

Utah Department of Commerce

# Division of Real Estate

A publication for Utah's real estate, appraisal, and mortgage professionals.

# NEWS

Gary R. Herbert, Governor

Francine A. Giani, Executive Director

Jonathan Stewart, Division Director

FIRST QUARTER 2013

## DIRECTOR'S MESSAGE 2013 Legislative Update



Jonathan Stewart

The 2013 Legislative Session recently concluded. The Division's Bill, House Bill 290, successfully passed. The Division would again like to publicly thank Representative Gage Froerer for sponsoring our bill. Representative Froerer is always willing to help the Division, and we appreciate his assistance. We would also like to thank Senator J. Stuart Adams for sponsoring our bill on the Senate Floor. Our 2013 bill made changes to the Real Estate Licensing and Practices Act, the Utah Residential Mortgage Practices and Licensing Act, the Appraisal Management Company Registration and Regulation Act, and the Uniform Land Sales Practices Act. These changes will go into effect on May 14, 2013. The following changes were included in H.B. 290:

### Real Estate Licensing and Practices Act

- Clarified that all licensing fees will be made in accordance with the Budgetary Procedures Act.
- Established that the Division may terminate an entity's registration with the Division if the entity's registration with the Division of Corporations and Commercial Code has been expired for at least three years and the entity's registration with the Division of Real Estate has been inactive for at least three years.
- Clarified exemptions for property management in an isolated transaction or service.

### Utah Residential Mortgage Practices and Licensing Act

- Clarified that a home address provided to and maintained by the Division is not public information, unless no other address is provided.
- Authorized the Division to create administrative rules requiring periodic criminal background and credit checks.
- Clarified that equivalent experience (experience other than originating experience) to become a Lending Manager will be created through rule.

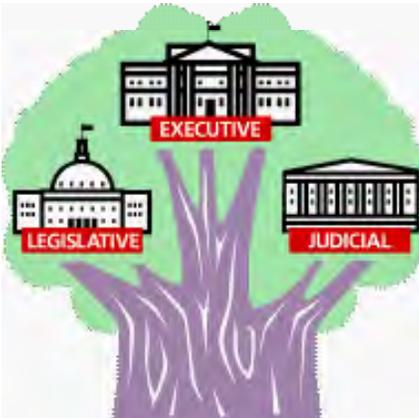
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## DIRECTOR'S MESSAGE

### 2013 Legislative Update



- Authorized the Division to require all new Lending Managers to submit to a criminal background check.
- Clarified that a Principal Lending Manager cannot also act as a Branch Lending Manager for the individual's sponsoring entity if the entity operates from more than one location.

#### Appraisal Management Company Registration and Regulation Act

- Extended the reinstatement period for an expired Appraisal Management Company registration from 30 days to one year.

#### Uniform Land Sales Practices Act

- Updated the Uniform Land Sales Practices Act to comply with Dodd-Frank.

Division staff tried to identify statutory changes that would solve current industry problems, clarify the legislative intent, or to make our statutes consistent with Federal Law. If you have any questions about these statutory changes, please contact the Division for additional information. We hope these changes are clear to those affected and will not place any undue burden on you in your careers.



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## Rule Developments First Quarter 2013

To view and make comments on any of the proposed rules, please visit the Utah State Bulletin at <http://www.rules.utah.gov/publicat/bulletin.htm>

### Appraisal

The Division is in the process of preparing administrative rules to implement the Appraiser Qualifications Board's (AQB) Real Property Appraiser Qualification Criteria. The AQB requires that these new criteria be in effect January 1, 2015; the Division plans to have the administrative rules promulgated well before the AQB's required date.

One change will allow appraisers to renew their license while on active military duty by submitting a complete renewal application and requesting deferral of their required continuing education. Upon receiving a deferment request approved by the Division, the licensee's renewal will be conditionally approved which will allow the license to remain active. After returning home from active military duty, the licensee will have 90 days to complete the deferred continuing education requirements.

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## **Rule Developments First Quarter 2013**

Another change will require a supervisor and trainee course prior to supervising. Supervisory appraisers must be certified by the Division prior to supervising; the certification will require them to meet minimum standards including: at least three years in good standing in Utah as a state-certified residential or state-certified general appraiser, the supervisor cannot have any disciplinary action within the past three years in any jurisdiction, and can supervise no more than three appraisers at a time. R162-2g-307c.(4)(a): A final change will be made to reflect the AQB's 2013 criteria in continuing education (CE). Participation in a practicum course, other than as a student taking the course, may only count towards half of CE credit.

### **Real Estate**

Property Management Rules update-- The rule amendments that were summarized and included in the fourth quarter issue of the 2012 Division Newsletter were withdrawn so that additional refinements could be made to provisions regarding dual brokers. The amendments allow dual brokers to continue operating two separate brokerage entities (one real estate brokerage and one property management brokerage), as long as the principal broker restricts the property management brokerage to exclusively performing property management duties and not engaging in the business of real estate ( including but not limited to the listing and/or selling of real property).

A property management brokerage that is not registered under a dual broker license will have that restriction on performing real estate duties lifted once the proposed amendments go into effect. The amendments have now been approved by the Commission and submitted to the Division of Administrative Rules. They will be published in the April 1st issue of the Utah State Bulletin and the comment period will run until April 30<sup>th</sup>.

R162-2f-202b: A new subsection (5) provides that a property management company that is not registered under a dual broker license is no longer prohibited from engaging in the business of real estate. The subsection also creates a process by which the Division will convert existing property management registrations and licenses to real estate registrations and licenses.

R162-2f-401a: Existing language is amended to clarify (1) that a licensee is required to obtain an agency agreement as to all sellers or buyers the licensee represents; and (2) that parties under a contract for new construction may use forms that are not approved by the state as long as they comply with Section 61-2f-306(2)(b)-(c). *(for additional information see page 9)*

R162-2f-401b: Existing language is amended to clarify (1) that a nominal payment, up to \$200 per lease, to an unlicensed employee or current tenant in a property management transaction does not constitute unprofessional conduct; and (2) that a licensee may not charge inflated or unearned fees in a real estate transaction.

R162-2f-401c: Record-keeping requirements are moved into a new subsection. Language is modified to clarify how the existing requirements apply differently in real estate and property management transactions.

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# **Appraiser Qualification Criteria Increases January 1, 2015**

(Portions of this article reprinted from March and September 2012 Newsletters)

The Appraisal Qualifications Board (AQB) has enacted changes to licensing criteria that will take effect on January 1, 2015.

The following is a list of changes to qualification criteria that will be required for all appraiser candidates as of January 1, 2015. All candidates need to be aware and plan accordingly since there will be NO exceptions to the new AQB requirements after their implementation. These requirements include:

1. College level education will be required for all licensed appraisers – 30 semester credit hours from a college or university OR an associate's degree or higher in any field
2. College level education will be required for all certified residential appraisers – bachelor's degree or higher in any field from an accredited college or university
3. Trainee appraiser and supervisory appraiser course (required attendance) will be implemented with specifications for course content to be established by the AQB

Additional modifications to Utah's statutes and rules will be made as needed in order to bring them into compliance with the AQB requirements prior to January 1, 2015. These changes include:

1. Candidates for all new license credentials will be required to have a criminal background check. Existing credential holders shall not be required to have a criminal background check unless they apply for a new license credential.
2. No license will be issued if the applicant has :
  - a. had an appraiser license or certification revoked in any governmental jurisdiction within the five (5) year period immediately preceding the date of application; or
  - b. been convicted of, or plead guilty or nolo contendere to, a felony (involving an act of fraud, dishonesty, or a breach of trust, or money laundering) during the five (5) year period immediately preceding the date of the application; or
  - c. other criminal offenses, civil judicial actions, actions or orders by a State or Federal regulatory agencies that negatively reflect on the character and/or general fitness such as to command the confidence of the community and to operate honestly, fairly, and efficiently with the purposes of these criteria.
3. Attend Trainee/Supervisor Supervision Course. All supervisors and trainees must attend a Trainee/Supervisor Supervision Course that follows the AQB approved course outline and has been approved by the Utah Division of Real Estate. Trainees will not receive experience hours after 1/1/15 until both the Trainee and Supervisor have attended the supervision course.



4. Supervising Appraisers shall:

- a. have been state-certified for a minimum of three (3) years prior to becoming a Supervisory Appraiser; and
- b. be in “good standing” (shall not have been subject to any disciplinary action) in any jurisdiction for a period of at least three (3) years that affects the Supervisory Appraiser’s legal eligibility to engage in appraisal practice; and
- c. comply with the Competency Rule of USPAP for the property type and geographic location that the Trainee Appraiser is being supervised; and
- d. jointly (along with the Trainee Appraiser) be responsible for and maintain an appraisal experience log and ensure that the log is accurate, current, and complies with the requirements of the Utah Division of Real Estate; and
- e. supervise no more than three trainees at a time.

Some of the AQB changes have already been implemented within our existing Utah statute and rules. These changes include the following requirements:

1. Qualifying education and experience **MUST** be completed **BEFORE** sitting for the exam;
2. The “segmented approach” for completing and satisfying licensing criteria has been eliminated;
3. Appraisers are restricted from receiving credit for completing the same continuing education course more than once within a two-year licensing cycle;
4. Certified general appraiser candidates are required to hold a bachelor’s degree or higher in any field from an accredited college or university;
5. Trainee qualifying education must be completed within the five (5) year period prior to the date of application for a trainee appraiser credential;
6. Trainee appraisers are allowed to have more than one supervising certified appraiser.



## Kagie's Korner

### Real Estate Advertising 101



The Division receives many inquiries regarding advertising requirements and restrictions. The two most common requests focus on the font size requirements of the brokerage information, and how or if the brokerage name can be abbreviated in advertisements. Real estate licensees regularly inquire about the required minimum size of their brokerage logo in advertisements. Many are surprised to learn that administrative rules regarding advertising do not require the logo to be a specific size, instead the rules focus on the text size. Listed below are the two rules that apply to all forms of advertisement (e.g. website, newspaper, flyers, etc.) based on who is doing the advertising:

- If a licensee is using their name in the advertisement, then administrative rule **R162-2f-401h(2)** applies. This rule states:

“An advertisement that includes the name of an individual licensee shall also include the name of the licensee’s brokerage in lettering that is **at least one-half the size of the lettering identifying the individual licensee.**” (Emphasis added)

- If the advertising is done by a advertising a team, group, or other marketing entity that is not registered as a brokerage, then administrative rule **R162-2f-401h(5)** applies. This rule states:

“An advertising team, group, or other marketing entity that is not registered as a brokerage:  
(a) shall, in all types of advertising, **clearly**:  
(i) disclose that the team, group, or other marketing entity is not itself a brokerage; and  
(ii) state the name of the registered brokerage with which the property being advertised is listed;  
(b) shall, in any printed advertising material, clearly and conspicuously identify, in lettering that **is at least one-half the size of the largest lettering used in the advertisement**, the name of the registered brokerage with which the property being advertised is listed; and  
(c) may not advertise as an “owner-agent” or “owner-broker.”” (Emphasis added)

Another advertisement rule the Division continually addresses with licensees is how to properly identify the name of the brokerage with which the licensee is associated. For example, we occasionally receive calls where a licensee wants to save money in an advertisement by reducing the number of words. To do so, the licensee would prefer to use the initials of the company instead of the full name (e.g. using DRE instead of Division of Real Estate).

The name of the Brokerage in advertising is addressed by administrative rule **R162-2f-401h(1)**: “Advertising shall include the name of the real estate brokerage or, as applicable, the property management brokerage **as shown on division records . . .**” (Emphasis added).

We strongly recommend that every real estate licensee review the advertising rules in [Utah Administrative Code R162-2f-401h](#). As a reminder, all of the Division’s statutes and rules can be accessed by going to the Division’s website, selecting the tab at the top of the page for the industry in which you are interested in reviewing, and then selecting the Statutes and Administrative Rules section.



## **2013 Mortgage License Reinstatement Period Ends**

The 2013 mortgage license reinstatement period ended on 2/28/13. A total of 3372 mortgage loan originators (including MLOs, PLMs, BLMs, and ALMs) have now renewed or reinstated their licenses. Of that total, 172 licensees reinstated their licenses between 1/1/13 and 2/28/13. In addition, 706 mortgage entities and mortgage branches have now renewed or reinstated their licenses. Only 18 mortgage entities and mortgage branches reinstated their licenses between 1/1/13 and 2/28/13. Having completed several mortgage license renewal cycles licensees seem better equipped to negotiate the renewal procedures and reinstatement requirements required by the NMLS and the Division of Real Estate.



## **Mortgage Licensees Who Failed To Reinststate**

Any licensee who failed to renew by the end of December 2012, and who failed to reinststate by 2/28/13, must now complete the following requirements in order to relicense:

- Reapply for a license, including the payment of an application fee.
- Demonstrate having completed all required NMLS CE for the year in which the license expired.
- Mortgage loan originators- complete the required Utah 15-hour prelicensing education course.
- Lending managers- submit to the Utah Division of Real Estate an experience documentation form, qualifying to take the 40-hour Lending Manager course, successfully complete the course, and pass the lending manager exam.

Thanks to all our mortgage licensees for completing their annual license renewal in such a professional and timely manner. The Division staff enjoyed working with you and assisting in this process; we wish you a prosperous 2013.



# THIRD QUARTER LICENSING & DISCIPLINARY ACTIONS



*Please note that there are 30 days after the order date for a licensee or an applicant to file a request*

*for agency review of the order, and that there are 30 days after the issuance of an order on review for a licensee or an applicant to file a petition for judicial review. Some of the orders listed may be within those appeal periods.*

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## Rule Developments First Quarter 2013

*continued from page 3*

R162-2f-401j: Existing language is amended to clarify a principal broker's supervisory duties in property management transactions, particularly as to unlicensed employees.

R162-2f-401k: This is a new section in which all existing requirements regarding record retention and management are combined for easy reference.

R162-2f-403a through 403 c: The existing trust account standards and requirements are divided into three sections: one for general provisions that apply to all trust accounts; one for provisions that apply specifically to real estate trust accounts; and one for provisions that apply specifically to property management trust accounts.

## APPRAISAL

JEFFREY D. WOOD, certified residential appraiser, Heber City, Utah. In a February 27, 2013 stipulation and order he agreed to voluntarily surrender his license for five years for allowing a trainee access to his office and digital signature in violation of Utah Administrative Code R 162-2g-502a(1)(d). Case number AP-11-56952.



## Do You Have A Question Or A Suggestion For The Division?

Do you have a question you have been wanting to ask an investigator but have not had the time to call? Do you have questions about your license? We want to hear about your ideas and suggestions. All questions and suggestions will be anonymous. Selected questions will be answered in the next newsletter.

Submit questions to: [DREnewsletter@utah.gov](mailto:DREnewsletter@utah.gov)

### *Question:*

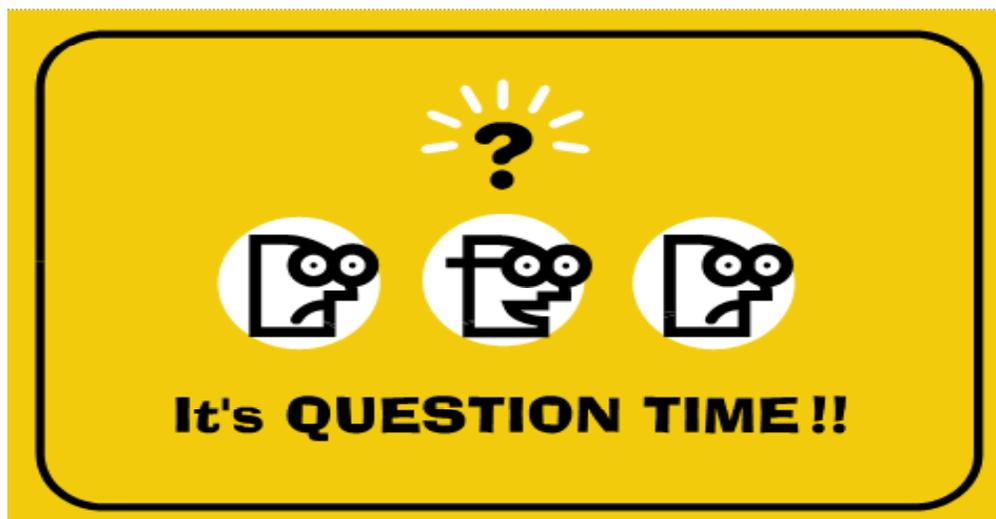
I am looking for a better understanding of the rule that was in this last month's newsletter. Attached is the following rule and I am specifically trying to get a better understanding about (23). Thank you for your assistance.

- R162-2f-401b: (12) adds an exception to paying a • finder's fee that allows an individual licensee to compensate an unlicensed employee or current tenant up to \$200 per lease for assistance in retaining an existing tenant or securing a new tenant. Also, (23) prohibits charging any fee that represents the difference between the total concessions authorized by a seller and the actual amount of the buyer's closing costs, or in a short sale, the sale price approved by the lender and the total amount required to clear encumbrances on title and close the transaction.

### *Answer:*

R162-2f-401b(23) is based in the TILA and RESPA prohibitions against charging unearned fees. In the past, there have been some agents/principal brokers who have invented junk fees to skim any excess that remained out of a seller's concessions after all closing costs were paid. This rule prohibits such a practice. Similarly, there have been agents/principal brokers who have negotiated a payoff with the lender in a short sale that allows the agent to charge fees beyond the commission.

Real estate licensees should be careful not to collect any fees as part of a transaction that are not legitimate, reasonable, earned, and clearly disclosed to the party who pays them.



## Mortgage Uniform State Test (UST)

The NMLS has completed development of the Uniform State Test (UST). The NMLS has proposed the UST as a quasi-universal state test; many states are selecting the UST to serve as their NMLS state test rather than having a unique state test. The UST is designed to become a new section or component of the NMLS National Test. This new test section will include 25 questions which will bring the length of the National exam to 125 questions. The state of Utah has not adopted the UST to substitute for their Utah licensing test.

**Until March 31, 2014 any Utah mortgage licensee desiring to be licensed in a state outside of Utah that adopts the UST may take an “abbreviated” 25 question UST test.** Passing this shortened test, will streamline the process of becoming licensed in any jurisdiction that adopts the UST (Utah has not adopted the UST).

Approximately half of all mortgage licensing jurisdictions (state licensing agencies) are in the process of adopting the Uniform State Test as a replacement for their individual state licensing tests.

The new UST subject matter will test applicant’s knowledge of information contained in the SAFE Act and Model State Law (MSL) that was recommended for adoption by the NMLS to state licensing agencies. The UST questions will not involve state specific content nor will they combine content from multiple state tests. It is also very likely that some of the questions on the UST may be in direct conflict with one or more Utah statutes or rules.

### **Implementation of the UST in Utah**

- National Test including the UST – (For initial licensees in Utah) - This test component is under open enrollment for eligible candidates. It will replace the current National Test Component.

Who is eligible to enroll? – All candidates who are seeking state licensure and have not previously passed the National Test Component.

- Stand-alone UST – (For mortgage licensees currently licensed in Utah, wanting to become licensed in a jurisdiction that adopts the UST) - This test component is now under open enrollment for eligible candidates. Eligible candidates may enroll in the test for a period of one year ending March 31, 2014. As of April 1, 2014, the Stand-alone UST will no longer be available for enrollment. Candidates who enroll to take the test before April 1, 2014 will have the usual 180-day window to schedule and take the test.

**Who is eligible to enroll? – All candidates who have passed the National Test and who are seeking (or who may later seek) licensure in a state which has adopted or may adopt the UST.**

- **State Tests – (For licensees of another jurisdiction seeking licensure in Utah) These test components will be available for enrollment for all eligible candidates where a state requires passage of its state specific test (which Utah does).**

Due to the relatively small number of questions included in the new UST content section, the UST will be scored as part of the National Test Component. The UST content will be part of the current national test. A passing score of 75% requires at least 87 correct responses out of the 115 scored questions.

The Stand-alone version of the exam (existing Utah licensees), is comprised of a 25-question test. The 25 questions will be combined with the score from the candidate’s official results on the National Test Component and the two scores produce the candidate’s National Exam Score.

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**Mortgage Uniform State Test (UST)** *continued from previous page*

The Consumer Financial Protection Bureau (CFPB) must still formally confirm that the UST is consistent with the SAFE Act. However, the NMLS is confident that the CFPB will confirm the UST soon.

Existing Utah mortgage licensees (lending managers and mortgage loan originators) may voluntarily take the abbreviated 25 question UST before March 31, 2014 if they anticipate applying for licensure in any state that adopts the UST.



## Appraisal Subcommittee Audit

On February 25-27, 2013 the Appraisal Subcommittee (ASC) performed a compliance review (audit) of the Utah appraiser regulatory program as administered by The Utah Division of Real Estate. The findings of this audit as well as any deficiencies requiring the Division’s immediate attention are noted in this article.

The Subcommittee performed a detailed examination of the files, processes and procedures performed in regulating the appraisal industry in Utah.

Seven specific areas were reviewed by the ASC as part of their audit. These seven areas include: 1) Utah Statutes, Regulations, Policies and Procedures, 2) Temporary Practice, 3) National Registry, 4) Application Process, 5) Reciprocity, 6) Education, and 7) Enforcement.

The findings for each of the seven areas are as follows:

Compliance (Yes/No)

- |   |     |
|---|-----|
| • Utah Statutes, Regulations, Policies and Procedures | Yes |
| • Temporary Practice                                  | Yes |
| • National Registry                                   | Yes |
| • Application Process                                 | Yes |
| • Reciprocity   | Yes |
| • Education   | Yes |
| • Enforcement   | No  |

Comments from the ASC regarding enforcement specify that “States should resolve all complaints filed against appraisers within one year, except for special documented circumstances”. Utah had outstanding complaints and a portion of these complaints were outstanding for more than one year. Of the complaints that were not completed within one year, none fell within the exception for special documented circumstances.

In mitigation, the ASC noted that steps had been taken by the Division to identify the problems associated with the appraisal complaint resolution process. Despite the challenge of having all appraisal complaints resolved within one year, the Division recognizes the importance of this area of compliance and intends to eliminate this concern.

The Division appreciates the efforts of the ASC to improve how we regulate this important industry and in reviewing our processes and procedures.



## **Letter from Utah Association of Appraisers**

Fellow Appraisers – My name is Dennis Yarrington and I am the 2013-2014 President of the Utah Association of Appraisers (UAA). The UAA, established in 1990, is an executive committee consisting of local representatives of national organizations that were founding members of the Appraisal Foundation as well as local (statewide) organizations. Board members represent national organizations such as the Appraisal Institute, the American Society of Farm Managers and Rural Appraisers, International Association of Assessing Officers, International Right of Way Association, National Association of Independent Fee Appraisers, and the Utah organization – United Appraisers of Utah.

The Utah Association of Appraisers provides proactive representation for the Utah Chapters of professional appraiser organizations and other Utah appraisers. It contributes to education of the general public regarding the imperative nature of appraiser objectivity, independence, qualifications, ethics, and professional standards to ensure protection of the public interest. The UAA contributes to the education of appraisers to assure accurate interpretation of professional standards as well as the Utah State Appraiser Law and Administrative Rules and how they apply to an appraiser's practice. It also provides leadership, interpretation, and impetus on issues affecting the appraisal profession in Utah.

The Utah Association of Appraisers works closely with the Utah Division of Real Estate and the Appraisal Board to address issues affecting Utah appraisers. The committee is able to draw upon the resources of the various national associations represented to assist in this effort. Current issues include customary and reasonable fees, Appraisal Management Company legislation, state compliance with provisions of the Dodd-Frank Act, the Truth in Lending Act (TILA), and other banking and appraisal regulations. The UAA works closely with the Utah state legislature in crafting bills and regulations which protect Utah homeowners by strengthening appraisal processes and appraiser education. We are working closely with the Utah Association of Realtors (UAR) to educate and inform Realtors and appraisers concerning appropriate information sharing. We are also working on dispelling many of the myths about limitations on Realtors and appraisers exchanging information. We are working with the Wasatch Front Regional MLS (WFRMLS) in making minor modifications that would better address information needed by appraisers in residential transactions such as basement access and kitchen and bathroom updates. We are also looking for opportunities for Realtors to provide comments to appraisers concerning their opinion about whether a property listing that they sold did so at an expected market value and if not, why they felt that it didn't meet the market expectations on price.

This committee of dedicated appraiser professionals has worked tirelessly behind the scenes for over 20 years. Although many appraisers are familiar with our annual Legislative Update Seminar, USPAP courses, and annual Summer Symposium held for real estate professionals of all disciplines, it has been determined that we can best serve Utah homeowners and the appraisal industry by increasing our exposure and soliciting input from all real estate professionals. The UAA works to diligently to keep appraisers abreast of actions and changes in the recent legislative session and efforts to enhance future legislation. While some information is distributed via mail (USPS), the primary thrust of our information distribution will be through email. If you are interested in receiving our legislative updates and other information tailored to Utah appraisers, please feel free to visit our website at [www.utahappraisers-uaa.com](http://www.utahappraisers-uaa.com) or you can email me directly at [DYarrington@daviscountyutah.gov](mailto:DYarrington@daviscountyutah.gov).



# Mortgage Call Reporting And Statements of Financial Conditions

Mortgage entities are required to create and submit a quarterly Report of Condition (Mortgage Call Report or MCR) of all lending activities, including all loans closed by the entity's sponsored mortgage loan originators during the quarter. This call report is to be provided to the nationwide database (NMLS) each quarter. In addition, each mortgage entity is required to annually submit an Annual Statement of Financial Conditions (FC Report), within 90 days of the entities fiscal year end.



Mortgage entities have now had two quarters to complete the MCRs. This has been a learning process for our licensees and the Division. The SAFE Act requires the MCRs which are used to generate data for a general picture of the financial health of the mortgage industry as a whole or the financial health of an individual entity. If your mortgage entity is not a Fannie Mae or Freddie Mac Seller/Servicer or a Ginnie Mae Issuer, you need only complete the Standard MCR. Otherwise you must complete the Expanded MCR.

We believe that our licensees are completing these reports as accurately as possible, but there are some areas that have been “flagged” because they require more accurate data or have been left blank. Some of these items will require entities to maintain records that can easily be accessed to complete the report. We have a high percentage of entities who have left blank or failed to accurately complete the following application data sections: applications in process at the beginning of the period, applications approved, but not accepted, applications denied, applications withdrawn, loans closed and funded, and applications in process at the end of the period.

There is a help sheet on NMLS entitled “Definitions and Instructions” for Mortgage Call Reports, which provides a good guide for what is required in these sections. Another area requiring more accurate data is the fee section where a total of broker and lender fees are required. This is the gross amount of fees that includes, but is not limited to: YSP, application fees, doc prep fees, and administrative fees. This figure should not include pass through fees. The Mortgage Loan Originator Data section requires that you include loan information for MLOs you employed during the reporting period. If the MLO had no closed loans during the period but were employed by the entity, enter zeroes in the amount and count fields. We commend you for your efforts in completing this task and we are sure the process will become more streamlined over time.

NMLS instructions on how these reports are to be submitted can be found at: <http://mortgage.nationwidelicencingsystem.org/slr/common/mcr/Pages/default.aspx>

Division staff and NMLS call center personnel routinely receive calls from entity employees inquiring about how these forms (MCR & FC Reports) are to be prepared and submitted. Beyond the general information presented in this article, please recognize that neither Division nor NMLS employees can advise you on the specifics of preparing these financial disclosure documents. If you have questions regarding the data you are preparing for these reports, you should seek competent advice from your financial advisor or CPA.



# DIVISION OF REAL ESTATE

## SPRING CARAVAN

### Park City, April 30, 2013

9:00 am to Noon  
Park City Marriott  
1895 Sidewinder Dr.

### Moab, May 21, 2013

1:00 pm to 4:00 pm  
Grand Center  
182 North 500 West

### Vernal, May 2, 2013

9:00 am to Noon  
[SpringHill Suites Marriott](#)  
1205 West Highway 40

### Richfield, May 22, 2013

1:00 pm to 4:00 pm  
Sevier County Administrative Building  
250 North Main

### Logan, May 7, 2013

1:00 pm to 4:00 pm  
[Bridgerland Applied Technology College](#)  
[Room 171 A-E](#)  
1301 North 600 West

### Cedar City, May 23, 2013

1:00 pm to 4:00 pm  
[SUU, Charles Hunter Conference Center](#)  
351 West University Blvd.

### Ogden, May 9, 2013

9:00 am to Noon  
[Ogden-Weber Applied Technology College](#)  
200 North Washington Blvd.

### St. George, May 24, 2013

9:00 am to Noon  
[Dixie State University, Browning Learning Center-](#)  
[Dunford Auditorium](#)  
225 South 700 East

### Tooele, May 14, 2013

9:00 am to Noon  
[Deseret Peak Complex](#)  
2930 West Highway 112

**\*IF YOU ARE ATTENDING A COLLEGE LOCATION  
PLEASE ALLOW SUFFICIENT TIME FOR PARKING  
AND TO LOCATE THE CONFERENCE ROOM**

**\*SEATING IS LIMITED & NOT GUARANTEED**

\*Please complete the online registration by logging onto:

[www.realestate.utah.gov/caravan.html](http://www.realestate.utah.gov/caravan.html). Provide your name, license number,  
location/date you wish to attend, along with a credit card number to reserve your seat.

**~SEAT RESERVATION DEADLINE IS THREE DAYS PRIOR TO THE CARAVAN~**

The Division of Real Estate is offering a **FREE** three hour CORE continuing education course for real estate and continuing education credit for appraiser licensees. Mortgage licensees are invited, however, due to NMLS rules, we are unable to offer mortgage CE credit.

### **PLEASE READ!!**

There continues to be **NO CHARGE** to attend the Division CARAVAN. However, those who register and then fail to attend without canceling their scheduled reservation at least three days prior to the event will be charged a \$10.00 **“NO SHOW”** fee. Division staff will be discussing current issues and hot topics facing the real estate, mortgage, and appraiser industries. They will also be available for any questions and concerns you may have as a licensee.

JOSHUA HAIRE, license appraiser, Walnut Creek, California. In a February 27, 2013 stipulation and order he agreed to surrender his license for five years. In violation of USPAP Standards Rule 1-5, Mr. Haire reported a prior sale of the property, but failed to analyze the prior sale in comparison to the value of the appraisal report. In violation of USPAP Standards Rule 2-2(b)(viii) and 1-2(e)(iv), Mr. Haire failed to identify, report, and analyze that the subject property was located in a master-planned active adult lifestyle community with restrictions. In violation of USPAP Standards Rule 2-3, 2-2(b)(viii), 1-6(b) and 1-2(e)(iv), Mr. Haire failed to disclose, in the body of the appraisal report, prior service regarding the subject property and failed to identify, report, and analyze that the subject property was located in a master-planned active adult lifestyle community with restrictions. Cases number AP-12-60962 and AP-12-60961.

DANIEL BRENT TARR, certified residential appraiser, West Jordan, UT. In a February 27, 2013 stipulation and order, he agreed to pay a civil penalty of \$2,000. In violation of R162-2g-502a(1)(g), Mr. Tarr signed the certification page indicating he had inspected the subject property and had not received any significant contribution by any other person on the report after allowing a licensed appraiser to inspect and measure a property. Case number AP-12-60050. JOSH BENSON, state-certified residential appraiser, West Haven, Utah. In a December 12, 2012 stipulation and order, he agreed to pay a \$250 civil penalty, for failing to disclose a criminal history. Case number AP-12-62788.

## **MORTGAGE**

ERIC COOK LARSEN, American Fork, Utah. In a March 7, 2013 order, following a hearing, his previous license revocation was converted to a suspension under Utah Code § 61-2c-402(4). Case number MG-13-63623.

RICHARD MICHAEL GAINES, mortgage loan originator, Provo, Utah. In a February 7, 2013 order, he was granted a license on probation until Mr. Gaines demonstrates to the Division that he has formalized a plan to resolve tax arrears and is making child support payments. Case Number MG-13-63679.

SPRINGLEAF FINANCIAL SERVICES, INC., mortgage entity license, Evansville, Indiana. In a February 8, 2013 order, license was renewed on probation for failing to safeguard personal information and the resulting order on its license in another state. Case number MG-13-63691.

ETHAN ZACHARY GOTTLIEB, mortgage loan originator application, Royal Oak, Michigan. In a February 7, 2013 order his application was denied for a felony conviction within the past seven years and thus, is ineligible for licensure pursuant to Utah Administrative Code § R162-2c-202(1)(a)(i)(B). Case number MG-13-63675.

NORMAN VALDON BELNAP, mortgage loan originator, Orem, Utah. In a March 22, 2013 order his license was suspended for failing to update his NMLS record and respond to a division request for information in violation of Utah Code § 61-2c-301(1)(g)(ii) and Utah Administrative Code R162-2c-301a. Case number MG-13-64273.

DAVID LOGAN BENNETT, mortgage loan originator, Cedar Hills, Utah. In a March 22, 2013 order his license was suspended for failing to update his NMLS record and respond to a division request for information in violation of Utah Code § 61-2c-301(1)(g)(ii) and Utah Administrative Code R162-2c-301a. Case number MG-13-64277.

SHANNON T. TAYLOR, mortgage loan originator, Vernal, Utah. In a March 22, 2013 order her license was suspended for failing to update her NMLS record and respond to a division request for information in violation of Utah Code § 61-2c-301(1)(g)(ii) and Utah Administrative Code R162-2c-301a. Case number MG-13-64279.

LAURANGUYEN POPE, mortgage loan originator, West Jordan, Utah. In a March 22, 2013 order her license was suspended for failing to update her NMLS record and respond to a division request for information in violation of Utah Code § 61-2c-301(1)(g)(ii) and Utah Administrative Code R162-2c-301a. Case number MG-13-64278.

CHAD LEN GREENLEAF, mortgage loan originator, Riverton, Utah. In a March 22, 2013 order his license was suspended for failing to update his NMLS record and respond to a division request for information in violation of Utah Code § 61-2c-301(1)(g)(ii) and Utah Administrative Code R162-2c-301a. Case number MG-13-64256.

## *Utah Division of Real Estate*

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PAUL V. FINLAYSON, mortgage loan originator, Alpine, Utah. In a March 22, 2013 order his license was suspended for failing to update his NMLS record and respond to a division request for information in violation of Utah Code § 61-2c-301(1)(g)(ii) and Utah Administrative Code R162-2c-301a. Case number MG-13-64267.

ARTHUR EARL MCARTHUR, mortgage lending manager, Taylorsville, Utah. In a March 22, 2013 order his license was suspended for failing to update his NMLS record and respond to a division request for information in violation of Utah Code § 61-2c-301(1)(g)(ii) and Utah Administrative Code R162-2c-301a. Case number MG-13-64178.

HOME & SMALL BUSINESS MORTGAGE COMPANY, mortgage entity, Sandy, Utah. In a March 22, 2013 order its license was suspended for failing to update its NMLS record and respond to a division request for information in violation of Utah Code § 61-2c-301(1)(g)(ii) and Utah Administrative Code R162-2c-301a. Case number MG-13-64261.

THOMAS R. DOWELL, mortgage lending manager, Salt Lake City, Utah. In a March 22, 2013 order his license was suspended for failing to update his NMLS record and respond to a division request for information in violation of Utah Code § 61-2c-301(1)(g)(ii) and Utah Administrative Code R162-2c-301a. Case number MG-13-64268.

KYLE BLACKBURN, mortgage loan originator, Roy, Utah. In a March 22, 2013 order his license was suspended for failing to update his NMLS record and respond to a division request for information in violation of Utah Code § 61-2c-301(1)(g)(ii) and Utah Administrative Code R162-2c-301a. Case number MG-13-64266.

### **REAL ESTATE**

LANCEBUSH, sales agent license, Salt Lake City, Utah. In a January 16, 2013 stipulation and order, he agreed to pay a \$1,500 civil penalty for failing to report three criminal matters on his application in violation of Utah Code § 61-2f-401(1)(a). Case number RE-13-63930.

LYNN A. CHRISTENSEN, sales agent license, West Jordan, Utah. In a January 13, 2013 Order denied his license renewal for failing to comply with probationary conditions of a prior Order. Case number RE-13-63932.

MONICA A. FREDETTE, sales agent license, Roosevelt, Utah. In a February 20, 2013 stipulation and order, she agreed to pay a \$2,500 civil penalty for representing buyers and sellers and receiving at least five commissions while her license was on inactive status in violation of Utah Code §§61-2f-302(1) & (2)(a) and Utah Administrative Code R162-2f-207(3)(c)(i). Case number RE-12-62090.

GREGG A. MCDERMOTT, sales agent license, St. George, Utah. In a February 20, 2013 stipulation and order, he agreed to pay a \$1,000 civil penalty for paying referral fees to sales agents rather than their respective Broker/s or Brokerage/s in violation of Utah Administrative Code R162-2f-401a(16)(b). Case number RE-11-57347.

TANYA BARRON, sales agent license, Salt Lake City, Utah. In a February 20, 2013 stipulation and order, she agreed to pay a \$500 civil penalty for failing to disclose a criminal history in violation of Utah Code § 61-2f-401(1). Case number RE-13-63757.

RUSSELL CANNON, sales agent license, North Salt Lake, Utah. In a February 20, 2013 order following a hearing, his application was granted and immediately suspended for failing to satisfy his burden of proving that he possesses the character and competence required for licensure as mandated by Utah Code § 61-2f-203(1). Case number RE-13-63556.

JOANNABOURKLAND, sales agent license, Park City, Utah. In a February 20, 2013 stipulation and order, she agreed to pay a \$250 civil penalty for failing to disclose a previous probationary status on another license. Case number RE-12-62488.

CLARENCE HUGGINS, sales agent license, Lake Point, Utah. In a February 20, 2013 stipulation and order, he agreed to pay a \$500 civil penalty for failing to disclose a criminal history on his application in violation of Utah Code § 61-2f-401(1). Case number RE-13-63613.

BRENDA KREIDE, sales agent license, Herriman, Utah. In a February 20, 2013 stipulation and order, she agreed to voluntarily surrender her license in lieu of paying a \$250 civil penalty for failing to report a plea in abeyance within ten days of the entry of the plea in violation of Utah Code § 61-2f-301(1)(a)(ii). Case number RE-12-61515.

SAMUEL WAYNE REX, JR., sales agent license, Salt Lake City, Utah. In a February 20, 2013 stipulation and order, he agreed to pay a \$500 civil penalty for failing to disclose the denial of two license applications within ten days of the denial in violation of Utah Code § 61-2f-301(1)(c). Case number RE-12-60572.

DANNY LEE RUTHERFORD, sales agent license, West Valley City, Utah. In a February 20, 2013 stipulation and order, he agreed to pay a \$3,500 civil penalty for failure to disclose seven criminal history incidents on his application in violation of Utah Code § 61-2f-203. Case number RE-12-63022.

WILLIAM G RUTHERFORD, sales agent license, Salt Lake City, Utah. In a February 20, 2013 stipulation and order, he agreed to a revocation of his license for a felony conviction which he failed to report within ten days of conviction in violation of Utah Code § 61-2f-301(1)(a)(i). Case number RE-13-63732.

MARTHA WEST, associate broker, Park City, Utah. In a February 20, 2013 stipulation and order, she agreed to pay a \$750 civil penalty and be placed on probation for the term of the renewal period for failing to disclose a criminal history on a renewal application and failing to disclose a plea in abeyance to a felony within 10 days of the entry of the plea in violation of Utah Administrative Code R 162-2f-401b(3)(a) and Utah Code § 61-2f-301(1)(a)(i), respectively. Case number RE-12-61439.

JO ANN HANCOCK, principal broker, Vernal, Utah. In a February 20, 2013 stipulation and order, she agreed to pay a \$1,250 civil penalty and take three additional hours of continuing education for allowing a sales agent, who was inactive for failing to change an affiliation on the Real Estate License Management System (RELMS), to represent her brokerage and paid the agent at least five commissions in violation of Utah Code § 61-2f-401(12) and Utah Administrative Code R162-2f-207(3)(c)(i). Case number RE-12-62089.

CHAD ASHEIM, sales agent, St. George, Utah. In a February 13, 2013 order, his license was granted on probation for criminal history. Case number RE-13-63558.

BECKYEVANS, sales agent, Kaysville, Utah. In a February 14, 2013 order, her license was granted on probation for pending criminal charges. Case number RE-13-63758.

RICHARD MHUNTSMAN, sales agent, Salt Lake City, Utah. In a February 13, 2013 order, his license was granted on probation for criminal history. Case number RE-13-63698.

DAVID IRWIN, real estate instructor, Park City, Utah. In a February 4, 2013 order, his license was renewed on probation for criminal history. Case number RE-13-63618.

JASON HEITZ, sales agent, West Jordan, Utah. In a March 25, 2013 order following a hearing, his license was granted on probation and immediately suspended until he has paid a \$500 civil penalty for failing to disclose a criminal history. Case number RE-13-63445.

SAMUEL CAMPOS, sales agent, West Jordan, Utah. In a January 23, 2013 order, his license was granted and immediately suspended until he complies with a previous Division order by demonstrating that he is current with his tax liens and child support obligations. Case number RE-13-63449.

IANSUKERSON, sales agent, St. George, Utah. In a March 25, 2013 order following a hearing his license was granted on probation for criminal history. Case number RE-12-63030.

VINCENT J. BLACKMORE, sales agent, La Verkin, Utah. In a March 20, 2013 stipulation and order he agreed to pay a \$500 civil penalty for failing to disclose a criminal history on his application in violation of Utah Code § 61-2f-401(1). Case number RE-13-63833.

DELL WILLIAMS, sales agent, Ogden, Utah. In a March 20, 2013 stipulation and order he agreed to pay a \$500 civil penalty for failing to disclose a criminal history on his application in violation of Utah Code § 61-2f-401(1). Case number RE-13-63872.

FIONA WORTHEN, sales agent, Tooele, Utah. In a March 20, 2013 stipulation and order she agreed to have her license suspended for a period of 180 days for failing to report the entry of a guilty plea to a class B misdemeanor in violation of Utah Code § 61-2f-301(1)(a)(ii). Case number RE-12-62181.

