

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber M. Wells Building

Room 2B

9:00 a.m.

February 1, 2012

TELEPHONIC MEETING

MINUTES

STAFF MEMBERS PRESENT

Jonathan Stewart, Division Director
Mark Fagergren, Education/Licensing Director
Kent Nelson, Chief Investigator
Dee Johnson, Assistant Chief Investigator
Xanna Hardman, Assistant Attorney General
Jennie Jonsson, Hearing Officer
Renda Christensen, Board Secretary
Jan Buchi, Mortgage Education Coordinator
Jody Colvin, Division Staff
Marv Everett, Investigator
Travis Cardwell, Investigator

COMMISSION MEMBERS PRESENT

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

GUESTS

John Gonzales (by phone)
Nathan Pierce
Dave Luna
Gary Nielson
Josh Stika

The meeting on February 1, 2012 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Chair Miller conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes – A motion was made to approve the minutes from the January 4, 2012 meeting as written. Vote: Chair Miller, yes; Commissioner Dailey, yes; Commissioner Hiatt, yes. The motion carries. Vice Chair Christensen was absent from the meeting last month, and recused herself from the vote.

DIVISION REPORTS

Director's Report – Jonathan Stewart

Director Stewart gave an update on the Division's bill. Over the weekend, the Division received the first working draft of the bill. Comments have been submitted back to the drafter, and the bill has not received a number as yet. When the bill is given a number, there will be an e-mail sent out to all of the Commissioners letting them know so they can track the bill's progress.

The Division has started some Public Service Announcements ("PSAs"). These started last week on Comcast, Channel 2; Channel 4; Channel 5, and Channel 13. The PSAs are also on the Division's website for those of you who have not seen them yet.

Enforcement Report – Kent Nelson

Mr. Nelson said the statistics show the case load in January to be even from the month of December. There were 8 complaints received; 7 new cases opened; 7 cases closed; the total number of open cases stands at 73. There are no stipulations to be considered today.

A large number of the open mortgage cases involve another loan modification company here in Utah that is selling nationally. The Division is working closely with the federal authorities on that particular case, and there may be some announcements coming in the next month or two on action against another local loan modification company.

Licensing and Education Report – Mark Fagergren

Mr. Fagergren said the statistics for January show the number of active loan originators has dropped 261 licensees. Inactive loan originators have dropped by 240 licensees. The number of licensees has dropped approximately 500 from this date as compared to last year's numbers. There is still one month to go on the reinstatement period, and Ms. Buchi said, as of yesterday, there are approximately 38 reinstatements to be processed.

Mr. Fagergren said the licensing staff did a good job on responding in a timely fashion during this renewal period. Last year there was confusion about examinations, CE, etc. People are also not used to having their renewals come up every year. The Division was fortunate that we didn't have criminal background reports, call report information, or credit reports to review this year. The criminal background checks will be done every three years.

There has been some discussion regarding what has been referred to as a transitional license. Those in the banking community have expressed an interest in having the ability to be licensed under the Division for a short period while completing the pre-licensing education. The banking community is making the argument that they are regulated heavily through the lending community, and this concession is reasonable. A transitional license would help them during this time, and be less traumatic than shutting down their business.

The Division is being open-minded, and we are receiving additional information and

discussion regarding this transitional license. Ms. Buchi said the biggest hurdle brought up is that a temporary license (or grace period) would not be compliant with the SAFE Act. The SAFE Act currently will not allow anyone to hold a license that has not met the minimum standards, so states would be in violation if they granted this type of license.

Mr. Fagergren said that a transitional license or grace periods would have to be established statute; it cannot be done in rule. The SAFE Act would have to be changed first.

COMMISSION AND INDUSTRY ISSUES

Updates on Rules – Jennie Jonsson

Ms. Jonsson said currently there are no mortgage rules that are making their way through the administrative process. When we are certain that we have our bill language finalized, we will need to look at rulemaking on referral fees and distinguishing a referral fee from an incentive program. We have some preliminary language drafted.

A motion was made to adjourn the meeting. Vote: Chair Miller, yes; Vice Chair Christensen, yes; Commissioner Dailey, yes; Commissioner Hiatt, yes. The motion carries. The meeting adjourned at 9:20 a.m.