

**UTAH RESIDENTIAL MORTGAGE
REGULATORY COMMISSION MEETING**

Heber M. Wells Building
Room 210
9:00 A.M.
May 3, 2017

MINUTES

DIVISION MEMBERS PRESENT

Jonathan Stewart, Division Director
Mark Fagergren, Licensing and Education Director
Kadee Wright, Chief Investigator
Justin Barney, Hearing Officer
Judith Jensen, Assistant Attorney General
Eric Stott, Real Estate Analyst
Amber Nielsen, Board Secretary
Lark Martinez, Mortgage Education Coordinator
Mike Page, Division Staff
Desha Pages, Division Staff
Faruk Halilovic, Division Staff

COMMISSION MEMBERS PRESENT

George Richards, Chair
Kay Ashton, Vice Chair
Steve Hiatt, Commissioner
Cathy J. Gardner, Commissioner
G. Scott Gibson, Commissioner

The meeting on May 3, 2017 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Chair Richards conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

A motion was made and seconded to approve the March 1, 2017 and the April 5, 2017 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 reported the Division Bill goes into effective a week from yesterday, which will be May 8, 2017. That bill includes the adoption of the Uniform State Test.

Director Stewart reported last week he received a media release from Conference of State Banking Supervisors talking about Utah's adoption of the UST. It is not public yet, but will be forthcoming.

Enforcement Report – Kadee Wright

Ms. Wright reported in April the Division received 1 complaints; opened 1 case; closed 1 cases; leaving 100 open mortgage cases. The AG's office has 11 cases. The Division is currently revamping the way the statistics are tracked, hopefully the numbers will be accurate from here on out.

There are no stipulations for review.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren reported the Division has finished the fourth Caravan session this year, which means the Caravan is halfway finished. He reported the room was completely full, probably the fullest yet. Mr. Fagergren reported the Division overbooks the events since there are typically no shows. There were 90 no shows and there were not 90 seats. The Provo Caravan location holds 200 individuals.

Mr. Fagergren asked Commissioner Gardner to report on the progress of the post licensing education committee. She stated she will address that a little later on in the agenda.

Mr. Fagergren discussed having the NMLS approve continuing education courses with the NMLS on April 25, 2017 as he was directed at the last meeting. Mr. Fagergren stated there were five basic courses being discussed: 2 hour Utah Law, which would include the Caravan course, the new Post License Course (which would be the most challenging from a programming perspective to implement the rule as currently outlined), the 15 hour LO pre-licensing course, and the 40 hour LM pre-licensing course. As part of this discussion, the timeline for the post-licensing course due date was discussed. Mr. Fagergren stated this would improve the turnaround for renewals. He further stated that Utah is the only state that has courses approved by the state outside of the NMLS. Mr. Fagergren stated the Division would also like to ensure that the Division Caravan Course is approved without having to get the course outline approved by the NMLS Course committee. Mr. Fagergren stated the MTEB committee would be discussing the Caravan course two weeks from today. Commissioner Gibson asked when the NMLS 2.0 is expected. Mr. Fagergren reported at the meetings in January they were expecting about two years. Director Stewart discussed the Division's history with tracking courses in the NMLS. Mr. Fagergren summarized that he felt the conversations with

the NMLS was productive. The NMLS will get back to the Division with their decision on what they will be able to do. The worst-case scenario might be that the Division staff would have to review the post licensing course outside of the NMLS. Mr. Fagergren asked that once the decision is received from the NMLS, that Mr. Barney will draft whatever the necessary rules would be to institute the appropriate changes.

Hearing Officer Report – Justin Barney

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

Commission and Industry Issues

Commissioner Gardner reported on the post licensing education course committee. She reported Teresa Whitehead and Burton Embry were the industry members on that committee. They felt that additional education was necessary and felt that a four hour course was the minimum. Commissioner Gardner stated the course outline as proposed would take approximately five hours, including the requisite breaks. Commissioner Gardner asked if this is something we want to consider and possibly approve today or if the Commission would want to wait until after the Division hears back from the NMLS. Director Stewart stated this is something that needs to be decided on today since the Statute will require this and will be effective next week. Commissioner Gardner thanked the members of the committee for their work. Mr. Fagergren asked if the outline would be fleshed out into greater detail in the future to clarify any items. Commissioner Gardner stated every item on the outline will be based on the statute. Mr. Fagergren asked for clarification of when this course would be taken. Director Stewart clarified the intent would be that any new licensee who became licensed in 2017 would be required to take the course in 2018 before renewing, any new licensee who became licensed in 2018 would be required to take the course in 2019 before renewing, and so forth. Chair Richards clarified that instructors will be licensed and approved through the Division to teach the courses. Mr. Fagergren asked for clarification that an agent who was licensed in 2017 would not be able to take the course until 2018. Mr. Barney stated the rule as written states the individual must complete the Division of Real Estate approved education course for new loan originators prior to renewing at the end of the first full year. Mr. Fagergren stated some of the individuals who are coming in may be unaware of this requirement. Director Stewart stated the Division could send out an email to notify all the individuals who will have that course due.

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

Mr. Barney presented a rule update on the pending proposed rule changes which were approved by the Commission for public comment. He reported the Department of Commerce has a new form which is prepared in conjunction with new

rule proposals which has slowed down the process some. He stated the proposed rule amendment will be filed to within the next week to ten days, after which it will be published for public comment. He will keep the Commission updated in the upcoming months.

Vice Chair Ashton clarified that the hearing will be held at 10:00 a.m. today.

A break was held from 9:38 a.m. to 9:53 a.m.

INFORMAL HEARING:

9:53 a.m. Gary Munson – Application to Act as a Mortgage Loan Originator

A brief recess was held from 10:44 a.m. to 10:50 a.m. The hearing continued following the brief recess

The informal hearing concluded at 10:52 a.m.

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 Hiatt, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved.

CLOSED TO PUBLIC

An executive session was held from 10:53 a.m. to 11:14 a.m.

OPEN TO PUBLIC

Mr. Munson 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 Hiatt, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved. The meeting adjourned at 11:14 a.m.