov and people can review the bulletins under the Division of Real Estate.

Enforcement Report – Dee Johnson

Mr. Johnson said unfortunately he doesn't have the figures of open and closed cases for this month. The enforcement secretary, Allyn Stutsman, has recently gone through knee surgery. The next meeting will have a two month report.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren said the staff in education and licensing have been actively working to get the companies in compliance. We have observed a few errors in the statistics, but those errors are not people practicing without a license. The errors are in our internal licensing data base. Each month when people are supposed to renew and haven't, Ms. Christensen will sever the relationship with the company. These people will become inactive because they haven't renewed their licenses. Our on-line renewal process will allow someone to renew their license within 30 days after expiration. There are a few people who show working without a license, but in reality, it is not the case.

The newsletter went to the post office on July 27th, and as of last night, Mr.

Fagergren still had not receive his copy. He is concerned on the length of time it takes to get mailed out.

The testing service who does testing for the Division has been purchased by a company called Pearson Vue. This company actually does testing for various professions across the country. This should be an advantage because it is their background, and they know more about the testing process and procedures.

On August 10th, Pearson Vue will be coming to Utah to meet with the PLM exam writing committee. Chair Alley is also the Chair of this committee. Pearson Vue has sent e-mails out asking for more questions on certain topics to strengthen those areas. Every question on the exam will be reviewed to make sure it is statistically valid.

Mr. Fagergren said he has frequently met with loan officers who have submitted their application to their PLM to associate with that company. They presume that they are working for this company, and print business cards and start working. All of a sudden, they have passed their ninetieth day since they took their test. The PLM then let's them go with no explanation. Not only does this string the person along, but now they have to re-take the exam. The person is responsible to make sure their application gets turned into the Division. It's not the company's license. This is starting to become a problem because it is being seen more often lately.

Mr. Fagergren tells people who fall in this category to file a complaint against the PLM and it will be turned over to enforcement to investigate. He said there will be an article in the next newsletter to caution PLM's and to forewarn new licensees.

INFORMAL HEARINGS

10:00 Garrett Law – Application for Reinstatement

10:30 Robert Malloy – Application for License

11:00 James Hall – Application for License

An Executive Session was held from 11:30 a.m. to 11:37 a.m.

EXECUTIVE SESSION

Results of Executive Session

Garrett Law – Reschedule for next month.

Robert Malloy – Allowed to withdraw his application.

James Hall – Denied.

A motion was passed to adjourn at 11:40 p.m.