

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber M. Wells Building

Room 250

9:00 a.m.

August 7, 2013

MINUTES

STAFF MEMBERS PRESENT

Mark Steinagel, Acting Director
Mark Fagergren, Education/Licensing Director
Justin Barney, Hearing Officer
Xanna DeGooyer, Assistant Attorney General
Renda Christensen, Board Secretary
Jan Buchi, Mortgage Education Coordinator
Amber Nielsen, Division Staff
Jennica Robison, Division Staff
Marvin Everett, Investigator

COMMISSION MEMBERS PRESENT

Holly Christensen, Chair
Steve Hiatt, Vice Chair
Rodney "Butch" Dailey, Commissioner

Commissioners Miller and Gonzales were excused from the meeting this month.

The meeting on August 7, 2013 of the Utah Residential Mortgage Regulatory Commission began at 9:15 a.m. with Chair Christensen conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes – There was not a quorum present today to vote on the minutes for May, June, or July. The Division and Commission will hold a telephone meeting before the next scheduled meeting date to review these minutes.

Director Stewart and Chief Investigator Nielsen were excused from the meeting today. Both are attending the AARMR Convention in Denver, Colorado. Mark Steinagel will be the Acting Director for the meeting today.

DIVISION REPORTS

Licensing and Education Report – Mark Fagergren

Mr. Fagergren welcomed Justin Barney who is the new Hearing Officer. Mr. Barney is

moving from Georgia back to Utah.

The statistics show an increase of 37 new licensees since the beginning of the year, but Mr. Fagergren's licensing staff informed him there are many new applications being received.

Utah is one of the few states that still want to have their own exams and not use the NMLS State exam. NMLS has contacted the Division and said they still want to review 17 questions that had been submitted to them. The final review session will be today, which will be the sixth meeting on the review. Each meeting has lasted three hours. It has been three years since the NMLS test was approved, and there are several questions that need to be updated. The changes should be made within a few weeks.

Mr. Fagergren reported that through the end of the fiscal, which ended in June, there were 79 lending manager applicants that took the test, and the pass rate for the first-time test takers was only 49%. The pass rate drops to 44% for the second-time test takers. Mr. Fagergren encouraged providers in attendance to have their students be more prepared before taking the test.

A discussion on the Utah continuing education class was brought up. Mr. Fagergren said he would like to brainstorm with the Commission on some suggested topics for that Utah CE course, which is in addition to the NMLS classes. The Commission suggested they have some suggestions to present for the next meeting.

COMMISSION AND INDUSTRY ISSUES

Updates on Rules – Jennie Jonsson

Ms. Jonsson said Director Stewart spoke to her about the need to have repeat fingerprint reports and credit reports every fifth renewal period. She presented some draft language to the Commission for review. R162-2c-204 subsection 2 is the first place to add new language which creates a new section under (ii). The time will start in the renewal period beginning in 2015 and every fifth year following the renewal period. In subsection (c), financial responsibility, a licensee shall submit a credit report in order to renew a license in beginning in the 2015 renewal period and every fifth year following that renewal period. A motion was made to approve the rule as amended. Vote: Chair Christensen, yes; Vice Chair Hiatt, yes; Commissioner Dailey, yes. The motion passes.

Ms. Jonsson asked the Commission for a vote on rules that have been out for public comment. This will cover an amendment throughout the body of R162-2c. Some of the changes are clean-up, and some are specific to education. The public comment period closed on July 15, 2013. Last month the Commission declined to vote in any sort of anticipatory manner thinking there might be public comments coming in. No public comments have been received. The first possible effective date was July 22, 2013. A motion was made to approve the rule as written. Vote: Chair Christensen, yes; Vice Chair Hiatt, yes; Commissioner Dailey, yes. Director Steinagel concurred.

Mr. Fagergren said call reports are due every quarter plus an annual report. There are still some licensees who have not submitted these required reports. The Division's decision is that if someone has a deficiency they will not be able to renew. At this time, there will be no fine attached to failing to file the reports, but it a possibility in the future. There will be an article about this in the next Division newsletter.

Chair Christensen asked Mr. Fagergren if arrangements had been made for the next Instructor Development Workshop. He said the dates will be October 28 and 29, 2013 and it will be held at the Park City Marriott. The instructor is Lynn Elder, who taught last year with new material. The morning of the first day the Division will give their reports, and there will be a Q & A session. Starting in the afternoon of the first day, continuing on through the second day, will be Mr. Elder's presentation. All pre-license instructors are required to attend once every two years, and CE instructors are invited but not required to attend. All Commissioners are invited to attend as guests of the Division.

Ms. DeGooyer said the Division is trying to cut costs on copying the hearing packets. She will be using a new software program to show all the information and exhibits for the following hearings. At the conclusion of the hearings, she will ask the Commission for their opinions as to using the software. This is trial presentation software that has a 30-day trial period at no charge.

A brief recess was held from 10:05 a.m. to 10:10 a.m.

OPEN TO PUBLIC

INFORMAL HEARING:

10:10 Allison Hobbs - Disciplinary Hearing
Division witness: Jan Buchi

CLOSED TO PUBLIC

A motion was made to close the meeting to discuss the character, professional competence, or physical and mental health of an individual. Vote: Chair Christensen, yes; Vice Chair Hiatt, yes; Commissioner Dailey, yes. An Executive Session was held from 11:45 a.m. to 1:00 p.m.

1:00 Melanie Salerno - Application for License
Mark Salerno, Husband
Denise Larkin, Attorney for Ms. Salerno

CLOSED TO PUBLIC

A motion was made to close the meeting to discuss the character, professional competence, or physical and mental health of an individual. Vote: Chair Christensen, yes; Vice Chair Hiatt, yes; Commissioner Dailey, yes. An Executive Session was held from 2:14 p.m. to 2:34 p.m.

OPEN TO PUBLIC

A motion was made to adjourn the meeting. Vote: Chair Christensen, yes; Vice Chair Hiatt, yes; Commissioner Dailey, yes. The motion carries. The meeting adjourned at 2:34 p.m.