

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber Wells Building

9:00 a.m.

September 3, 2014

Room 210

MINUTES

STAFF MEMBERS PRESENT

Jonathan Stewart, Division Director
Mark Fagergren, Education/Licensing Director
Jeffery Nielsen, Chief Investigator
Justin Barney, Hearing Officer
Elizabeth Harris, Assistant Attorney General
Renda Christensen, Board Secretary
Jan Buchi, Mortgage Education Coordinator
Amber Nielsen, Division
Jennica Gruver, Division Staff
Marv Everett, Investigator
Tim Cuthbertson, Investigator
Vee Kinnavongsa, Division Staff

COMMISSION MEMBERS PRESENT

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

GUESTS

Ben Gerretson

The meeting on September 3, 2014 of the Utah Residential Mortgage Regulatory Commission began at 9:04 a.m. with Chair Hiatt conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

A motion was made and seconded to approve the minutes from the August 6, 2014 meeting. Vote: Chair Hiatt, yes; Vice Chair Miller, yes; Commissioner Richards, yes; Commissioner Gardner, yes. Commissioner Gonzales did not vote because he left the meeting last month early and went home ill.

DIVISION REPORTS

Director's Report – Jonathan Stewart

Director Stewart said that Bill Matthews, NMLS, offered to review a plan for adding the

Division's state-specific education course to NMLS, and having the fees for posting those courses waived as well as for teaching the class. Mr. Matthews said NMLS won't allow either option. The main reason is if they post a CE class into the NMLS, it would be considered an elective for anyone to use in renewing their license even in a state other than Utah.

The Association of Real Estate License Law Officials ("ARELLO") is presenting the Division with an education award for Caravan. Director Stewart and Mr. Fagergren will be attending the ARELLO conference later this month and will receive the award. The award is for having the best CE course in the nation. This award is a great recognition for the education staff that works for the Division and the previous staff. Caravan has gone on for 30 years.

Director Stewart said the Division is starting a list of changes to discuss before the next legislative session. The majority of these changes are in the Mortgage section this year. He will provide the list and discuss these items with the Commission in the meeting next month.

Enforcement Report – Jeffery Nielsen

Mr. Nielsen reported in August the Division received 3 complaints; opened no new cases; referred 4 new cases to the Attorney General's office; closed no cases; leaving the total number of open mortgage cases at 75.

There are no stipulations for review today.

Education and Licensing Report – Mark Fagergren

Mr. Fagergren reminded the Commission about the upcoming Instructor Development Workshop ("IDW") that is being held on October 22-23, 2014. The Commissioners are welcome as guests, and Mr. Fagergren said he hopes they attend. It is beneficial to the instructors to interact with the Commissioners. In the morning session the Division will do some presentations and have a panel discussion on some educational issues.

Mr. Fagergren said that for the past several months' discussion has been held on the possible additional option to become a lending manager. Mr. Fagergren said he will discuss what the Division feels is workable, and a couple of issues for discussion.

People from a banking background have a problem in qualifying before they take the education and the exam. If someone pays to take the education and take the exam, and then can't qualify, will be very irate and frustrated. For those who express the difficulty and inability to meet the pre-qualification criteria, the staff will propose another option. The applicant will need sign a disclosure form to detail that they are unable to take the education and exam before they are qualified, and that they are assuming all risks by doing so.

Currently, if an MLO or lending manager allows their license to expire at the end of each calendar year, they have two months to reinstate their license. After that time,

they would need to reapply and meet all the requirements again. The Division thinks that within the first year, if a lending manager did allow their license to expire, they should not have to re-qualify. They should have to take the education again, but we propose that they have to take the education and take the late CE, but that they not have to re-qualify with all the experience.

Mr. Fagergren discussed Option 3. This is a long-term manager situation where someone has managed for a long time and they haven't been lending recently. To qualify for this Option, a person would have to: have 10 years minimum of supervision within the last 12 years; actively supervise at least 5 Mortgage Loan Originators (actively licensed, registered, or exempt); have 15 originations. They have to document their supervising experience. This will be subject to Division audit.

These proposed changes will be notified in the Division's next newsletter, and they will give them the option to send in their comments.

There are no stipulations to review this month.

COMMISSION AND INDUSTRY ISSUES

Updates on Rules – Justin Barney

Mr. Barney will be amending three rules to match the changes requested for the lending manager options. He will have a proposed rule draft next month for the Commission to review.

There are no stipulations to review this month.

INFORMAL HEARING:

10:07 Citywide Home Loans - Disciplinary Hearing
Deanna Sabey, General Counsel

Witnesses:

Marylee Gilchrist, MLO for Citywide
Teresa Whitehead, CEO for Citywide

Marv Everett, Division Investigator

Commissioner Richards knows Ms. Sabey. Both Ms. Sabey and Ms. Harris have no problem with him remaining for the hearing.

Vice Chair Miller has recused himself from the hearing.

CLOSED TO PUBLIC

A motion was made to go into Executive Session. Vote: Chair Hiatt, yes; Commissioner Richards, yes; Commissioner Gardner, yes; Commissioner Gonzales,

yes. Executive Session was held from 11:08 a.m. to 12:00 p.m.

OPEN TO PUBLIC

Results of Hearing

The Division will notify Ms. Sabey of their decision by mail.

A motion was made to adjourn the meeting. Vote: Chair Hiatt, yes; Commissioner Richards, yes; Commissioner Gardner, yes; Commissioner Gonzales, yes. The meeting adjourned at 12:00 p.m.