

**UTAH RESIDENTIAL MORTGAGE REGULATORY  
COMMISSION MEETING**

Heber M. Wells Building  
Room 210  
9:00 a.m.  
May 1, 2013

**MINUTES**

**STAFF MEMBERS PRESENT**

Jonathan Stewart, Division Director  
Mark Fagergren, Education/Licensing Director  
Jeffery Nielsen, Chief Investigator  
Ben Jensen, Hearing Officer  
Judith Jensen, Assistant Attorney General  
Jennie Jonsson, Administrative Law Judge  
Renda Christensen, Board Secretary  
Jan Buchi, Mortgage Education Coordinator  
Amber Nielsen, Division Staff

**COMMISSION MEMBERS PRESENT**

Holly Christensen, Chair  
John Gonzales, Commissioner  
Rodney "Butch" Dailey, Commissioner

**GUESTS**

Glen Minson  
Teresa Trujillo  
Anthony Carrillo  
Spencer Haymond  
Ben Gerritsen

Vice Chair Steve Hiatt and Commissioner Lance Miller were excused from the meeting this month.

The meeting on May 1, 2013 of the Utah Residential Mortgage Regulatory Commission began at 9:03 a.m. with Chair Christensen conducting.

**PLANNING AND ADMINISTRATIVE MATTERS**

Approval of Minutes – The minutes from the April 3, 2013 meeting will have to be voted on in the June 5, 2013 meeting because a quorum was not present to vote on that meeting.

**DIVISION REPORTS**

**Director's Report – Jonathan Stewart**

Director Stewart said that he received a notice from NMLS that the State Regulatory

Registry LLC (SRR) is inviting public comments on: 1) the uniform NMLS Company, Branch, and Individual Licensing Forms (“Forms”) developed by state regulators and used by all states through NMLS; and 2) the NMLS Mortgage Call Report (MCR). The comment period will run through June 11, 2013.

SRR is seeking comments from the public on the content of the Forms and the Mortgage Call Report as they are represented in NMLS. SRR is particularly interested in input on the following seven questions:

1. In 2012, the Forms were updated to allow entities to indicate all lines of business they engage in at the company and branch levels. These business activities have corresponding definitions to guide users when completing company and branch filings. Is this list of activities and corresponding definitions sufficient and comprehensive? Does it clearly and accurately capture the activities entities engage in during a term of licensure?
2. Based on experience in using the Forms over the past several years and in conjunction with the 2012 changes to accommodate other non-mortgage financial services licenses in NMLS, how can the questions or content of the Forms be improved or clarified?
3. Regarding the definition of “application” in the Mortgage Call Reports, SRR recognized that various definitions of “application” exist in state and federal law and the multiple definitions have led to significant misunderstandings among licensees completing the Mortgage Call Report. Does the current definition of “application” for the Mortgage Call Report require additional clarification or explanation and, if so, what should that guidance be?
4. Entities that indicate on their company record in NMLS that they are Fannie Mae, Freddie Mac Seller/Service, or Ginnie Mae issuers are required to complete the Expanded version of the Mortgage Call Report. All other companies complete the Standard version. Should a different set of criteria be used when determining which companies file the different versions of the Mortgage Call Report, and, if so, what should the criteria be?
5. Based on nearly two years of experience with the Mortgage Call Report, which policies, requirements, data fields, or definitions should be amended or maintained in order to provide regulators with sufficient supervisory information and create a uniform reporting mechanism for industry?
6. SRR intends to publish aggregate, non-company specific Mortgage Call Report activity data on the NMLS Resource Center. What information would you consider useful to both industry and the general public that should be included in the data publication?

7. SRR understands that licensees in non-mortgage industries periodically submit production (e.g. transactional or volume) and financial information to state regulators. What specific information should SRR consider collecting through NMLS, and should it be collected through the Call Report or similar filing?

### **Enforcement Report – Jeffery Nielsen**

The enforcement numbers for April are not available this month. Allyn Stutsman is out on medical leave, and we should have those numbers available next month.

Mr. Nielsen said most of the complaints the Division is receiving are for loan modifications and unlicensed activity.

### **Licensing and Education Report – Mark Fagergren**

Mr. Fagergren mentioned the survey in Director Stewart's report. The reference to "non-mortgage services" is troubling. The states, and each of you as licensees, have built this database, and have paid significant amounts of money to NMLS for the development of this database. The Division paid \$230,000 for a license with NMLS, and the Division of Financial Institutions paid \$50,000. NMLS is now expanding to include other industries and will have access to the information the mortgage industry has gathered.

These new industries have not been charged the large fees for the capital expense to develop the system. The fees that these agencies are paying do not reflect the cost of setting up this database. The forms we will now have to complete will need to be modified for these other agencies. Mr. Fagergren said the system was created for the mortgage licensees, and should be structured and created for our convenience, not changed for other agencies use.

The licensing numbers for the first four months of 2013 show there are 3,094 licensees, which now equal the numbers for all of 2012. There is a distinct increase in new applications. There have been an increased number of phone calls regarding setting up new branches and companies.

Mr. Fagergren mentioned that Tiffeni Wall who was the Real Estate Education Coordinator has accepted another job with the State. Ms. Buchi will be covering both Real Estate and Mortgage Education until another person is hired.

The Division's Caravan meeting in Park City was held yesterday. There was a good turnout, and the Division will be going to Vernal tomorrow. Each year the Division tries to cover remote locations for those who don't get to attend meetings in their area. The majority of those in attendance are real estate licensees, some appraisers, and few mortgage licensees. The Division's newsletter is the only source of information for many who are in remote areas to keep updated on rule changes, licensing updates, etc.

## **COMMISSION AND INDUSTRY ISSUES**

### **Updates on Rules – Ben Jensen**

Mr. Jensen said there are no rule updates this month, but there will be some minor revisions for next month. These updates are issues that have been previously reviewed.

Senate Bill 77 of the 2013 general legislative session places new requirements on the reporting and public availability of information recorded, distributed, and produced as minutes in a public meeting. The changes affect four types of information, the time frame, and the medium in which they must be available to the public. On May 14, 2013, the Utah Public Notice Website will now include draft minutes; approved minutes; material distributed at the meeting; and, an audio recording of the public meeting. This will also include any hearings held before the Commissions/Board. The hearing notices will include a statement that informs the individual the hearing will be posted on the Utah Public Notice Website.

A brief recess was held from 9:45 a.m. to 10:30 a.m.

### **OPEN TO PUBLIC**

#### **INFORMAL HEARING:**

10:42          Richard Michael Gaines – Application for License

Mr. Gaines did not appear for his hearing. A motion was made to enter a Default order. Vote: Chair Christensen, yes; Commissioner Dailey, yes; Commissioner Gonzales, yes. Motion carries.

### **OPEN TO PUBLIC**

A motion was made to adjourn the meeting. Vote: Chair Christensen, yes; Commissioner Gonzales, yes; Commissioner Dailey, yes. The motion carries. The meeting adjourned at 10:45 a.m.