

**UTAH RESIDENTIAL MORTGAGE
REGULATORY COMMISSION MEETING**

Telephonic Meeting
Heber M. Wells Building
Room 210
9:00 A.M.
March 4, 2015
Telephone Meeting

MINUTES

DIVISION MEMBERS PRESENT

Jonathan Stewart, Division Director
Mark Fagergren, Licensing/Education Director
Jeffery Nielsen, Chief Investigator
Elizabeth Harris, Assistant Attorney General
Justin Barney, Hearing Officer
Renda Christensen, Board Secretary
Jan Buchi, Mortgage Education Coordinator
Jennica Gruver, Licensing Specialist

COMMISSION MEMBERS PRESENT

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

The meeting on March 4, 2015 of the Utah Residential Mortgage Regulatory Commission began at 9:04 a.m. with Chair Hiatt conducting.

Commissioner Gonzalez was excused from the meeting this month.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

There was not a quorum present to approve the minutes for the February meeting. These will be reviewed at the April meeting along with the minutes from the March meeting.

DIVISION REPORTS

Director's Report – Jonathan Stewart

Director Stewart emailed the Commission a final copy of the Division's bill this morning. It has passed both the House and Senate and is waiting for the Governor's signature. There were no issues or concerns with the bill, and it will be made effective 90 days from the end of session.

Enforcement Report – Jeffery Nielsen

Mr. Nielsen said there are no statistics for review this month because the enforcement secretary, Allyn Stutsman, is still out with her injury. She will be returning next week, so there should be statistics for the months that she has been out by the April meeting.

There are no stipulations to review this month.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren reported Option 3 for the Lending Manager experience is explained and is on the Division's website.

Ms. Buchi has returned from the NMLS User's Conference and she has given her notes to Mr. Fagergren for discussion because she has lost her voice. There are 34 state agencies that have additional services besides the mortgage licensing with the NMLS. Our sister agency in Utah, DFI, has payday lenders on the NMLS. Mr. Fagergren said when the Department of Commerce first joined with the NMLS, Department Director Francine Giani, paid \$250,000 to have the NMLS created for mortgage licensees. It is Mr. Fagergren's intention that any other states that join the NMLS should reimburse state agencies that have paid a determined amount of money. It appears that mortgage licensees across the country have subsidized this data base for lots of other groups and organizations.

Twenty-five states use the NMLS for fee invoicing, such as the payment of fines and other fees. This may be something the Division may want to think about doing. There could be some benefit to this procedure.

In terms of disciplinary actions posted in the NMLS: 25 states have posted fewer than Utah; 19 states have posted more than Utah; 60 actions have been written/expressed in the NMLS.

Ms. Buchi indicates an RFP is going out to modernize the NMLS and make it more user-friendly.

This morning the Division submitted a "two factor authentication" which requests the ability for us as a state agency to view what the non-depository registrants are doing on the NMLS. As of April 18, 2015 the Division will be able to view, for example, people that have registered with DFI. It is secure software with two different sets of log-ins. This will benefit our staff in terms of individuals who may be coming from the banking side to the real estate side, and see their disclosures and histories. The reverse is not true in that depositories will not be able to look at the testing or education for our licensees.

The 20-hour NMLS education currently has no "shelf life" on the time limit. Discussions are underway that in 2017 there will be a three-year expiration date. If someone expires in Utah beyond the expiration date, we make them re-take the 15-hour Utah portion.

There are some changes being made to the mortgage call reports by making them more streamline and user-friendly.

There are 47 agencies have adopted the UST ("Uniform State Test"). Ten agencies have not adopted the UST. Ms. Buchi had quite a few people asking her when Utah is going to adopt the test, and her reply was always that the Division believes that applicants need to be up to speed on our statutes and rules before they are licensed. The common response from those asking was that most states accommodate that by having a CE class that is required every year of their licensees. Utah does both.

The NMLS is trying to make the test more secure by wanting every question randomized on their tests. Every test taker will have a different version of the test. They seem hyper-secure on some things, but not on others. The UST seems to not test state laws, but yet they are very concerned about on-line education. They are concerned about other people signing up for a course and having another complete the course. NMLS is considering web cams on everyone's computers that will confirm who is actually taking the test. Other examples are biometric keyboards that measures fingerprints, or pop-up knowledge based questions to make sure that the person taking the test is the person that is licensed.

Mr. Fagergren said registration forms for the Division's 2015 Caravan are now on the Division's website. This year there are nine different locations, with one site already full for registrations. As a reminder, the three-hour Caravan will fulfill the two-hour Utah Law CE requirement for mortgage licensees.

There are no stipulations to review this month.

Commission and Industry Issues – Justin Barney

Mr. Barney said the third option for the lending manager experience has been effective since February 10, 2015.

There are no stipulations for review this month.

A motion was made to adjourn the meeting. Vote: Chair Hiatt, yes; Vice Chair Miller, yes; Commissioner Richards, yes; Commissioner Gardner, yes. The meeting adjourned at 9:23 a.m.