

**UTAH RESIDENTIAL MORTGAGE REGULATORY  
COMMISSION MEETING**

Heber M. Wells Building

Room 210

9:00 AM

January 6, 2010

**MINUTES**

**STAFF MEMBERS PRESENT**

Dee Johnson, Enforcement Director

Mark Fagergren, Education and Licensing Director

Jennie Jonsson, Hearing Officer

Traci Gundersen, Assistant Attorney General

Renda Christensen, Board Secretary

Jan Buchi, Mortgage Education Coordinator

Jody Colvin, Division Staff

Marv Everett, Investigator

Elizabeth Beazley, Investigator

**COMMISSION MEMBERS PRESENT**

Lance Miller, Chair

Maralee Jensen, Vice Chair

Brigg Lewis, Commissioner

Holly Christensen, Commissioner

**GUESTS**

David Luna

Irene Kennedy

JR Thompson

Ron Duyker

Chad Ahearn

Dave Christenson

John Norman

Kevin Swenson

The meeting on January 6, 2010 of the Utah Residential Mortgage Regulatory Commission began at 9:04 a.m. with Chair Miller conducting.

Commissioner Dailey was not in attendance due to previous travel plans.

Director Sabey is attending the Governor's Summit on Real Estate Lending this morning and Mr. Fagergren will be Acting Director for the meeting.

**PLANNING AND ADMINISTRATIVE MATTERS**

Approval of Minutes - The Minutes from the December 2, 2009 meeting were approved as written.

## **DIVISION REPORTS**

### **Director's Report – Mark Fagergren**

Director Sabey is attending the Governor's Summit on Real Estate Lending this morning, and Mr. Fagergren will be filling in for her today.

Director Sabey wanted to inform the Commission of a letter that has recently been sent out from HUD on December 30, 2009, which states that as a result of regulatory changes, FHA no longer limits the origination fee to 1% of the mortgage amount for its standard mortgage insurance program.

The Division's newsletter was sent out via e-mail on December 31, 2009. For those of you that have not received the newsletter, please go into your RELM's account and verify your e-mail address. A number of the e-mails which were sent out were returned due to spam filters and out of date e-mail addresses on accounts.

### **Enforcement Report – Dee Johnson**

Mr. Johnson reported in the month of December the Division received 11 complaints; screened 9 complaints; opened 7 cases; closed 6 cases; leaving a balance of 51 mortgage cases.

There are three stipulations being presented today for the Commission to review. All of the individuals were offered a chance to appear today, but all have chosen not to appear.

#### Review of Stipulations

Mortgage Help – Chair Miller has recused himself  
Annagay Shorten  
Clear Day Capital

### **Education/Licensing Report – Mark Fagergren**

Mr. Fagergren gave the Commission an overview of the statistics for the last two years. The number of licensees from December 2008 to December 2009 on active status dropped 17.9%, and inactive licensees dropped 23.8% from the prior year. The combined overall reduction in licensee numbers was a drop of 19.2% for the year. For the same time frame, active companies dropped 11.75%, and inactive companies dropped by 5%. If you combine the numbers, the total drop in licensing for companies (including branches) for the 2008-2009 year was 8.9%.

The following numbers are looking back over the last 24 months. The number of active licensees dropped 33.8%, and inactive licensees dropped 5%. The combined number of mortgage licensee reductions over the past two years show a 29.3% drop in licensees. The combined number in companies dropped by 14.9%.

The Test Development Committee who assisted in rewriting the NMLS Utah exam consisted of ten people: three from the Department of Financial Institution ("DFI"); four people from the industry; and, three staff members from the Division. The test will be available on February 22, 2010. The test will now cover questions from the Division as well as DFI.

The Division stayed open on December 31, 2009 until 6:00 p.m. (when the rest of the Department of Commerce closed at 4:00 p.m.). This significant deadline was to receive the applications before midnight to avoid the increase in hours to 60 hours (20 hours of NMLS; 40 hours of Utah education). Prospective licensees will now have to take the 20 hours of NMLS approved education, plus 40 hours of Utah approved education.

On January 4, 2010 the transition began to NMLS. As of today, there have been 110 licensees that have applied for transition. There was one PLM and one company approved yesterday.

### **Industry and Commission Issues – Jennie Jonsson**

Ms. Jonsson discussed the proposed draft rules that were sent out for the Commission to review. There were many changes to bring the Division's rules into compliance with NMLS.

There are some rules that will need to be considered as Emergency Rules so they will be active at the time the new test goes live in February. These rules are the ones for obtaining a license and renewing a license. Both of these have content that will need to be reviewed for the test. These rules are R162-2c-202 and R162-2c-205. These two rules can go into effect in the next couple of days, and the remaining rules will go out for the public comment period for 30 days. This will allow the rules to be effective in the middle of March.

Mr. Dave Christensen addressed the Commission and said he has submitted a letter for their review regarding his license. The Commission will consider his request during their Executive Session.

Ms. Jonsson said the Division has not yet drafted a rule regarding the

Division reviewing financial statements and credit reports. The person has to consent to have the reports pulled, but currently the Division doesn't review them.

A motion was made and unanimously passed to close the public portion of the meeting for the upcoming hearings.

**CLOSED TO PUBLIC**

LICENSE/RENEWAL HEARINGS:

10:10 Twyla Gray – Application – Remanded to Commission  
Jack Gray, Husband  
Witnesses for Division:  
Marv Everett  
Tammy Gomez – testified by phone  
Jason Kwasny – testified by phone  
Ken Williams – testified by phone

A motion was made to hold an Executive Session from 1:28 p.m. to 2:00 p.m.

2:00 Continuation of Twyla Gray hearing  
  
Division witness: Michelle Phillips – testified by phone  
  
Respondent's Witness:  
Marcel B. Matley – testified by phone

4:20 Chris Markosian – Application for Renewal

Commissioner Training – Tony Patterson, Assistant Attorney General  
This training has been postponed until a later date.

An Executive Session was held from 5:10 p.m. to 7:40 p.m.

**CLOSED TO PUBLIC**

Review of Stipulations  
Deliberation on Hearings

**OPEN TO PUBLIC**

Results of Stipulations

Mortgage Help - Approved  
Annagay Shorten - Approved  
Clear Day Capital - Approved

A motion was passed unanimously to adjourn at 7:40 p.m.