

UTAH RESIDENTIAL MORTGAGE REGULATORY COMMISSION MEETING

Heber M. Wells Building

Room 210

9:00 A.M.

September 6, 2006

MINUTES

STAFF MEMBERS PRESENT

Derek B. Miller, Division Director
Mark Fagergren, Education/Licensing Director
Dee Johnson, Chief Investigator
Blaine Ferguson, Assistant Attorney General
Shelley Wismer, Assistant Attorney General
Renda Christensen, Board Secretary
Amanda Orme, Mortgage Education Secretary
Jody Colvin, Licensing Supervisor
Celia Corey, Division Staff

COMMISSION MEMBERS PRESENT

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

GUESTS

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| Dave Luna | Michael Welker |
| Kimberly Kay | Ron Duyker |
| John Norman | Lance Miller |
| Eva Rees | Paul Wilden |
| Einar Schow | Brant Hayward |

The meeting on September 6, 2006 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Chair Alley conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Chair Alley announced next months regularly scheduled meeting will not be on October 4th, but has been rescheduled for October 11th. The public session will be from 9:00 a.m. until approximately 9:30 a.m. because of a hearing.

Approval of Minutes - The minutes from the August 2, 2006 meeting were approved as written.

DIVISION REPORTS

Director's Report – Derek B. Miller

Director Miller said he and Mr. Johnson will be leaving shortly after today's meeting for St. George to speak at the Southern Utah Chapter of the UAMB. They will be sitting on a panel to discuss PLM and enforcement issues.

Director Miller said there are currently 5 investigators in the St. George area for the entire week. The Division has received many complaints from the St. George area, and it was felt the Division needed to follow up on this information.

Director Miller asked Ms. Wismer for an update on rules. Ms. Wismer said the proposed rule change on mortgage advertising is still in the public comment period. The earliest possible effective date would be September 22, 2006. She has received only one comment on that rule who said his concern regarding this proposed rule is that "it restricts mortgage brokers from doing what any other citizen may do even though they are not a licensed real estate agent, as long as they do not charge a fee. Under the proposed rule would it then be illegal for mortgage brokers to discuss with a neighbor the value of their home, or help a friend or family member negotiate a real estate transaction. Any other knowledgeable person would not be barred from doing these things. There are too many unintended consequences of the proposed rule."

Ms. Wismer believes the writer misunderstands what the impact of the rule would be because the rule would only prohibit people from either in the course of their practice as mortgage brokers doing things like negotiating the deal, or outside of their practice acting as a real estate agent as compensation. She does not see anything in the rule that would prohibit giving advice to their neighbor.

Director Miller said from time to time there are rules that need to be modified, revised or changed in some way. The current rule regarding certifying courses states in particular that course material must be turned in 60 days in advance prior to the course being taught or it won't be considered. He believes 60 days is too long and it's the Division's intention to modify that rule to 30 days.

Mr. Fagergren said the Division would consider a rule for a "one time" speaker fee. An example would be if there were a group of four on a panel and the meeting would be open to discussion on certain topics. There was also

discussion on approving a certain institutions to approve topics and then review them periodically to make sure they comply with directives. This would let them select course work within parameters which would take some of the load off of the Division. Mr. Fagergren said there are pros and cons to this method.

Enforcement Report – Dee Johnson

Mr. Johnson reported in August the Division received 30 written complaints, screened 18 complaints (no cases were opened), closed 6 cases, leaving the number of open case files at 110.

On the continuing education audit there was 1 case opened for investigation, none were closed, leaving the number of audit investigations at 4 cases.

Mr. Johnson mentioned the 5 investigators currently in the southern end of the state. The Division is looking at all three professions, appraiser, mortgage, and real estate. These investigators will be teaching classes at several places mainly to real estate licensees. What the investigators are seeing now are non-licensees getting our licensees in trouble. They will be trying to educate the licensees on what to stay away from, what to question, etc. The investigators will be doing some PLM audits in the Cedar City and St. George areas.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren mentioned last month there was a mortgage PLM exam meeting. Every question was reviewed and evaluated to see how it was performing. There were 138 questions on the general section and 200 on the state section reviewed in addition to new questions that were written. The test is challenging but fair.

Chair Alley said there were additions suggested to the PLM exam content outline. Under reverse mortgages some of the questions referred to reverse mortgages of the home equity conversion mortgage. This question needed to be clarified. Under the privacy policies there were several question on safeguarding rules and the Gramn-Leach Act that the exam committee would like to see added. A motion was made and approved to make these changes to the outline.

INFORMAL HEARINGS

9:52 Garrett Law – Application for Reinstatement
 This is a telephonic hearing.

Review of Stipulations

Eugene Emenogu

John C.M. Tay

10:12 Willard Shane Nelson – Application for License

An Executive Session was held from 11:25 a.m. to 12:00 p.m.

EXECUTIVE SESSION

Results of Executive Session

Garrett Law – Approved to reinstate license on probation for the first term of license. Must provide a copy of the order to his PLM.

Willard Shane Nelson – Denied. Must wait a minimum of 2 years before reapplying for license.

Results of Stipulations

Eugene Emenogu – Not accepted, recommends he make restitution for the outstanding payments for the complaining parties in addition to what was in the stipulation.

John C.M. Tay - Accepted

A motion was passed to adjourn at 12:03 p.m.