

**UTAH RESIDENTIAL MORTGAGE
REGULATORY COMMISSION MEETING**

Heber M. Wells Building
Room 210
9:00 A.M.
June 7, 2017

MINUTES

DIVISION MEMBERS PRESENT

Jonathan Stewart, Division Director
Mark Fagergren, Licensing and Education Director
Kadee Wright, Chief Investigator
Justin Barney, Hearing Officer
Elizabeth Harris, Assistant Attorney General
Eric Stott, Real Estate Analyst
Amber Nielsen, Board Secretary
Marvin Everett, Investigator
Tim Cuthbertson, Investigator
Lark Martinez, Mortgage Education Coordinator
Mike Page, 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

*Arrived at 9:01 a.m.

PUBLIC MEMBERS PRESENT

Braxton Mora Ben Curtis
Jason Reid Traci Holmes
Tyna-Minet Anderson Anangay Shorten
Judy Novak

The meeting on June 7, 2017 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Chair Richards conducting. Commissioner Hiatt was absent at the start of the meeting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

A motion was made and seconded to approve the May 3, 2017 minutes as written.
Vote: Chair Richards, yes; Vice Chair Ashton, 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 on May 11th the NMLS started a new website called new.nmls.org. There are three new parts of the website: get to know 2.0, get involved, and get updated. The website goes through the whole history of the NMLS and the point where it is headed. There are opportunities for feedback on the website.

Director Stewart presented an issue in advance of the next legislative session. There is a possible loophole. In the statute there are several places where it states anyone who has a license or should have a license, the purpose of that statement is there so enforcement can enforce unlicensed activity. In the statute discussing record retention, the Division proposing the addition of the language "or required to be licensed." This would also effect rules that reference the statute. Vice Chair Ashton stated he doesn't have a problem with that addition; however, he doesn't believe that anyone could originate a loan without a license these days. Commissioner Hiatt stated it just gives additional structure and he doesn't have a problem with that.

Enforcement Report – Kadee Wright

Ms. Wright reported in May the Division received 3 complaints; opened 1 case; closed 8 cases; leaving 80 open mortgage cases. The AG's office has 9 cases.

Commissioner Ashton asked about the status of the cases with the AG's office. Ms. Wright stated there is movement with those cases; however, the cases are mostly handled through formal hearing and sometimes those do take a little longer. Ms. Harris stated when an action is filed, the Commission won't see that unless it comes to a hearing or is settled through a stipulation. Director Stewart reported that the Division is being given a third attorney general to help handle the case load. Ms. Harris discussed more of the process.

Stipulation for Review:

William T. English

Education/Licensing Report – Mark Fagergren

Mr. Fagergren reported in January he attended a NLMS users meeting in Washington and met to discuss things that regulators wanted. One of his observations or concerns was in addition to regulators having a lot of input, large

industry users also have meetings to discuss what should be in the NMLS 2.0. He is somewhat fearful that the NMLS 2.0 will be servicing a purpose for what it wasn't intended. He believes it should be primarily a regulatory vehicle for multistate agencies to regulate the industry.

Mr. Fagergren reported he has not yet heard back from the NMLS regarding course approval as was discussed last month.

Mr. Fagergren reported in response to the UST, there have been some changes in companies and branches which seem to be unrelated to the UST. There have been 13 branch applications in the last month and 2 new companies. There have been 281 new people since May 8th, when the UST was passed. We're not sure if there was a surge of people waiting for that to pass or if those numbers will continue.

Vice Chair Ashton stated he attended the Division Caravan and it was great. He really likes the concept of getting real estate, appraisal, and mortgage members all in the same room. Mr. Fagergren stated he feels it serves a good purpose. Most of the attendees are real estate members, and the fewest are mortgage members attending. The Caravan was discussed.

Hearing Officer Report – Justin Barney

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

Commission and Industry Issues

Mr. Barney discussed the rule amendment which is related to the statutory change adopting the UST. That rule amendment was filed May 11th and is in the public comment period through July 3rd. When the Commission has received those comments and had an opportunity to consider them, then the first possible effective date for that will be July 10th. In addition to the UST, that rule filing restructured the lending manager requirements. It was a fairly extensive rule amendment which was discussed at length when the amendment was considered for filing. There has been public comment received at this point.

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 9:28 a.m. to 9:46 a.m.

OPEN TO PUBLIC

A break was held from 9:46 a.m. to 10:08 a.m.

INFORMAL HEARING:

10:08 a.m. Braxton Mora – Application to Act as a Mortgage Loan Originator
Ben Curtis, witness
Jason Reid, witness

The informal hearing concluded at 11:21 a.m.

A break was held from 11:21 a.m. to 11:31 a.m.

INFORMAL HEARING:

11:31 a.m. Annagay Shorten – Application to Act as a Mortgage Loan Originator
Tyna-Minet Anderson, Counsel for Ms. Shorten
Tracy Holmes, witness
Judy Novak, witness
Marvin Everett, witness
Lark Martinez, witness

A brief recess was held from 12:57 p.m. to 1:08 p.m. The hearing continued following the brief recess.

The informal hearing concluded at 1:18 p.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 1:19 p.m. to 1:54 p.m.

OPEN TO PUBLIC

Stipulation for Review:

William T. English – Approved

Mr. Mora and Ms. Shorten will be notified in writing of the Commission's decision regarding their informal hearings.

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 1:55 p.m.