

**UTAH RESIDENTIAL MORTGAGE REGULATORY  
COMMISSION MEETING**

Heber M. Wells Building

Room 2B

9:00 a.m.

August 4, 2010

TELEPHONIC MEETING

**MINUTES**

**STAFF MEMBERS PRESENT**

Mark Fagergren, Education and Licensing Director

Dee Johnson, Enforcement Director

Traci Gundersen, Assistant Attorney General

Renda Christensen, Board Secretary

Jan Buchi, Mortgage Education Coordinator

Jody Colvin, Division Staff

Marv Everett, Investigator

Jill Childs, Assistant Board Secretary

**COMMISSION MEMBERS PRESENT**

Lance Miller, Chair

Rodney "Butch" Dailey, Commissioner

Holly Christensen, Commissioner

Brigg Lewis, Commissioner

**GUESTS**

Irene Kennedy

Ron Duyker

David Luna

The meeting on August 4, 2010 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Chair Miller conducting.

Director Sabey was excused from the meeting today, and Mr. Fagergren will be the Acting Director. Commissioner Jensen was not able to attend the meeting today.

**PLANNING AND ADMINISTRATIVE MATTERS**

Approval of Minutes – A motion was made to approve the Minutes from the July

7, 2010 as written. Vote: Chair Miller, yes; Commissioner Dailey, yes; Commissioner Lewis, yes. The motion carries. Commissioner Christensen abstained from voting because she was not at last months meeting.

## **DIVISION REPORTS**

### Director's Report – Mark Fagergren, Acting Director

Mr. Fagergren told the Commission that Director Sabey was out sick today. At their Manager's meeting yesterday, she had mentioned her report would cover a brief update on the new federal legislation that covers mortgage licensing. She had covered the changes last month, but there were a few more details she was going to cover. Mr. Fagergren said the new legislation will impact our industry, and we will have to wait and see what types of reports, disclosures, etc. will be required.

The annual Instructor Development Workshop is October 18-19, 2010. All Commissioners are encouraged to attend, and Mr. Fagergren extended the invitation to those educators present today as well. The speakers will be Attorney Joe Wrona and Dave Johnson, a previous Director of the Division and also a broker and attorney. They will be speaking about litigation issues pertaining to our industry. There will also be two representatives from the FBI as presenters who will speak about what they are finding in our state. The Division will have some discussion with the attendees as well. The meeting will be held in Park City at the Marriott Hotel.

### Enforcement Report – Dee Johnson

Mr. Johnson said that he and Mr. Fagergren were informed just a couple of hours ago that Director Sabey would be out sick, and since there is a Stipulation to present today, Mr. Fagergren is covering today as Acting Director.

Mr. Johnson announced that the Division is losing one of its mortgage investigators, Elizabeth Beazley. She has taken a job in Australia, where she will be close to family. Tomorrow is her last day, and the Commission thanked her for her work and wished her all the best.

In the month of July the Division received 28 complaints; screened 7 complaints; opened 1 case; closed 7 cases; leaving the balance of mortgage cases at 38. This seems like a good manageable number for two investigators, but we have been very busy with large cases (i.e., cease & desist, hearings, etc.) and we are now backlogged on the screenings. This will mean the case load numbers will increase dramatically. At this point in time, we don't know if we will be able to replace Elizabeth's position.

There is one Stipulation to be reviewed today for Excellence Mortgage Corporation. They are not here today and were offered the opportunity to attend. They have chosen not to appear today. Mr. Everett is here today if there are any questions from the Commission.

#### Education/Licensing Report – Mark Fagergren

Mr. Fagergren said the monthly statistics are meaningless because all of the licensees will expire at the end of the year. The numbers shouldn't be going up and down, other than the few people who are applying for licensure.

There was another deadline since our last meeting. The deadline for certification of education and examination was extended from June 30, 2010 until July 29, 2010 about the need to certify. The reason for the delay in that deadline was because people had not been notified by NMLS until June 17, 2010. The Division felt this was an unreasonably short time, so the deadline was extended until July 29, 2010. There were 9,027 licensees at the first of the year, and as of May 31, 2010 5,148 (57%) of them had transitioned their information to NMLS. As of August 2, 2010 there were 79% of those who transitioned had certified for their education, and 80% were certified for their testing. Utah now leads the country. The overall percentage is 59% for the rest of the country.

The remaining 1,500 licensees who have not taken advantage of certifying may still do so, as long as the e-mail from NMLS is in their account. If the e-mail has been deleted, or if the message has been withdrawn, we can no longer restore it.

The renewal process will begin on November 1, 2010. There will be messages of encouragement for people to begin the renewal process, and three of those are: 1) correct all records before the renewal period opens; 2) everyone who is licensed in Utah will have to re-take the NMLS national exam; 3) renewal period will open November 1<sup>st</sup> and end on December 31, 2010. We are encouraging licensees to start the process early because if everyone acts in the last ten days of that period, the three licensing people the Division has won't have time to review all the information coming in before January 4, 2011.

Mr. Fagergren said the Division has been receiving calls regarding credit reports. Sometime between October and November of this year, licensees will have to authorize access to a credit report. Director Sabey has said there are some parts of the report that might have bearing, such as judgments, bankruptcies, etc. There will be another notification to the licensee from NMLS. We will keep everyone informed when we have further information.

Mr. Fagergren encouraged good attendance for the Instructor Development Workshop. There will be some good hands-on information from practicing attorneys and brokers as to problems they are seeing in litigation. This is specifically designed for educators to know what they should be teaching.

## COMMISSION AND INDUSTRY ISSUES

### Updates on Rules – Jennie Jonsson

Ms. Jonsson said last month the Commission voted to have her make some rules effective unless public comments came in. No comments were received, so these rules were made effective on July 22, 2010.

There are two rules currently out for public comment: R162-2c-402, outlining the criteria the Division will adhere to when evaluating the request to have a revocation converted to a suspension; R162-2c-203 will change the certification requirements for an instructor of pre-licensing education to require that person to pass the PLM exam rather than the MLO exam. There have been no comments received on these two rule amendments. The comment period ends on August 16, 2010. Motion: Have Ms. Jonsson make these rules effective on August 23, 2010 unless public comments come in. Vote: Chair Miller, yes; Commissioner Dailey, yes; Commissioner Christensen, yes; Commissioner Lewis, yes. The motion carries.

Ms. Jonsson said there is proposed language to present today. This is to R162-2c-204, License renewal. The language proposed in subsection (3) Renewal procedures for the renewal period ending December 31, 2010. New language would read "approved by either the division or the nationwide database, non-duplicative of any hours required to satisfy the registration education requirement under this Subsection (3)(a)(i), and:" Under subsection (B) the proposed language would read "if licensed as a mortgage loan originator, evidence having completed, since January 1, 2010, all requirements to obtain an ALM or a PLM license, pursuant to R162-2c-201;" Motion: Motion to accept the proposed language as outlined and publish it for public comments. Vote: Chair Miller, yes; Commissioner Dailey, yes; Commissioner Christensen, yes; Commissioner Lewis, yes. The motion carries.

A motion was made to close the meeting to the public and enter into an Executive Session for the express purpose of discussing the fitness of an individual for licensure. Vote: Chair Miller, yes; Commissioner Dailey, yes; Commissioner Christensen, yes; Commissioner Lewis, yes. The motion carries. An Executive Session was held from 9:35 a.m. until 9:37 a.m.

**CLOSED TO PUBLIC**

Review of Stipulation

**OPEN TO PUBLIC**

Results of Executive Session:

The Stipulation for Excellence Mortgage Corporation was approved.

A motion was made to adjourn the meeting. Vote: Chair Miller, yes; Commissioner Dailey, yes; Commissioner Christensen, yes; Commissioner Lewis, yes. The motion carries. The meeting adjourned at 9:37 a.m.