

**UTAH RESIDENTIAL MORTGAGE
REGULATORY COMMISSION MEETING**

Heber M. Wells Building
Room 210
9:00 a.m.
November 1, 2017

MINUTES

DIVISION MEMBERS PRESENT

Jonathan Stewart, Division Director
Mark Fagergren, Licensing and Education Director
Kadee Wright, Chief Investigator
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
Bruce Dibb, Administrative Law Judge

*Present only for the Informal Hearing

COMMISSION MEMBERS PRESENT

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

PUBLIC MEMBERS PRESENT

Peter Lassig

The meeting on November 4, 2017 of the Utah Residential Mortgage Regulatory Commission began at approximately 9:02 a.m. with Vice Chair Ashton conducting. Chair Richards and Commissioner Hiatt are excused from today's meeting.

PLANNING AND ADMINISTRATIVE MATTERS

The Commission briefly reviewed the draft minutes. A motion was made and seconded to approve the both the September 6, 2017 and the October 4, 2017 minutes as written. Vote: 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 he received an advisory from the NMLS stating people are receiving scam/phishing emails which appear to be from the NMLS. They advised that emails from the NMLS will never contain personal information, ask for personal information, or contain links to any site other than the NMLS. Notifications will always come from "notifications@nmlsnotifications.com." If you receive an email from anyone else, contact your IT department, forward the letter to the CSPA and add the word phishing to the subject line, and delete the email. This advisory is on the NMLS website. Vice Chair Ashton suggested sending an email to the licensees with this information. Director Stewart stated the Division will.

Director Stewart reported he recently attended a conference where someone from the CFPB spoke about consumer complaints. In 2014, 20 percent of total complaints they received were related to mortgage. In 2015, 19 percent were related to mortgage. In 2016, 18 percent were related to mortgage. As of January 2017, 49 percent of these complaints were problems where consumers are unable to pay their mortgage, 33 percent are problems with making payments, 9 percent are problems applying for loans, 5 percent have to do with signing the agreement, 3 percent deal with receiving a credit offer, and 2 percent were other.

Enforcement Report – Kadee Wright

Ms. Wright reported the statistics were not able to be processed yet this month. There are no stipulations to be presented.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren reported the IDW was a success.

Mr. Fagergren reported Ms. Martinez has been working with the NMLS to get the course approved by the Commission finalized so they can distribute the outline to education providers. He reported it seems the NMLS wants to broaden the curriculum to out of state topics, where we want the information to be specific to the Utah. He noted there was pushback regarding the disciplinary actions.

Mr. Fagergren noted today is the first day for mortgage license renewal. He reported some renewals have already been submitted. He thanked the Commission for working to get the process streamlined through the NMLS. He reported last February there were 4519 individuals, there are currently 5851. Which is a growth of 1332 individuals, which is 29.5%. He stated the growth might be a combination of the improved economy or the adoption of the UST. Last February there were 568

entities. There are currently 654 entities, which is a growth of 86 entities, which is 15%. Vice Chair Ashton thanked the Division for their efforts in streamlining the renewal process through the NMLS.

COMMISSION AND INDUSTRY ISSUES

Director Stewart reported there are no rule updates.

Mr. Fagergren briefly discussed the issue of Lending Manager alternative qualifying experience. Mr. Fagergren asked for some direction for the Commission on how they would like the Division to proceed. Gibson Commissioner Gibson discussed the current practices in his office and the use of a loan officer assistant. There was discussion on the time equivalency and if there would be a gap that could be exploited. There was some discussion regarding a requirement where the individual would need to do specific work. It was noted Utah is the only state with a Lending Manager and that the individuals would still have to get 30 experience points another way. It was noted making these exceptions would make experience less quantifiable. Vice Chair Ashton mentioned in order to have a desk rental, an individual would need to be a Lending Manager. There was some discussion on the practice of desk rentals and the issues with marketing service agreements. There was additional discussion on the challenges presented by allowing the alternative experience. There was some discussion on the Division's current practice of auditing experience. There was discussion on how to objectively measure the experience. Mr. Fagergren stated he will bring some manageable solutions to present to the Commission. Mr. Everett commented that time does not mean experience. There was some more discussion on possible recommendations. Commissioner Gardner stated her opinion that there does not need to be a change. She noted it might be virtually impossible to apply an industrywide definition for this type of position. This item will be added to the agenda for next month.

A brief recess was held from 9:55 a.m. to 10:05 a.m.

The meeting resumed at 10:05 a.m. for the Informal Hearing with Vice Chair Ashton presiding.

INFORMAL HEARING

10:07 D Peter Lassig – Respondent

 Tim Cuthbertson, Witness for Division

The Informal Hearing concluded at 11:59 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: Vice Chair Ashton, yes; Commissioner Gardner, yes; Commissioner Gibson, yes. The motion is approved.

CLOSED TO PUBLIC

An executive session was held from 12:00 p.m. to 12:19 p.m.

OPEN TO PUBLIC

Mr. Lassig 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 12:20 p.m.