

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber M. Wells Building

Room 2B

9:00 A.M.

April 2, 2008

TELEPHONIC MEETING

MINUTES

STAFF MEMBERS PRESENT

Mark B. Steinagel, Division Director
Mark Fagergren, Education and Licensing Director
Dee Johnson, Enforcement Director
Renda Christensen, Board Secretary
Laurie Noda, Assistant Attorney General
Marv Everett, Investigator
Elizabeth Beazley, Investigator
Julie Price, Division Staff

COMMISSION MEMBERS PRESENT

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

GUESTS

Michael Welker	Don Downing
David Jensen	Kevin Swenson
Arnold Stringham	Keri Wright
Darryl Dobson	

The meeting on April 2, 2008 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Chair Dailey conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes - The minutes from the March 5, 2008 were approved as written.

DIVISION REPORTS

Director's Report – Mark B. Steinagel

Director Steinagel had a request from Chairman Lynn Christensen from the Appraiser Licensing and Certification Board to ask the Commission on their thoughts on the Fannie Mae New York Attorney General settlement. The settlement creates a Home Valuation Code of Conduct. The New York Attorney General's office sued Fannie Mae and Freddie Mac saying that because of their poor lending practices in valuation of properties they are liable for much of the problems in the market specifically with securitized mortgages. As part of the settlement Fannie Mae set up a Home Valuation Code of Conduct which has an impact on the mortgage and appraisal industries in that it prohibits mortgage brokers from selecting their own appraisers. It also prohibits lenders from using in-house appraisals or appraisal firms that are wholly or partially owned by them. One of the primary things it does is increase the independence of property valuations.

There are a number of people in the mortgage and appraisal industries who are nervous about the Home Valuation Code of Conduct. There is a 30-day comment period until the end of the month and Chair Christensen asked Director Steinagel if he would raise the issue. He encouraged those guests in attendance to submit their comments to Fannie Mae during this period.

There are two rules to be discussed today. Director Steinagel said there is a requirement under the Electronic Meetings Rule which says a public body may not hold an electronic meeting unless the public body has adopted a resolution, rule or ordinance governing the use of electronic meetings. A motion for Director Steinagel to draft a rule for the electronic meetings was passed unanimously.

The second rule is in regard to CE banking. Because of the 10-day allowance for the course providers to bank CE hours there is often a challenge in the Division where people are taking their CE on the last few days of the month and then the CE isn't banked in time for renewal. The challenge is whether the person is expired or not and the validity of the CE. Mr. Fagergren said up until now the burden has been on the provider to get the hours banked within 10 days. The Division is suggesting that in order to account for this lag period of time an individual would need to complete their CE no later than 15 days before their license expiration date. This will help to tighten up the security to ensure that only courses that have been legitimately approved and banked go towards the renewal of a license. This would require a one-line change in the current rule. The change would be under R162-207-2.3, Renewal Process, "all active licensees are required to have completed their continuing education requirement prior to applying to renew." What the Division would like to add would be "prior to applying to renew by the 15th of the month prior to their

license expiration.”

After some discussion, a motion was made to have the Division to modify the proposed rule so it would be the 15th of each month. The motion passed unanimously.

Director Steinagel said yesterday he received notice from HUD that it has come out with its long waited proposal to change the 30 year old RESPA regulations. The intent is to simplify and improve mortgage settlement disclosures under RESPA. The rule is in a public comment period if anyone wanted to submit a comment.

Effective May 6, 2008 the Commission has the authority to increase the pre-licensing education to 90 hours. Director Steinagel suggested the Commission choose where they wanted to go with increasing hours. The Division will wait for the Commission’s decision.

Enforcement Report – Dee Johnson

Mr. Johnson said next month there will be two enforcement reports for the months of March and April. There are two stipulations that will come before the Commission today. Both licensees were given the option to appear and answer any questions, but both have chosen not to appear.

Review of Proposed Stipulation:

Kelly Hatch

Education/Licensing Report – Mark Fagergren

Mr. Fagergren said the counties in which the Division’s Caravan 2008 will be covering were sent announcements covering the event. There will be 8 different locations this year instead of the 6 covered last year.

The newsletter should be received within the first week in April. The newsletter has an article about the “bypass provision” which would allow agents the ability to add their own CE courses. This will be eliminated on July 1st. The article will say all of the required CE needs to be banked in their accounts before they can renew their license.

CLOSED TO PUBLIC

A motion was made to go into Executive Session from 10:00 a.m. to 10:11 a.m.

OPEN TO PUBLIC

Review of Proposed Stipulation:
Barry Gates

CLOSED TO PUBLIC

A motion was made to go into Executive Session from 10:15 a.m. to 10:20 a.m.

There was a motion passed to allow Director Steinagel to sign the Stipulations on behalf of the Commission.

Results of Executive Session

Stipulations:

Kelly Hatch - Approved

Barry Gates - Approved

A motion was passed to adjourn at 10:21 a.m.