

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber M. Wells Building
Room 210
9:00 A.M.
October 6, 2010

MINUTES

STAFF MEMBERS PRESENT

Deanna Sabey, Division Director
Dee Johnson, Enforcement Director
Mark Fagergren, Director of Licensing and Education
Jennie Jonsson, Hearing Officer
Judi Jensen, Assistant Attorney General
Renda Christensen, Board Secretary
Jan Buchi, Mortgage Education Coordinator
Jody Colvin, Mortgage License Specialist
Jill Childs, Assistant Board Secretary

COMMISSION MEMBERS PRESENT

Lance Miller, Chair
Rodney "Butch" Dailey, Commissioner
Brigg Lewis, Commissioner

GUESTS

Jeremy Plouzek
Dave Luna
Mike Welker

The meeting on October 6, 2010 of the Utah Residential Mortgage Regulatory Commission began at 9:15 a.m. with Chair Miller conducting.

Commissioner Jensen and Commissioner Christensen were absent for the meeting today.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes – The Commission had a quorum today with Chair Miller, Commissioner Dailey and Commissioner Lewis. Because

Commissioner Lewis was not in attendance last month, he abstained from the process of voting on the Minutes. Because there is not a quorum now, the Minutes for September 1, 2010 will be reviewed again next month.

DIVISION REPORTS

Director's Report – Deanna Sabey

Director Sabey said information is coming out on the new Bureau of Consumer Financial Protection (“CFPB”). The transfer date scheduled for the transfer of authority from all the various agencies into the CFPB is slated for July 21, 2011. At that time, the agency will have full authority to make rules, and also staff transfers will occur. Director Sabey wants to advise the Commission that there is a committee formed that has already begun roundtable discussions of the process to merge TILA and RESPA disclosures.

The FTC has set out a proposed rulemaking that Director Sabey wanted to make the Commission aware of. Industry professionals may want to comment about this; it is a proposed rulemaking to ban deceptive mortgage ads. The proposed rulemaking includes 19 different examples of deceptive mortgage ads. You can find the proposed rule at www.ftc.gov. The press release on the proposed rulemaking was September 22, 2010, and the comment period ends on November 15, 2010. This will allow states to bring actions for civil penalties for violations of the rule. The rule covers not only mortgage loan originators, but also servicers, real estate agents and brokers, advertising agencies, homebuilders, and other entities under the FTC's jurisdiction.

The Division's bill for 2011 has now been sent to the Office of Legislative Counsel for drafting. The bullet points for mortgage include the ability for the licensee to have de novo review by the Commission if the Division denies an application for licensure or the license is sanctioned by the Division; adds the requirement for a licensee to provide a written statement indicating whether or not a fee collected before closing is refundable; modifies the refund provision for loan modification; expands the automatic license suspension of a bounced check to include payment through ACHs; specifies that failure to comply with the ten-day reporting requirement may be dealt with through a letter of warning or reprimand, and that the Commission may delegate to the Division the authority to issue such a letter without concurrence.

Enforcement Report – Dee Johnson

Mr. Johnson reported in September the Division received 52 complaints; screened 11 complaints; opened 27 cases; closed 2 cases; leaving the total

number of mortgage cases at 81. We have been receiving complaints from other states, and the most common complaints being seen are loan modifications and unlicensed activity.

There is one stipulation to review today: Maria G. Contreras. Ms. Contreras was given the opportunity to appear, but has chosen against it.

Education/Licensing Report – Mark Fagergren

Statistics are going to change depending on who is going to renew their licenses this year. Some of the numbers are identical to last month, and there has been no change with this deadline coming up. There are still 3,000 licensees will need to pass the national exam within three months.

There are 57% of our licensees who have transitioned. For those who have transitioned, 16% will still have not taken the offer to pay the \$15.00 certification to not have to take the 20 hours of pre-license education.

60% of our licensees have authorized the NMLS criminal background check. Since our renewal period doesn't start until November 1, 2010, most people will wait until then to get it done.

85% of our licensees have certified the Utah state exam. These individuals have transitioned and all qualify for a waiver for the exam, but 15% will have to take the test again because they have not paid the \$5.00 fee.

The NMLS national test must be taken by everyone. As of today, only 40% of our transitioned licensees have taken the test. This is approximately 3,000 people who have not taken the test yet.

Everyone must have 14 hours of continuing education to renew. However, ongoing in NMLS will be the requirement to complete 8 hours per year of NMLS continuing education. The NMLS has just introduced a new policy that in order to renew a license, the CE must be taken in the year you renew. There is a reinstatement period every year from January 1st through February 28th.

Credit reports will be authorized at the time of renewal, or must be authorized by April 2011. This deadline also covers call reports.

The testing centers have added 3,000 appointments in the system between September 30th and end of the year. However, even with this being done, there will still be a problem with candidates that wait until the last minute to

take the test. Each day there are 300 slots less if they go unutilized.

Mr. Fagergren said he just received a stipulation that has been signed. The stipulation is for Michael J. Welker, and he is here today to answer any questions.

Industry and Commission Issues – Jennie Jonsson

Ms. Jonsson discussed R162-2c-201 draft changes. Chair Miller suggested that the words “generally confusing or misleading” be added in 2c-204(b). Ms. Jonsson will change the wording to read, “...proposed to operate under a name that closely resembles the name of another entity licensee, or that the division determines might be confusing or misleading.”

After discussion, it was decided to not make any changes to R162-2c-204-3.

Ms. Jonsson said the amendment to R162-2c-204 has gone through the public comment period and no public comments were received. A motion was made to make this rule effective on Friday, October 8, 2010. Vote: Chair Miller, yes; Commissioner Dailey, yes; Commissioner Lewis, yes. Director Sabey is in concurrence. Motion carries.

A motion was made to approve the rules changes as were discussed to R162-2c-201. A motion was made to make this rule effective on Friday, October 8, 2010. Vote: Chair Miller, yes; Commissioner Dailey, yes; Commissioner Lewis, yes. Director Sabey is in concurrence. Motion carries.

Chair Miller closed the meeting from 10:04 to 10:15 a.m. for a brief recess before the hearing.

OPEN TO PUBLIC

LICENSE/RENEWAL HEARINGS:

10:15 Christopher Murphy – Application for License
Mr. Murphy did not appear.

There was a motion to close the meeting to discuss the character, professional competence, or physical and mental health of an individual. Vote: Chair Miller, Yes; Commissioner Dailey, Yes; Commissioner Lewis, Yes. The motion passes. Executive Session was held from 10:30 a.m. to 10:42 a.m.

CLOSED TO PUBLIC

Review of Stipulation
Deliberation on Hearing

OPEN TO PUBLIC

A motion was made to open the meeting: Vote: Chair Miller, Yes; Commissioner Dailey, Yes; Commissioner Lewis, Yes. Director Sabey, concurs. The motion passes.

Results of Stipulations

Maria G. Contreras - Approved

Michael J. Welker - Approved

A motion was made to adjourn the meeting: Vote: Chair Miller, Yes; Commissioner Dailey, Yes; Commissioner Lewis, Yes. Director Sabey, concurs. The motion carries. The meeting was adjourned at 10:43 a.m.