

UTAH RESIDENTIAL MORTGAGE REGULATORY COMMISSION MEETING

Heber M. Wells Building

Room 210

9:00 A.M.

March 7, 2007

MINUTES

STAFF MEMBERS PRESENT

Dee Johnson, Enforcement Director

Mark Fagergren, Education and Licensing Director

Dave Mecham, Chief Investigator

Shelley Wismer, Assistant Attorney General

Dan Lau, Assistant Attorney General

Renda Christensen, Board Secretary

Amanda Orme, Mortgage Education Coordinator

Jody Colvin, Division Staff

Kristin Fry, Division Staff

COMMISSION MEMBERS PRESENT

Pierre Alley, Chair

Alan Bowyer, Vice Chair

Julie McCan, Commissioner

Heather MacKenzie, Commissioner

Maralee Jensen, Alternate Commissioner

GUESTS

Paul Naylor

John Norman

Brant Hayward

Lance Miller

Tarl Booth

Michael Welker

Howard Tolley

Chad Ahearn

The meeting on March 7, 2007 of the Utah Residential Mortgage Regulatory Commission began at 9:03 a.m. with Chair Alley conducting.

Director Miller is attending a symposium in Washington, D.C. and will not be attending the meeting today. Mr. Fagergren will be filling in for Director Miller.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes - The minutes from the February 7, 2007 meeting were approved as written.

DIVISION REPORTS

Director's Report – Mark Fagergren

Mr. Fagergren announced that SB199 has passed and Director Miller wanted to thank members of the mortgage community, real estate industry, and the appraisal industry for their support. Mr. Fagergren said that Director Miller did a wonderful job in discussing the bill with legislators and industries. The bill seemed to go through smoothly with all the hard work from Director Miller and industry support. The main points of the bill are that the Division now has the ability to investigate and prosecute unlicensed activity, and to allow the Commission to issue fines equal to the amount of the violation of the fraud perpetrated. The Division is looking forward to the positive benefit as it relates to mortgage fraud.

Mr. Fagergren said the revised draft of R162-205-2, Residential Mortgage Standards and Practice, had some discussion last month. The rule is about having a copy of the licensee's license put in the loan application file along with a copy of the required written disclosure. A motion was made and passed to start the draft rule into the rule making process.

Ms. Wismer said there is a companion rule that was tabled last month, R162-204-1, Residential Mortgage Record Keeping Requirements. The change made since the last draft was the addition of a copy of the mortgage officer's license being kept in the loan file. Commissioner Dailey said there is a questions as to what constitutes loan denial. After discussion it was decided to add "Notice of Adverse Action" to the draft rule. A motion was made to accept the changes and start the draft rule into the rule making process. The motion passed unanimously.

Enforcement Report – Dee Johnson

Mr. Johnson announced that Dave Mecham is our new Chief Investigator for the Division. Today is the UAMB conference and Mr. Johnson will be leaving before the hearings begin to speak at the conference. Mr. Mecham will be covering the hearings for Mr. Johnson.

The continuing education audits for February show there was 1 new case opened for investigation, 5 cases closed, 1 Stipulation/Order signed by the Commission, leaving the number of audit investigation files at zero.

The investigative complaint numbers show there were 41 written complaints logged, 66 complaints screened (no cases opened), 3 new cases opened for investigation, 10 cases closed, leaving 104 open case files. There were 3

licensing/renewal hearings, and 1 Petition or Cease & Desist order issued. Chair Alley asked Mr. Johnson what he thought the numbers will look like as a result of the new rule going into effect. Mr. Johnson said he believes within the next 6 months to a year the numbers will be increasing by 10-25%.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren said the statistics are continuing to grow. The numbers for entities show the number at 855 which seems to be in error. After some checking the number should be 441. There was also an error on the MLAI numbers. The statistics show 263 dropping down to 66. The 263 number is incorrect and the actual number of MLAI licensees is 70.

The number of on-line renewals is 58% for last month. The Division is trying to get more licensees to use the on-line process for their renewals.

Mr. Fagergren discussed the pass rates and market shares for the schools. The chart showed the schools as A through K, the first number is the pass rate per school, and the second number is the school's share of the market place. The numbers are as follows:

A - 87% - 10%	G – 65% - 7%
B – 75% - 5%	H – 62% - 12%
C – 74% - 15%	I – 56% - 11%
D – 72% - 5%	J – 51% - 11%
E – 70% - 5%	K – 28% - 2%
F – 65% - 6%	

OTHER BUSINESS

Chair Alley announced that he would like some time at next month's meeting to discuss PLM and licensee compensation. He has invited the public to attend and share their comments.

INFORMAL HEARINGS – CLOSED TO PUBLIC

- 10:00 Matthew A. Loveless – Application for License
- 11:00 Robert Wilson – Application for License
- 12:00 Michael Falk – Application for Reinstatement of License
Clifford Lee
Michael Jones, Attorney
Vladimer Schwartsman, MD
Wendy Wangsgard

Ian Archibald
Steven Linck

OPEN TO PUBLIC

Training by Attorney General on Administrative/Hearing Procedures –
Blaine Ferguson, Assistant Attorney General

CLOSED TO PUBLIC

A motion was made to go into Executive Session from 1:35 p.m. to 2:50
p.m.

EXECUTIVE SESSION

Results of Executive Session

Matthew A. Loveless – Application was denied.

Robert Wilson – Application was granted on probation for the first term of
licensure.

Michael Falk – Application was granted and immediately suspended until he
is completely removed from criminal probation.

A motion was passed to adjourn at 2:53 p.m.