

**UTAH RESIDENTIAL MORTGAGE REGULATORY  
COMMISSION MEETING**

Heber M. Wells Building  
Second Floor Hearing Room

9:00 A.M.

July 11, 2007

**MINUTES**

**STAFF MEMBERS PRESENT**

Derek B. Miller, Division Director  
Mark Fagergren, Education and Licensing Director  
Dee Johnson, Enforcement Director  
Shelley Wismer, Assistant Attorney General  
Renda Christensen, Board Secretary  
Amanda Orme, Mortgage Education Coordinator  
Kristin Fry, Division Staff  
Elizabeth Beazley, Investigator  
Marv Everett, Investigator  
Kurtis Hughes, Investigator

**COMMISSION MEMBERS PRESENT**

Rodney "Butch" Dailey, Chair  
Maralee Jensen, Vice Chair  
Heather MacKenzie, Commissioner  
Lance Miller, Commissioner

**GUESTS**

Dave Luna	Ron Duyker
John Norman	Clark Curtis
Howard Tolley	Clair Smith
Jeremy Plouzek	Al Bingham
John Warrick	

The meeting on July 11, 2007 of the Utah Residential Mortgage Regulatory Commission began at 9:03 a.m. with Director Miller conducting.

The Oath of Office was administered by Administrative Law Judge Masuda Medcalf to Lance Miller, who is a new Commissioner, and Maralee Jensen, who has been appointed to serve as a Commissioner.

Director Miller introduced the two new commissioners. Lance Miller is the PLM of Freehomeloan.com and has been in the mortgage industry for a number of years. He is an education provider and the owner of Pradeo Institute, and has been instrumental in helping the Division in a number of changes to the real estate rules. Lance also is an inactive Principal Broker. He brings a wealth of experience in the job and the Division is welcome to have him answer the call of duty.

The Division has also asked Maralee Jensen to serve as a Commissioner. Maralee is the PLM for 1<sup>st</sup> Home Mortgage. Commissioner Julie McCan is out on maternity leave, and when she returns we will have a full Commission again.

Director Miller said he would be taking nominations for the Chair position. The new Chair is Rodney "Butch" Dailey. Director Miller then turned the elections over to Chair Dailey to hold nominations for Vice Chair. The new Vice Chair is Maralee Jensen.

## **PLANNING AND ADMINISTRATIVE MATTERS**

Approval of Minutes - The minutes from the June 6, 2007 will be reviewed at the next scheduled meeting.

## **DIVISION REPORTS**

Director's Report – Derek Miller

Director Miller said there were a number of comments from the public on a rule the Division is proposing. He met with Ms. Wismer yesterday and they both identified there is a minor change to the rule that deals with a reference that needs to be updated. The rule will not be made effective yet. The substance of the rule, which has to do with paying third-party providers, will be something that the Division will adopt, but we will need to take care of this technical matter first. All the comments that have been received have been positive.

The Division is nearing completion of a first draft of a PLM Supervision rule. Director Miller thanked the public who attended the last month's meeting. We received a lot of good input with regard to fighting mortgage fraud and also in educating our PLM's on what their duties are as it relates to supervision.

Director Miller met with the person who is putting together our public service announcements. They look great and are in the final editing stages. There are three spots and each of them targets a specific type of fraud. The person Director Miller was meeting with has just returned from Florida where on the front page of the Miami Herald was an article called "The Mortgage Trap." According to some rankings, Florida is ranked number one in mortgage fraud.

This article goes on for a number of pages talking about exactly what the types of things we are seeing in Utah as well: flaws in the system, appraisals, licensing, underwriting, etc. Yesterday, CNN announced the U.S. Attorney for the Southern District in Manhattan, has announced there were 20 indictments for mortgage fraud. Our Mortgage Fraud Task Force which includes the U.S. Attorney for the State of Utah is aggressively moving forward.

Director Miller said the Division continues to see on the Continuing Education audits failure to adhere to the continuing education requirements to renew their license on active status. About two years ago, the Commission basically set out some standards of what they would like to see as fines for failing to get all of your credit. The topic was discussed in a meeting yesterday and currently it is \$100 for every hour missed, so if a person had no hours in mortgage they could be fined \$1400. Director Miller believes that the fines need to be doubled. It is such a serious problem that he is concerned some people will read it in the newsletter and think, "Well, \$300 is worth a gamble, so I won't take the courses." He believes that for those who don't do any CE and just flat out lie, it would be appropriate to revoke those licenses. Comments from the Commission and public agree with this change, and believe it should be carried over to the real estate side. Director Miller said the Commission will be seeing Stipulations with higher fines for continuing education audits.

Director Miller said in the early to mid-Fall of this year, on-line renewal will become mandatory for both mortgage and real estate.

#### Enforcement Report – Dee Johnson

Mr. Johnson introduced the Division's two new investigators, Kurtis Hughes and Elizabeth Beazley. Mr. Hughes is a Principal Broker and has run his own company. He has had some experience in the title industry and we are excited to have him on board with the Division. His main assignment will be on the real estate side. Ms. Beazley works on our mortgage side. When we first interviewed Elizabeth we found she was currently doing what we needed, so we are very happy to have her with the Division.

The statistics report has been simplified, so it looks different from last month. In just the short time that we have hired Elizabeth, you will notice the total cases have dropped to 99 from the 108 in the previous month. In the month of June the Division received 25 complaints, screened 11 complaints, opened 1 case, closed 10 cases, leaving 99 open cases.

#### Education/Licensing Report – Mark Fagergren

Mr. Fagergren welcomed the new Commissioners. Both are well informed and respected in the industry.

In reporting the statistics for the month, Mr. Fagergren is pleased to see there are now 213 Associate Lending Managers in the event a PLM should leave the company. Having a little more cushion in the industry is a better situation so companies aren't scrambling.

The applications for Continuing Education now cover multiple professions. The Division must review each course to see if it is benefiting that particular profession before it is approved. Mr. Fagergren asked for comments from the Commission and the public on these two applications. Mr. Fagergren said there are approximately 300 courses that have been approved, and he appreciated the comments given today.

**CLOSED TO PUBLIC**

Review of Stipulation  
Kurt Michael Woodman

A motion was made to go into Executive Session from 10:15 a.m. to 10:23 a.m.

**INFORMAL HEARING – CLOSED TO PUBLIC**

10:50 Carl Rogers – License Application  
Christian Schwab

**CLOSED TO PUBLIC**

A motion was made to go into Executive Session from 11:59 a.m. to 12:19 p.m.

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