

**UTAH RESIDENTIAL MORTGAGE
REGULATORY COMMISSION MEETING**

Heber M. Wells Building
Room 210
9:00 A.M.
June 1, 2016

MINUTES

DIVISION MEMBERS PRESENT

Jonathan Stewart, Division Director
Jeffery Nielsen, Chief Investigator
Justin Barney, Hearing Officer
Elizabeth Harris, Assistant Attorney General
Amber Nielsen, Board Secretary
Marvin Everett, Division Investigator
Tim Cuthbertson, Division Investigator
Lark Martinez, Mortgage Education Coordinator
Mike Page, Division Staff
Desha Pages, Division Staff

COMMISSION MEMBERS PRESENT

Steve Hiatt, Chair
Cathy J. Gardner, Commissioner
John T. Gonzales, Commissioner
Kay Ashton, Commissioner

PUBLIC MEMBERS PRESENT

Katrina Loken
Lance Miller

The meeting on June 1, 2016 of the Utah Residential Mortgage Regulatory Commission began at 9:06 a.m. with Chair Hiatt conducting. Commissioner John Gonzales is excused from the meeting.

PLANNING AND ADMINISTRATIVE MATTERS

There were no minutes for review and approval.

Public Comment Period

There were no comments given.

DIVISION REPORTS

Director's Report – Jonathan Stewart

Director Stewart reported the statutory changes went into effect May 10, 2016. The Division is already working on statutory proposed changes for the next legislative session.

Director Stewart reported there is an email scam in the industry. The scheme is when "super hackers" monitor e-mails regarding real estate transactions and will wait until a transfer of funds is about to occur. The hackers then send new transfer instructions which are seemingly from the involved parties and have the funds deposited in their own accounts. Director Stewart advises that everyone be wary of late wiring instructions. The Division put information about this in the Newsletter and sent out a media alert.

Enforcement Report – Jeffery Nielsen

Mr. Nielsen reported in April the Division received 3 complaints; opened 0 cases; closed 2 cases; leaving 63 open mortgage cases. The AG's office has 9 cases. The statistics for May were not yet available.

Stipulation for Review

Jessica McCallum
Allen T. Hua

Education/Licensing Report

Director Stewart reported Mark Fagergren is excused from the meeting today.

There are no education stipulations to review this month.

Hearing Officer Report – Justin Barney

Mr. Barney reported there are no licensing stipulations for review this month.

Commission and Industry Issues

Mr. Nielsen opened discussion on the rules related to signatures. In the mortgage industry, the Division is coming across many instances where individuals are signing on behalf of someone else. The statutory changes allow for rule making authority by the Commission to address this issue. There was a discussion on who should be able to sign and in what circumstances would that be appropriate. Chair Hiatt asked that the Division draft a proposed rule based on the discussion and present it to the Commission later.

Mr. Barney opened discussion on the proposal for changes in the rule for

qualifications for licensure. This change would clarify the rule to align with the Division's interpretation of the qualification standards. The Division will draft the proposed rule change and send that to the Commission to review at a later date.

Chair Hiatt opened discussion on whether or not to adopt the Uniform State Test. Lance Miller addressed the Commission; Mr. Miller noted that nearly all other states have adopted the UST and supplemented the UST with state specific education. Mr. Miller feels the testing does not accomplish what it is meant to do, necessarily. Mr. Miller feels pre-licensing education and continuing education are much more effective ways to ensure that licensees understand Utah law. There was a discussion on whether the Utah State Specific Test is a deterrent and hindrance to potential licensees or whether it is worthwhile. The Commission does not want to make a decision while Mr. Fagergren is not present. Prior to the next meeting, the Division will look into what would be required to make the change, should the Commission decide to adopt the UST.

A motion was made to close the meeting for the sole purpose of discussing the character, professional competence or physical or mental health of an individual. Vote: Chair Hiatt, yes; Vice Chair Richards, yes; Commissioner Gardner, yes; Commissioner Ashton, yes. The motion is approved.

CLOSED TO PUBLIC

An Executive Session was held from 10:46 a.m. to 10:50 a.m.

OPEN TO PUBLIC

Results of Executive Session

Results of Stipulations

Jessica McCallum – Approved

Allen T. Hua – Approved

A motion was made to adjourn the meeting. Vote: Chair Hiatt, yes; Vice Chair Richards, yes; Commissioner Gardner, yes; Commissioner Ashton, yes. The motion is approved. The meeting adjourned at 10:51 a.m.