

**UTAH RESIDENTIAL MORTGAGE  
REGULATORY COMMISSION MEETING**

Heber M. Wells Building  
Room 210  
9:00 A.M.  
February 1, 2017

**MINUTES**

**DIVISION MEMBERS PRESENT**

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

**COMMISSION MEMBERS PRESENT**

Steve Hiatt, Commissioner\*  
George Richards, Commissioner  
Cathy J. Gardner, Commissioner  
Kay Ashton, Commissioner  
G. Scott Gibson, Commissioner\*\*

\*Commissioner Ashton left the meeting at 9:56 a.m.

\*\*Commissioner Gibson left the meeting at 11:14 a.m.

**PUBLIC MEMBERS PRESENT**

Lance Miller  
Tyson Holbrook

The meeting on February 1, 2017 of the Utah Residential Mortgage Regulatory Commission began at 9:01 a.m. with Chair Hiatt conducting.

**PLANNING AND ADMINISTRATIVE MATTERS**

Administering of the Oath of Office

Chair Hiatt invited Mr. Gibson to introduce himself. Mr. Gibson stated he is from St George, Utah and has been in the mortgage industry for about 18 years. He has a family of 6 children, a lovely wife, and 5 grandchildren. He is currently working as a Branch Manager with Veritas Funding. Chair Hiatt welcomed Mr. Gibson to the Commission.

Director Stewart administered the Oath of Office to Commissioner Gibson.

### Election of Officers for Upcoming Year

A motion was made and seconded to appoint Commissioner Richards as Chair and Commissioner Ashton as Vice Chair. Vote: Commissioner Hiatt, yes; Commissioner Richards, yes; Commissioner Gardner, yes; Commissioner Ashton, yes; Commissioner Gibson, yes. The motion is approved.

### Approval of Minutes

A motion was made and seconded to approve the December 7, 2016 minutes as written. Vote: Chair Richards, yes; Vice Chair Ashton, yes; Commissioner Hiatt, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved.

### Public Comment Period

There were no comments given.

## **DIVISION REPORTS**

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

Director Stewart the Division has received a copy of the Division Bill and he has sent copies of the bill to the Commissioners. The bill is much further along than the bill was last year. Last year the bill was numbered in the four hundreds and this year the bill is below two hundred.

Director Stewart reported on an article from the CFPB. The CFPB took action against Prospect Mortgage and ordered them to pay 3.5 million for improper mortgage referrals. In the past couple of years, they have gone after RESPA violations and for improper referrals. In this instance, they not only fined the mortgage company for the improper referrals but also fined the real estate company. Vice Chair Ashton asked if the article mentioned the use of MSAs. Director Stewart stated that he did not see that specifically mentioned in the article.

### **Enforcement Report – Jonathan Stewart**

Director Stewart reported Ms. Wright is gone at a conference so he will be doing the enforcement today in her absence.

Director Stewart reported in January the Division received 4 complaints; opened 2 cases; closed 3 cases; leaving 96 open mortgage cases. The AG's office has 13 cases.

There are no stipulations for review.

### **Education/Licensing Report – Jonathan Stewart**

Director Stewart reported Mr. Fagergren is at a meeting regarding NMLS 2.0 so he will be doing the enforcement today in his absence.

Director Stewart reported there was a loss of nearly 70 individuals. He believes there are only 20 renewals pending. Last year, Director Stewart believes in January there was a loss of approximately 500 individuals.

Vice Chair Ashton asked if the Division maintains statistics of licensed individuals who are residents of Utah. Director Stewart stated the Division does not maintain those statistics but could query the database to find that information.

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

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

### **Commission and Industry Issues**

Director Stewart reported the Division had a meeting internally regarding the proposed rule change on signing a document on behalf of another person. After that meeting, Director Stewart decided to reach out to other regulatory agencies to ask if they had dealt with an issue similar to this or had any insight to offer. The Division and the other agencies seem to have the main concern that someone is being deceived. Vice Chair Ashton believes that on the surface this issue seems clear cut; however, he wouldn't want to pass a rule which would cause major problems in the industry. Commissioner Gibson agrees with Vice Chair Ashton. The potential problems were discussed in length. Director Stewart asked if, in light of the problems, would having no exceptions be a better solution. Vice Chair Ashton stated he would like to check with his office regarding their practice. The purpose of having this rule was discussed. Commissioner Gardner stated that most of the discussion has revolved around the signature on the final 1003; however, Commissioner Gardner stated this rule is meant to address the signing of all documents, including the signing for buyers and sellers. The discussion on the intent of the rule continued. Commissioner Hiatt outlined the protentional actions on the rule. Director Stewart stated that in the meeting today Vice Chair Ashton stated he wanted to speak with his company about their processes and Mr. Miller asked that the AG's Office look into the potential unintended consequences should the rule be adopted as drafted. A motion was made and seconded to table the discussion until the opinion is received from the AG's office. Vote: Chair Richards, yes; Vice Chair Ashton, yes; Commissioner Hiatt, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved.

Mr. Barney presented proposed rule changes to R162-2c-201 and R162-2c-204. The rule change in 201 deals with deadline for individuals who pass one portion of

the lending manager examination as discussed in the December meeting. The rule change in 204 deals with the new LO course which was something the Commission decided to require as part of the decision to adopt the UST. Director Stewart stated the course outline will need to be drafted by the Commission. Director Stewart asked that the Commissioners provide their insight and suggestions for the course outline to the Division within the next couple weeks. The Division hopes to have a preliminary outline to present at the meeting next month. The Division would like to have an outline approved as soon as possible so schools can prepare their courses.

A break was held from 9:46 a.m. to 10:03 a.m.

Commissioner Hiatt was excused from the rest of the meeting. Chair Richards conducted the rest of the meeting.

INFORMAL HEARING:

10:00 a.m. Tyson K. Holbrook – Application to Act as a Mortgage Loan Originator

A break was held from 11:28 a.m. to 11:32 a.m.

The informal hearing concluded at 11:41 a.m. A break was held from 11:41 a.m. to 11:45 p.m.

TRAINING BY ASSISTANT ATTORNEY GENERAL ON ADMINISTRATIVE AND HEARING PROCEDURES

Assistant Attorney General Che Arguello conducted the training for the Commissioners.

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

**CLOSED TO PUBLIC**

An executive session was held from 12:16 p.m. to 12:43 p.m.

**OPEN TO PUBLIC**

In executive session, the Director presented a draft order to the Commission

Designating the Adjudicative Proceeding as a Formal Proceeding and Delegating the Hearing to an Administrative Law Judge in the matter of the motion by Monique Minaya to Vacate or Amend the Order Revoking her License. The Commission approved the draft order.

Mr. Holbrook will be notified in writing of the Commission's decision regarding his informal hearing.

A motion was made to adjourn the meeting. Vote: Chair Richards, yes; Vice Chair Ashton, yes; Commissioner Gardner, yes. The motion is approved. The meeting adjourned at 12:44 p.m.