

**UTAH RESIDENTIAL MORTGAGE
REGULATORY COMMISSION MEETING**

Telephonic Meeting
Heber M. Wells Building
Room 210
9:00 A.M.
April 1, 2015
Telephone Meeting

MINUTES

DIVISION MEMBERS PRESENT

Jonathan Stewart, Division Director
Mark Fagergren, Licensing/Education Director
Justin Barney, Hearing Officer
Renda Christensen, Board Secretary
Jan Buchi, Mortgage Education Coordinator
Marv Everett, Investigator
Tim Cuthbertson, Investigator

COMMISSION MEMBERS PRESENT

Steve Hiatt, Chair
Lance Miller, Vice Chair
John Gonzales, Commissioner
Cathy Gardner, Commissioner
George Richards, Commissioner

The meeting on April 1, 2015 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Chair Hiatt conducting.

Jeff Nielsen has been excused from the meeting this month.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

A motion was made and seconded to approve the minutes from the February 4, 2015 meeting as written. Vote: Commissioner Gonzales, yes; Commissioner Richards, yes; Commissioner Gardner, yes. Motion carries.

DIVISION REPORTS

Director's Report – Jonathan Stewart

Director Stewart reported the Division's bill passed with no opposition and it will become effective on May 11, 2015.

Director Stewart said that he gets e-mail notices about court cases that have taken place either in District or Appellate courts. He mentioned the case of Cook vs. Department of Commerce (Division of Occupational and Professional Licensing).

Director Stewart mentioned this case because it has some similarities in what the Commission may come across. Consistency in decisions handed down by the Commission and Division are very important and can affect decisions made in other cases. This specific case involved a nurse who had falsified her license renewal two times and was fined and had her license revoked. Ms. Cook also said that her rights were violated by having this decision in the Division's newsletter. She appealed to the Department of Commerce who upheld the Board's decision, and then she appealed to District Court. The District Court upheld the publishing in the newsletter and the fine, but overturned the revocation of her license. The court reviewed past revocations to see if decisions made by the Board were consistent. The court could not find where a license had been revoked for making misrepresentations on renewals, but found other disciplinary actions had been taken instead.

Enforcement Report – Jonathan Stewart

Mr. Nielsen was excused from the meeting today. Director Stewart gave the Enforcement report.

In January the Division received 1 complaint; opened no new cases; referred no new cases to the AGs; total number of cases with the AGs office is 4; closed 1 case; leaving the total of open mortgage cases at 72.

In February the Division received 7 complaints; opened 4 cases; referred no new cases to the AGs; total number of cases with the AGs office is 4; closed 4 cases; leaving the total of open mortgage cases at 72.

In March the Division received 5 complaints; opened 15 cases; referred no new cases to the AGs; total number of cases with the AGs office is 4; closed no cases; leaving the total of open mortgage cases at 87.

There are no stipulations to review this month.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren reminded the Commission that Division's Caravan will begin later this month. The Division's newsletter will be going out today and it indicates that four of the locations have been filled up. An email notice was sent out to all licensees regarding the reservations being taken on a first-come basis. Experience has proven that if we get too large of an environment, those attending either can't see the screen or hear as well.

Ms. Christensen sent out an email from Ms. Buchi to the Commissioners regarding the Lending Manager's exam review with Pearson Vue. The NMLS Utah portion of the exam is also up for review. A list was provided in the email of those proposed names to review the test questions. Pearson Vue would like to see an additional 100 questions on various topics on the content outline.

The Commission reviewed those names on list and felt comfortable with those listed. If the Commissioners had any other names, they can let Ms. Buchi know and she will contact those individuals.

Mr. Fagergren reminded the Commission that mortgage licensees who attend the Caravan can waive the 2-hour Utah Law class. There are fewer mortgage people than appraisers that attend the Caravan. Ms. Buchi checked the registrations and reported there are 58 mortgage licensees signed up for the Caravan. Normally, there are approximately 1,000 who attend the Caravan sessions.

There are no stipulations to review this month.

Commission and Industry Issues – Justin Barney

Mr. Barney said state law requires that every five years rules that are in place need to be reaffirmed. If not, they will expire. The mortgage rules found in chapter 2c in Administrative Rules 162 were adopted five years ago. Mr. Barney has filed the five-year notice of review and statement of continuation so that the rules will continue to be in place for another five years.

A draft of possible rule amendments to R162-2 was sent out to the Commissioners. These rules can range from numbering corrections to updates that been requested. Mr. Barney went through and mentioned any changes in these rules to the Commission.

The Appraiser Board has asked Director Stewart to address the rule on appraisers getting paid within a certain number of days.

The discussion to change some of the hearings from informal to formal hearings was discussed. Ms. Christensen will add it to the agenda for discussion in the May meeting.

There are no stipulations for review this month.

Mr. Fagergren received a phone call from Pierre Alley regarding disclosures coming up in regards to the previous term "consummation" as compared to the recently changed "settlement." This was done in hopes that it would help with concerns with the CFPB. Borrowers are required to receive all appraisals on the property, unless they waive that right, three days in advance of settlement. After some discussion on this topic, the Division will ask the Attorney General's office for their opinion in this matter.

A motion was made to adjourn the meeting. Vote: Chair Hiatt, yes; Vice Chair Miller, yes; Commissioner Gonzales, yes; Commissioner Richards, yes; Commissioner Gardner, yes. The meeting adjourned at 10:08 a.m.