

**UTAH RESIDENTIAL MORTGAGE
REGULATORY COMMISSION MEETING
Telephonic Meeting**

Heber M. Wells Building

Room 210

9:00 A.M.

October 7, 2015

MINUTES

DIVISION MEMBERS PRESENT

Jonathan Stewart, Division Director
Mark Fagergren, Licensing/Education Director
Jeffery Nielsen, Chief Investigator
Justin Barney, Hearing Officer
Judith Jensen, Assistant Attorney General
Amber Nielsen, Acting Board Secretary
Lark Martinez, Mortgage Education Coordinator
Mike Page, Division Staff
Desha Pages Division Staff

COMMISSION MEMBERS PRESENT

Steve Hiatt, Chair
George P. Richards, Vice Chair
John T. Gonzales, Commissioner
Cathy J. Gardner, Commissioner
Kay R. Ashton, Commissioner

The meeting on October 7, 2015 of the Utah Residential Mortgage Regulatory Commission began at 9:02 a.m. with Chair Hiatt conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

A motion was made and seconded to approve the September 2, 2015 minutes as written. Vote: Chair Hiatt, yes; Vice Chair Richards, yes; Commissioner Gardner, yes; Commissioner Gonzales, yes; Commissioner Ashton, yes. The motion is approved.

Public Comment Period

No public attended the meeting and there were no comments given.

DIVISION REPORTS

Director's Report – Jonathan Stewart

Director Stewart reported the Conference of State Bank Supervisors (CSBS) sent out Industry Bulletin about Supervisory Expectations regarding the use of electronic examinations tools. State regulators expect mortgage lenders and brokers to provide data that completely and accurately reflects the status of their loan portfolios in a timely manner and in an acceptable format. Moving forward the Multi-State Mortgage Committee (MMC) will consider companies that provide incomplete and inaccurate data to be non-compliant.

Director Stewart reported on an ARELLO article regarding a Minnesota Title Insurance and Settlement Services Provider that recently ran afoul of the state's insurance laws by providing free cruises, alcohol, and door prizes to licensed mortgage brokers, loan officer, and real estate sales persons and brokers. The settlement agreement concluded they violated the Real Estate Settlement Procedures Act which provides that no person shall give and no person shall accept any fee, kickback or other thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or part of a settlement service involving a federally related mortgage loan shall be referred to any person.

Director Stewart presented proposed legislative changes to the Commission for consideration and discussion.

The first proposed item deals with marketing without a license. This would require someone to have a license that does the kind of marketing discussed at last month's meeting. Jeff Nielsen stated he has not had a chance to review the statutes since the previous meeting, however he believes this issue may already be covered as the statute is currently written.

The second proposed item adds authority to take action against a license based on incompetency or for not conforming to industry standard. This is something already in the Real Estate code.

The third proposed item is a cleanup of the statute regarding referral fee and the implementation.

The fourth proposed item adds authority to reduce and Lending Manager's license to a Loan Originator's license without revoking the license.

The fifth proposed item is designed to clarify the use of signatures, with regards to who can sign for whom, etc.

The sixth proposed item allows for an administrative subpoena to be pursued in District Court.

The seventh proposed item clarifies that a licensee who has allowed their license to expire is still responsible for acts committed while licensed.

The eighth proposed item allows citation authority for specific violations, which would be defined by the Commission.

The ninth proposed item is a cleanup of the statute of the Education Recovery Fund Revocation Rule.

Enforcement Report – Jeffery Nielsen

Mr. Nielsen reported in September the Division received 4 complaints; opened 1 cases; closed 8 cases; leaving 78 open mortgage cases. The AG's office has 7 cases. Commission Ashton asked if the cases are categorized to show trends. Mr. Nielsen reported we do not at this time track the cases that way, however, he agrees it would be useful to do so in the future.

There are no enforcement stipulations to review this month.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren introduced the three members of the mortgage licensing team. Mike Page and Desha Pages are working as licensing specialists. Lark Martinez is now the new Mortgage Education Coordinator. Mr. Fagergren reported the Division is happy to be fully staffed once again.

Mr. Fagergren announced in the newsletter there are renewal instruction and advice for the mortgage renewals. The re-fingerprinting process is discussed in the newsletter.

Mr. Fagergren announced the Instructor Development Workshop. The IDW will be held October 14 and 15 in Park City. Deborah Long has been invited back to speak at the IDW.

Mr. Fagergren announced the Lending Manager Exam has been modified. Last spring there was a committee of subject matter experts who reviewed our test and questions. Certain areas of the exam were removed so the outline was modified slightly. As of October 3, 2015, questions on TRID are now included which were not included before.

Mr. Fagergren reported he and Mr. Barney attended a real estate regulators conference. Some representatives of the CFPB spoke. Mr. Fagergren presented some of the information he received at the conference including: TRID is now being called "Know Before You Owe"; there is now a Real Estate Professionals Guide; Integrated Disclosures; business days are all days except Sundays and legal holidays; 6 items that must be provided for loan estimate disclosure are name, income, social security number, home address, estimate of value, and loan amount; advised real estate practitioners to encourage clients to consider type of mortgage early; clients must indicate their intent to proceed; encourage agents to be accurate sources of information between brokerage and their finance; find out who is providing closing disclosure; agents are encouraged to share CFPB resources with their clients including the Home Tool Kit; and having multiple lenders involved to inspire competitive pressures, recommended going to three lenders at least.

There are no education stipulations to review this month.

Commission and Industry Issues – Justin Barney

Mr. Barney announced that Renda Christensen is retiring. She will be retiring next week. Mr. Barney remarked that Ms. Christensen has been the commission secretary for many years and will be missed.

Mr. Barney reported the rule amendment from last months was made effective.

There are no licensing stipulations for review this month.

Chair Hiatt announced there will be a retirement party celebrating Renda Christensen on Tuesday October 13, 2015 from 11:00 a.m. to 1:00 p.m. in Room 210. Chair Hiatt and the Board thanked Ms. Christensen for her years of hard work.

Commissioner Ashton announced he will be out of the office on November 4, 2015.

A motion was made to adjourn the meeting. Vote: Chair Hiatt, yes; Vice Richards, yes; Commissioner Gardner, yes; Commissioner Gonzales, yes; Commissioner Ashton, yes. The motion is approved. The meeting adjourned at 9:52 a.m.