

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber M. Wells Building

Room 2B

9:00 a.m.

December 2, 2009

TELEPHONIC MEETING

MINUTES

STAFF MEMBERS PRESENT

Deanna Sabey, Division Director

Mark Fagergren, Education and Licensing Director

Dee Johnson, Enforcement Director

Traci Gundersen, Assistant Attorney General

Jennie Jonsson, Hearing Officer

Renda Christensen, Board Secretary

Jan Buchi, Mortgage Education Coordinator

Marv Everett, Investigator

Elizabeth Beezley, Investigator

Jody Colvin, Division Staff

COMMISSION MEMBERS PRESENT

Lance Miller, Chair

Maralee Jensen, Vice Chair

Rodney "Butch" Dailey, Commissioner

Brigg Lewis, Commissioner

Holly Christensen, Commissioner

GUESTS

John Norman

J.R. Thompson

Irene Kennedy

John G. Stevens

Spencer Haymond

The meeting on December 2, 2009 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Chair Miller conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes - The minutes from the November 4, 2009 were approved

as written.

DIVISION REPORTS

Director's Report – Deanna Sabey

Director Sabey reported to the Commission the number of hours the Division staff has been spending on the NMLS SAFE Act. Recently, a letter was sent out to all licensees and entities regarding the transition to the NMLS system. There was considerable labor spent on preparing the letter and mailing it to 10,000 licensees and other related parties. Here is a breakdown of the hours spent for the last three months: September – 1,201 hours; October – 494 hours; and, November – 463 hours. The Division is trying to make this transition smooth for all involved.

Chair Miller asked what would happen if a licensee does not create an account by May 31, 2010, and Mr. Fagergren said they run the risk of not being able to renew their license on time during the renewal period.

Enforcement Report – Dee Johnson

Mr. Johnson said statistics for the month of November show the Division received 21 complaints; screened 7 complaints; opened 9 cases; closed 18 cases; leaving 50 open cases. Last month there were twelve stipulations approved by the Commission which allowed the Division to close many cases.

Because the investigators must screen all complaints we receive, there might be a build-up of cases to be screened shown on the report. Mr. Everett and Ms. Beezley have done a great task of keeping up with cases, but we know the number of screenings/cases will climb. The Commission thanked the two investigators for their hard work.

Mr. Johnson gave the Commission a year-end re-cap of matters that have been handled through stipulations which have been, or are currently before the Commission. In 2009 (January through December), we have had 36 stipulations approved, for a total of \$188,250 in fines. The average fine for the year has been \$5,200 approximately. The range of fines has been from \$1,000 to \$20,000. In 2008, there were approximately 30 stipulations. Thus far, it hasn't been the concentration of the Division to collect the fines due, but there are some outstanding that have not been paid, or are slow in paying. The stipulations now include an additional clause that states if the person does not pay, their licenses will be suspended until the fine is paid. This statement has also been added to some of the orders that have been issued by the Commission.

There are three 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:

Jason A. Carlson

Lance R. Peterson

John D. Rice

Education/Licensing Report – Mark Fagergren

Mr. Fagergren said the statistics show the numbers of licensees increased by six over last month. This is the first time the numbers have gone up in the past eight months.

Mr. Fagergren mentioned the 10,000 letters from the Division that have gone out, and added that the letters sent to the entities also included a copy of the letter sent out to all licensees. The letter announces that at the first of the year new applicants and entities are on the new NMLS system. Licensees will be in a transition period from January 4, 2010 through May 31, 2010. The first step is to verify the information currently on file with the Division. After the May date, the Division will no longer be receiving any change cards or updates for licensees. Once the transition is made, licensees must continue to keep those changes going to the NMLS system. In the letters sent out, the direct phone numbers and e-mail addresses of the staff were listed so they will be available to answer any questions.

Mr. Fagergren said NMLS, under certain parameters, will allow the Division to certify that our licensees have either taken the 20-hours of education or that they have passed the Utah component of the state test. We are through step one of the nine-step certification process. The Division received an e-mail from NMLS yesterday stating there are two states (or agencies) that have submitted they will be certifying the testing only, and there are 18 state agencies in the initial step with NMLS eligible to certify education only. Utah is one of 17 states that are initially eligible to certify both education and the exam. There are still 18 more steps in the process. NMLS is requesting an anticipated number of people that we project will be certifying, and this must be done tomorrow, to complete step two in the process.

Individuals who have renewed their licenses as inactive, and have no continuing education, must complete the 14-hours of CE to qualify.

Mr. Fagergren talked about fees that have been previously discussed and approved in May of this year. He said after the last discussion, many people

from Utah directly contacted CSBS with comments. Mr. Fagergren gave a brief summary of the fees that will be charged. If you are a continuing education provider there is an application fee of \$400 for a 2-year license, with a renewal fee of \$400. In comparison to Utah, we charge no fee to be a CE provider. The course application review will be \$300 per course for a one-year approval, and after the year there is a \$200 renewal fee. This is the fee they are suggesting and might change. All courses expire on June 30th, so if you submit a course in a partial year, it will expire on June 30th and you will have to pay the fees again for renewal.

The banking fees to be paid to NMLS are \$1.50 per credit hour, per student. An example would be if a four-hour CE course taught to 30 students, you would have to pay $\$1.50 \times 4 \times 30 = \180 for banking that specific class.

The fee proposed to be changed is the course application fee. The NMLS is seeking comments from the public, including course providers, and state and local trade associations. The proposed fee is \$300 plus \$20 per each course hour. There would be a range from 1 to 20 CE hours, and the least expensive course would be \$320 ranging up to \$700 for a CE and pre-licensing course.

The SRR Board of Managers in the normal course of operations will be evaluating other fees such as the test administration fees, education credit banking fees, and NMLS processing fees, and expects to determine in the first quarter of 2010 any changes that might be necessary. Comments are requested to the proposed fee schedule. There are two ways to send your comments: <http://mortgage.nationwidelicencingsystem.org>, or by e-mail to comments@stateregulatoryregistry.org. The comment deadline is Friday, December 4, 2009. The final fees will be published by December 15, 2009.

COMMISSION AND INDUSTRY ISSUES

Ms. Jonsson said there are no proposed rules ready for review yet, but the new rules are coming shortly. She will be sending a 30-page e-mail of draft rules to the Commissioners showing changes that need to be made to be in compliance with NMLS. These draft rules will organize the current rules to make them more user-friendly. We will need to get them out to the public by February, which is the same time as the Utah portion of the test for new licensees. Included in these rules will be the requirement to have an ALM at all branch offices.

A motion was made to go into Executive Session from 9:45 a.m. to 9:55 a.m.

CLOSED TO PUBLIC

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

Results of Executive Session

Stipulations:

Jason A. Carlson - Approved
Lance R. Peterson - Approved
John D. Rice - Approved

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