

**UTAH RESIDENTIAL MORTGAGE
REGULATORY COMMISSION MEETING**

Heber M. Wells Building
Room 210
9:00 a.m.
October 4, 2017

MINUTES

DIVISION MEMBERS PRESENT

Jonathan Stewart, Division Director
Mark Fagergren, Licensing and Education Director
Kadee Wright, Chief Investigator
Justin Barney, Hearing Officer
Allen McNeil, Real Estate Analyst
Elizabeth Harris, 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

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

Bruce Dibb, Administrative Law Judge*

*Present only for the Formal Proceeding

PUBLIC MEMBERS PRESENT

Leslie Baird	Terry R Spencer
R Lance Willson	Nancy Krippner
Julie Kryszek	Tammy Davis
Sandra Lowe	Bonnie Barney
Kent Okelberry	Suzanne Okelberry
Tom Gledhill**	Matt Bagley**

*Appeared via teleconference

The meeting on October 4, 2017 of the Utah Residential Mortgage Regulatory Commission began at approximately 9:01 a.m. with Chair Richards conducting. Commissioner Hiatt is excused from today's meeting.

PLANNING AND ADMINISTRATIVE MATTERS

There were no minutes for consideration.

Public Comment Period

There were no comments given.

DIVISION REPORTS

Director's Report – Jonathan Stewart

Director Stewart reported there is an additional item the Division would like to propose for legislation. He reported Mr. Everett and Mr. Cuthbertson attended the AARMR Conference and there was discussion on licensing entities which are located outside of the United States. Due to the difficulty of enforcement, many other states are passing legislation prohibiting licensure for entities outside of the US. He asked the Commission's opinion on proposing legislation prohibiting entities from outside of the US becoming licensed. Commissioner Ashton supports this. There was some discussion on this topic. The Commission agrees that this legislation item should move forward.

Enforcement Report – Kadee Wright

Ms. Wright reported in September the Division received 5 complaints; opened 5 cases; closed 1 case; leaving 93 open mortgage cases. The AG's office has 9 cases.

Stipulations for Review

Ryan Gregory Wright

Education/Licensing Report – Mark Fagergren

Mr. Fagergren mentioned that prior to adopting the UST there was input from other states that there would be a significant increase in applicants. Since the adoption, there have been 590 new individuals and 14 additional companies licensed. This is not the promised increase.

Mr. Fagergren mentioned Instructor Development Workshop on Wednesday and Thursday, October 11th and 12th at the Park City Marriott. Theresa Barnabei will be speaking. She teaches courses on training, making presentations, instructional design, how to develop and make courses. There is a requirement for attendance by pre-licensing instructors to the IDW at least once every two years. CE Instructors or any other interested parties are welcome to attend but are not required to.

Mr. Fagergren reported the NMLS has advised that the policy on the 20 hours NMLS education which currently needs to be retaken five years after a license expires will

be changing from five to three years. He noted the Division will look at the rules and statutes need to be updated to comply with that change.

Mr. Fagergren reported he was contacted by Sandra Lowe regarding her application for a Lending Manager. Based on the current rules, Ms. Lowe is unable to receive credit for acting as a "loan officer assistant" and there is also an issue with being able to receive credit for originating loans and acting as a loan officer assistant simultaneously. Ms. Lowe feels the rules need to be updated to allow for this experience to be included in order to better reflect what is actually happening in the industry. There was a lengthy discussion on the current requirements for Lending Manager experience. Commissioner Gibson discussed the current practices in his office and the use of a loan officer assistant. He noted that loan officer assistants are typically licensed. There was some discussion on the merits and issues of changing the rules. The Commission will consider making rule changes at a later meeting.

Mr. Fagergren reported the education for renewals will be tracked through the NMLS. The education will need to be in the NMLS prior to submitting the application for renewal. There was an email sent which said the contrary, but it is working. This system should be better. The NMLS is waiving the application fee/course fee for this first period and for past students. Any new student going forward will have to pay the banking fee and going forward the providers will have to pay all the normal fees. Mr. Fagergren stated we should see fast renewals.

Mr. Fagergren reported the NMLS has an issue with the timing requirements in the two hour Utah course. The NMLS had feedback which stated they would prefer to not have specific requirements on the time. The Division wants to maintain the timing issue. For future courses, the NMLS will not strictly approve courses based on the times outlined by the Commission.

Mr. Fagergren presented the outline for the new 2018 Utah course. The outline discusses changes in statutes and administrative rules and disciplinary actions taken by the Commission. Mr. Fagergren is asking for any points of emphasis which the Commission would like emphasized. The Commission discussed having the New REPC discussed in the outline. Chair Richards discussed deadline requirements in the New REPC. There was some additional discussion on the outline.

A motion was made to approve the outline as presented with the addition of the New REPC. An amended motion was made and seconded to approve the outline as presented with the addition of the New REPC with a focus on the financial portions of the New REPC. Vote: Chair Richards, yes; Vice Chair Ashton, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved.

COMMISSION AND INDUSTRY ISSUES

Mr. Barney reported there were no rule updates at this time.

A brief recess was held from 9:48 a.m. to 10:06 a.m.

The meeting resumed at 10:06 a.m. for the Formal Adjudicative Proceeding with Judge Dibb presiding.

FORMAL ADJUDICATIVE PROCEEDING:

10:07 R Lance Willson – Respondent

Terry Spencer, Counsel for Mr. Willson
Tim Cuthbertson, Witness for Division
Tom Gledhill, Witness for Division
Matt Bagley, Counsel for Mr. Gledhill
Kent Okelberry, Witness for Division
Suzanne Okelberry, Witness for Division
Tammy Davis, Witness for Division

A brief recess was held from 12:17 p.m. to 1:01 p.m. The Formal Adjudicative Proceeding continued following the recess.

A brief recess was held from 2:28 p.m. to 2:32 p.m. The Formal Adjudicative Proceeding continued following the recess.

Chair Richards was excused from the meeting at 3:25 p.m. A brief recess was held from 3:25 p.m. to 3:31 p.m. The Formal Adjudicative Proceeding continued following the recess.

The Formal Adjudicative Proceeding for R Lance Willson concluded at 3:53 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: Vice Chair Ashton, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved.

CLOSED TO PUBLIC

An executive session was held from 3:54 p.m. to 4:58 p.m.

OPEN TO PUBLIC

Stipulations for Review

Ryan Gregory Wright – Approved with Concurrence of the Division Director

Mr. Willson will be notified of the Commission's Decision

A motion was made to adjourn the meeting. Vote: Vice Chair Ashton, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved. The meeting adjourned at 4:59 p.m.