

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber M. Wells Building

Room 2B

9:00 a.m.

June 4, 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

Traci Gundersen, Assistant Attorney General

Marv Everett, Investigator

Amanda Orme, Mortgage Education Coordinator

COMMISSION MEMBERS PRESENT

Rodney "Butch" Dailey, Chair

Maralee Jensen, Vice Chair

Lance Miller, Commissioner

Heather MacKenzie, Commissioner

GUESTS

Michael Welker

Darryl Dobson

Kevin Swenson

Paul Naylor

John Norman

Dave Luna

Paul Duyker

The meeting on June 4, 2008 of the Utah Residential Mortgage Regulatory Commission began at 9:02 a.m. with Chair Dailey conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes - The minutes from the May 7, 2008 were approved as written.

DIVISION REPORTS

Director's Report – Mark B. Steinagel

Director Steinagel gave an update on the two rules currently being proposed.

The earliest possible effective date for the rule requiring advanced approval of

continuing education before it is advertised is June 22, 2008. The earliest possible effective date for the proposed rule on requiring licensees to renew their licenses by the 15th day of each month is July 22, 2008.

An issue that was discussed during the Caravan was background checks. The question asked was if the state should take a more proactive approach on background checks at the time of license renewal. Currently, the Division fingerprints an applicant on their original application only. A study was done by a Division employee showing on the real estate side there are only three states which require fingerprints on their renewals. Approximately one-half of all states do not fingerprint their original licensees. The cost to licensees would be a \$35 fee which would be a "pass through" fee. The FBI requires the Division to shred the fingerprint cards when the background report comes in so none of the cards are kept in files.

The United States Senate Banking and Housing Committee included an amendment, the Safe Mortgage Licensing Act 2008, to their housing bill. The amendment is being reviewed by the Division. We will come back next month and give a report on the specific provisions and any concerns. It would require states to join the NMLS which includes things such as using their data base as their primary license data base, and a provision in the current bill that prohibits anyone that has ever had a felony from licensure. It would also allow them to approve our education, both continuing education as well as pre-licensing education. Director Steinagel will send a copy of the bill to each commissioner in their packet for next month. The system is based on the Securities system model where all the states license into a central location.

The U. S. Comptroller of Currency opposed the Cuomo-Freddie Mac settlement last week. So there may be some changes made to this settlement agreement.

Chair Dailey said the Commission has had some discussion on increasing the pre-licensing hours, and asked what the process was to get this started. Director Steinagel recommended that a committee be set up with the comment that it be content-driven rather than hour-driven. Chair Dailey said the Commission would like Mr. Fagergren to set up a committee and report back to the Commission. Vice Chair Jensen suggested setting aside some time, perhaps during their lunch hour next month, to give out an outline of hours and content.

Enforcement Report – Dee Johnson

Mr. Johnson reported in the month of May the Division received 42 complaints, screened 21 complaints, opened 19 cases, closed 7 cases leaving the number of

mortgage cases at 81.

There are two stipulations being presented today. Each respondent was given the opportunity to come before the Commission to answer any questions, but each has chosen not to appear.

Review of Proposed Stipulations:

Benjamin L. Gale
Ashley (Rybal) Baxter

Education/Licensing Report – Mark Fagergren

Mr. Fagergren said the statistics for May show since January 2008, there has been a 5% decrease in loan officers, a 6% decrease in PLM licenses, a 18% increase in ALM licenses, and a 6% drop in entity licenses. The overall numbers show a 10% increase in inactive licenses and an increase of 38% in inactive entities.

The applicants for a PLM license that were issued a waiver and have not taken the exam yet will still be able to use the waiver for one year. The Legislature this year passed a statute which says as of May 5, 2008 every person applying for a PLM license must take the 40 hours of education.

A motion was made to go into Executive Session from 9:50 a.m. to 9:53 a.m.

CLOSED TO PUBLIC

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

Results of Executive Session

Stipulations:

Benjamin L. Gale – Approved
Ashley (Rybal) Baxter - Approved

A motion was passed to adjourn at 9:57 a.m.