

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

Heber M. Wells Building

Room 210

9:00 A.M.

March 2, 2016

**MINUTES**

**DIVISION MEMBERS PRESENT**

Jonathan Stewart, Division Director  
Mark Fagergren, Licensing/Education Director  
Jeffery Nielsen, Chief Investigator  
Justin Barney, Hearing Officer  
Elizabeth Harris, Assistant Attorney General  
Amber Nielsen, 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  
Cathy J. Gardner, Commissioner  
John T. Gonzales, Commissioner  
Kay Ashton, Commissioner

**PUBLIC**

Lance Miller

The meeting on March 2, 2016 of the Utah Residential Mortgage Regulatory Commission began at 9:01 a.m. with Chair Hiatt conducting.

**PLANNING AND ADMINISTRATIVE MATTERS**

Approval of Minutes

A motion was made and seconded to approve the December 30, 2015 minutes. Vote: Vice Chair, Richards yes; Commissioner Gonzales, yes; Commissioner Ashton, yes. The motion is approved. A motion was made and seconded to approve the February 3, 2016 minutes. Vote: Chair Hiatt, yes; Commissioner Gardner, yes; Commissioner Gonzales, yes; Commissioner Ashton, yes. The motion is approved.

Public Comment Period

There was no public comment.

## **DIVISION REPORTS**

### **Director's Report – Jonathan Stewart**

Director Stewart reported the Division bill, House Bill 402, passed unanimously in a committee hearing on Monday. The Bill should pass the House tomorrow morning. The Bill would still need to pass in the Senate. The session ends a week from tomorrow.

Director Stewart reported on House Bill 177 Mortgage Lending Amendments. This bill has passed the complete House and is on the Senate floor now. The bill defines mortgage lender: "Mortgage lender" means an entity that performs each of the following related to originating a mortgage loan: taking and processing an application; providing a required disclosure; in some circumstances, underwriting the mortgage loan and making the final credit approval decision; closing the mortgage loan in its name; funding the mortgage loan; and selling the mortgage loan to an investor. Under the section of exemptions it states that anyone who is not a servicer is not exempt under the DFI section and the same thing with mortgage lender. The purpose of this bill is to require everyone who fits the description of mortgage lender to register with DFI and the Division simultaneously. This would pertain to entities only. This bill was discussed by the Board.

Director Stewart reported he received letters from Flagship Financial, Veritas Funding, and a joint letter from several institutions advocating the adoption of the Uniform State Test (UST). The Commission would like to add this to the agenda for the next live meeting.

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

Mr. Nielsen reported in January the Division received 2 complaints; opened 1 case; closed 4 cases; leaving 65 open mortgage cases. The AG's office has 9 cases.

There are no enforcement stipulations to review this month.

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

Mr. Fagergren presented the outline for the SAFE Exam, which lists the 41 sources for the UST; there are no sources other than the SAFE Act and the Model State Law (which Utah did not elect to adopt). Mr. Fagergren stated the UST has approximately 14 questions, whereas our state test has approximately 65 questions.

Mr. Fagergren reported the mortgage reinstatement period has ended. On the 29<sup>th</sup>, four people submitted their renewal. There were 5,601 individuals and entities who could potentially renew at the beginning of the renewal period; 89.7% (5,025) of

those renewed. Last year 615 individuals and entities did not renew. The biggest concerns going into the renewal period were the criminal background check, the credit check, and the Utah State Law. The only real hiccup was the NMLS email which prompted the early background checks.

There are no education stipulations to review this month.

### **Hearing Officer Report – Justin Barney**

There are no licensing stipulations to review this month.

### **Commission and Industry Issues**

Mr. Barney presented a proposed draft rule amendment of R162-2c-202 and 204. This rule amendment would clarify the Division's position that a renewal of licensure should meet the same standards for initial licensure. The Commission will review this proposal and will discuss the amendment at the next meeting.

A motion was made to adjourn the meeting. Vote: Chair Hiatt, yes; Vice Chair Richards, yes; Commissioner Gardner, yes; Commissioner Gonzales, yes; Commissioner Ashton, yes. The motion is approved. The meeting adjourned at 9:30 a.m.