

**UTAH RESIDENTIAL MORTGAGE
REGULATORY COMMISSION**

Heber M. Wells Building

Room 2B

9:00 a.m.

February 4, 2009

TELEPHONIC MEETING

MINUTES

STAFF MEMEBERS PRESENT:

Mark B. Steinagel, Division Director
Dee Johnson, Enforcement Director
Mark Fagergren, Education/Licensing Director
Traci Gundersen, Assistant Attorney General
Julie Price, Assistant Board Secretary

COMMISSION MEMBERS PRESENT:

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

GUESTS:

Tammy Lund	David Luna
Paul Naylor	Howard Tolley
Einar Schow	Kevin Swenson
Gary Nielson	

The February 4, 2009 meeting of the Utah Residential Mortgage Regulatory Commission began at 9:05 a.m. with Chair Dailey conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

The minutes were not available. The Commission will approve January and February minutes at March Commission Meeting.

DIVISION REPORT

DIRECTOR'S REPORT – Mark B. Steinagel

Director Steinagel discussed budgetary issues for the 2009 fiscal year. The Division had some reductions which will have minimal effect on the Division. The Division is in support of the Governor's budget which maintained user fees in the department.

The SAFE Bill passed the Senate yesterday and is now in the House Rules Committee. Director Steinagel expressed his appreciation for the Commission and industry's support of this bill.

The Division Bill passed out of the House last Thursday and went thru Committee yesterday. The bill will now be sent to the floor of the Senate.

Director Steinagel discussed House Bill 152 which addresses Appraisal Management Companies. This bill just got numbered two days ago and now goes on to the House Rules Committee. The bill creates a registration of companies and holds them to the same standards as licenses. The bill will help to regulate these types of companies.

The Department of Financial Institutions House Bill 286 was discussed. This bill was numbered on Thursday afternoon. It is still in the House Rules Committee. This bill will bring the Department of Financial Institutions in compliance with the SAFE Act. They will have to license people that fall outside of depositories or subsidiaries of depositories. Financial institutions still do not have to be licensed.

The commission approved the Abandoned Records Rule last month. Director Steinagel just received the rule from the Director of Commerce. He filed this rule yesterday and the earliest date it could be effective would be April 7th. He informed the Commission that they will publicize this rule.

Director Steinagel gave a recommendation on the new pre-license outline draft. He suggested the commissioners review this new curriculum for at least 30 days and then have a discussion on it next month with a public comment period.

INVESTIGATIONS REPORT – Dee Johnson

Review of Proposed Stipulations

Todd Whittaker

Thomas Stanley

Mr. Johnson stated that both of these parties were given the opportunity to come to this meeting and neither of them was present. He was happy to answer any questions the Commission had on these stipulations.

EDUCATION/LICENSING REPORT- Mark Fagergren

Mr. Fagergren discussed the increase in pre-licensing for real estate agents/brokers. He stated that now was an ideal time to increase minimum licensing standards while the market has seen a decline before there is a resurgence in the industry's licensees. He expressed his support to increase overall competency.

Mr. Fagergren gave an update on the SAFE Act. CSBS has picked a testing contractor for their services. FINRA and Pearson Vue have been awarded a three year contract. FINRA, formally the NASB, regulates the securities licensing nationally. They formed approximately two years ago and offer over 20 different technical exams. They teamed with Pearson Vue, which currently does the licensing exams for our state. All states must be on track with the new exam by July 1, 2009. Mr. Fagergren received a call from Pearson Vue yesterday and wanted to know recommendations for a mortgage exam committee. He will discuss this with them at a later date. Mr. Fagergren stated that FINRA is associated with Prometric which has testing facilities across the country.

There will be over 500 test centers across the country between Pearson Vue and Prometric.

The new exam was discussed. There is a national and state specific component. In the national component of the exam, there is a total of a 100 question, +/- 20 pretest questions. There will be three hours to take the general portion of the exam. The state specific exam will have 50 questions and participants will be given two hours for this portion. There will be a total 170 questions for this exam.

In the last NMLS&R phone meeting, there was a discussion about classroom education or equivalent. In the classroom setting they stated that it must be instructor led, students and instructor must be in the same classroom, the physical setting must be appropriate for adult education, no class may be taught at a residence, and the instructor must monitor the attendance and participation of each student. In their phone meetings, online education has not been addressed yet. Some states are reluctant to using this type of instruction.

Mr. Fagergren discussed the Pre-licensing outline draft. He stated that a lot of thought and consideration went into making this draft. The committee was comprised of a broad spectrum of perspectives. The curriculum was outlined first and then the committee went back to determine how long it would take for licensing instructors to teach those topics. Mr. Fagergren turned some time over to Commissioner Miller to give his insight on this draft. Commissioner Miller stated the focus was on the content and the information to cover. There was a lot of discussion on the hours the last couple of meetings.

Director Steingel asked the Commission if they wanted the Division to prepare rules reflecting this that can be amended in their discussion next month. They agreed for the Division to move forward on this.

Chair Dailey and the Commission discussed when to hold a public comment period for the pre-licensing curriculum. It was decided that it would be held the next commission meeting following the public portion of the meeting.

CLOSED TO PUBLIC

A motion was made and accepted to go into Executive Session from 9:50 a.m. to 10:05 a.m.

OPEN TO PUBLIC

Results of Executive Session Stipulations:

Todd Whittaker – Approved

Thomas Stanley – Approved

Motion was made and accepted for Director Mark Steinagel to sign stipulations is behalf of Commission members.

A motion was made and accepted to adjourn the meeting at 10:10 a.m.