

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber M. Wells Building

Room 210

9:00 AM

February 3, 2010

MINUTES

STAFF MEMBERS PRESENT

Deanna Sabey, Division Director

Dee Johnson, Enforcement Director

Mark Fagergren, Education and Licensing Director

Jennie Jonsson, Hearing Officer

Traci Gundersen, Assistant Attorney General

Renda Christensen, Board Secretary

COMMISSION MEMBERS PRESENT

Lance Miller, Chair

Maralee Jensen, Vice Chair

Rodney "Butch" Dailey, Commissioner

Brigg Lewis, Commissioner

Holly Christensen, Commissioner

GUESTS

David Luna

Irene Kennedy

John Norman

Jeremy Plouzek

The meeting on February 3, 2010 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 January 6, 2010 meeting were approved as written.

DIVISION REPORTS

Director's Report – Deanna Sabey

Director Sabey told the Commission the Division's bill, HB-275, is now available for review. HB-53 regarding loan modification and foreclosure

rescues has passed the House and is out of Senate committee with a unanimous vote. This bill states that these require a person to be licensed through the Division.

HUD's proposed rules under the SAFE act are coming up for public comments, and the deadline is February 16, 2010. The proposed rules are clarifications of specific provisions under the SAFE act. It will set minimum standards for each state to meet and keep in compliance; it would require independent contractor loan processors and underwriters to be licensed as loan originators; clarify that an individual who has been convicted of a felony within the past seven years is ineligible for a loan originator's license even if the conviction is expunged; provide a \$25,000.00 maximum penalty for each act or omission of the SAFE; require individuals who are engaged in loan modifications to be licensed; and, in those states where HUD has to have a licensing system provide the mechanisms for HUD to have the necessary oversight. The proposed rule can be found on the HUD website and on the Federal Register, docket number 5271-P-01.

This is a proposed rule and if it passes the Division will need to change its rules about licensing processors.

Enforcement Report – Dee Johnson

Mr. Johnson reported in the month of January the Division received 17 complaints; screened 11 complaints; opened 3 cases; closed 9 cases; leaving the total number of mortgage cases at 45. Mr. Johnson said there are screenings that haven't been reviewed yet, and once they have been, the number of cases will rise slightly.

There are no stipulations today, but a copy of a Cease and Desist Order was given to the Commission for their reference. This was sent to a company that was doing loan modifications without being licensed, and we are in the process of negotiations with the company to bring them into compliance.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren said the new NMLS Utah state exam will go into effect on February 22, 2010. If a licensee takes the test now (before the 22nd), they will have to go through a certification process and pay the \$5.00. After February 22nd, a licensee can take both tests at one location. The time frames are approximately three hours for the federal exam, and two hours for the state exam. There is also an additional thirty minutes for a survey at the beginning of the session.

As of January 25, 2010, NMLS now requires fingerprints to be taken. This means that all of our licensees will now have to be re-fingerprinted. A letter will be sent out through the RELMs account to notify licensees what they will need to do. This has to be done before the end of the year, and the Division is encouraging licensees to get this done before May 31, 2010. NMLS has contracted with a company that has 850 locations across the country to do live-scan fingerprinting. As soon as we can get the locations, we will send an e-mail letter to all licensees. The cost will be \$39.00 for live-scan, and if someone is too far away from a center, the cost will be \$49.00 for paper cards.

Another e-mail letter regarding the certification process will be sent out as soon as the Division gets all the details. The certification process can be done as late as November 30, 2010. However, if someone doesn't meet certification, they will be required to take 20 hours of NMLS education or 20 hours of pre-license equivalent education. Current licensees can't get the certification process completed until May 1, 2010. The MU4 can be done now, but not the certification. Information will be posted on the website as well as in the next newsletter as to all updates the Division has received.

Mr. Fagergren said the Division has four employees (three full-time, and one-part time) working feverishly to work with people in transition. There are approximately 6,000 currently licensed individuals. There have been 773 applications submitted, and 251 have been completed the process. There are 522 that have some type of deficiency. Mr. Fagergren encourages everyone not to wait until the last date to transition.

Mr. Fagergren said every state had to submit a sheet of information comparing our statutes to the SAFE act. Last week the Division received an e-mail addressing some things that need to be changed in our statutes. The Division's bill has already been given to the legislature, so these relatively straightforward solutions will not go into effect until next year.

Industry and Commission Issues – Jennie Jonsson

Ms. Jonsson said she has worked the changes requested on the rules last month into the rules, filed them, and has received three approvals back. There has to be one last review done by Administration and then they can be signed off and submitted for public comment.

There have been several rules that have been made effective for the Appraisers. The Commissioners will get copies of them so they can update their rule books.

A motion was made and unanimously passed to close the public portion of the meeting at 9:36 a.m. for the upcoming hearings.

CLOSED TO PUBLIC

LICENSE/RENEWAL HEARINGS:

- 10:00 Acceptance Capital Mortgage Corp. – Application for Renewal
This is a telephone hearing.
This hearing will be continued next month.
- 10:36 Don S. Riggs – Appeal Post-Revocation Order
Richard R. Golden, Attorney
Respondent’s witness (by phone): Dennis Jacobson, Esq.
- 11:35 E. Sherman Warner – Application for Renewal
Ryan Robert Schopke, PLM
William Mertlich
- 1:35 Bradley Smith – Application for License

An Executive Session was held from 2:07 p.m. to 2:20 p.m.

OPEN TO PUBLIC

- 2:20 Commissioner Training – Tony Patterson, Assistant Attorney
General

CLOSED TO PUBLIC

Deliberation on Hearings

OPEN TO PUBLIC

A motion was passed unanimously to adjourn at 4:15 p.m.