

**UTAH RESIDENTIAL MORTGAGE REGULATORY
COMMISSION MEETING**

Heber M. Wells Building
Room 210
9:00 A.M.
May 7, 2008

MINUTES

STAFF MEMBERS PRESENT

Mark B. Steinagel, Director
Dee Johnson, Enforcement Director
Mark Fagergren, Education and Licensing Director
Laurie Noda, Assistant Attorney General
Renda Christensen, Board Secretary
Marv Everett, Investigator
Elizabeth Beazley, Investigator
Julie Price, Division Staff
Jody Colvin, Division Staff
LeAnn Robinson, Division Staff

COMMISSION MEMBERS PRESENT

Rodney "Butch" Dailey, Chair
Maralee Jensen, Vice Chair
Lance Miller, Commissioner

GUESTS

Michael Welker	Don Downing
David Jensen	Kevin Swenson
Darryl Dobson	Eva Rees
John Norman	Shelley Wismer
Paul Naylor	Chris Jones
Pierre Alley	Clair Smedley
David Luna	Ron Duyker
Jeremy Plouzek	

The meeting on May 7, 2008 of the Utah Residential Mortgage Regulatory Commission began at 9:03 a.m. with Chair Dailey conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes - The minutes from the April 2, 2008 were approved as written.

DIVISION REPORTS

Director's Report – Mark B. Steinagel

Director Steinagel said the Appraisal Board sent a letter to New York's Attorney General Cuomo regarding the Freddie Mac and Fannie Mae agreement before the comment period expired.

Effective yesterday, May 6, 2008, the Division's bill went into effect. The Commission now has authority to increase or decrease pre-licensing education hours up to 90 hours. In addition, the PLM "grandfathering" position is now out with everyone who applies taking the 40 hours of education and the test. Criminal penalties are now a Class A misdemeanor for a first violation or a second or third degree felony for a second or subsequent violation of the licensing laws.

While out on the Division's Caravan 2008 the Division spoke about the Mortgage Fraud Act which goes into effect on July 1, 2008. The Division gave examples of how the appraisers and real estate agents can recognize mortgage fraud.

Director Steinagel said the Division is cautiously learning about the nationwide mortgage licensing system. The cost to the Division would be \$216,000 upfront to keep system going. The Department of Financial Institutions has paid the \$50,000 upfront fees, but Director Steinagel said he is still learning all he can about the system before making a final decision on how it would effect the Division. As it stands now, the Division would not be able to use the licensing system currently in place for appraisers, real estate and mortgage licensing. The Division would be required to use the nationwide data base and then dump our data into the Division's system.

Enforcement Report – Dee Johnson

Mr. Johnson said the reports for March and April are as follows: In the month of March the Division received 33 complaints, 24 were screened, 12 cases were opened, 9 cases were closed, leaving the total of 69 open cases. In April the Division received 45 complaints, 32 complaints were screened, 7 cases were opened, 7 cases closed, leaving 69 open cases. Mr. Johnson said the Division is receiving more foreclosure complaints.

Mr. Johnson said each respondent was given the opportunity to appear before the Commission today to answer any questions on their stipulation. Each respondent has chosen not to appear.

Review of Proposed Stipulation:

Daniel Ripp
Summit Financial Solutions, LLC
Chad L. Kartchner
Philip Finan
Elena Giraldo

Education/Licensing Report – Mark Fagergren

Mr. Fagergren said that the Division has completed six out of the eight locations on the Caravan. Four of the topics discussed were as follows:

1) As of July 1, 2008 licensees will not be able to add classes when they are renewing on-line. The Division found a high number of illegal courses posted to accounts. This will strengthen the integrity of the continuing education process.

2) The Division's pending rule for licensees to have until the 15th of the month in order to assure a timely renewal. This would help resolve problems that have been happening at the end of the month when licensees wait until the deadline to renew.

3) At some point in the near future there will no paper renewals. The date hasn't been set yet, but soon there will be renewals done by the on-line process only.

4) The advertising rule for continuing education courses not being marketed before they are approved has gotten positive feedback.

Mr. Fagergren said the staff has come to him about the questions being asked by PLM's that they should already know. These questions have been on the basic total lack of comprehension on fundamental issues. The suggestion was made that maybe the fundamental body of knowledge should be increased for the PLM's education. Often the loan officers seem to know more about licensing and office procedures than their PLM's. It was suggested that perhaps there should be a PLM course similar to the principal broker course in real estate. Mr. Fagergren will have his staff track the general questions being asked. Pearson Vue will be coming out soon to review the current test questions.

CLOSED TO PUBLIC

LICENSE HEARINGS:

10:04 Jared Bezzant – Application for License
Shanda Bezzant, Wife
Abigail Hatch, Sister

CLOSED TO PUBLIC

A motion was made to go into Executive Session from 10:40 a.m. to 10:55 a.m.

LICENSE HEARINGS (Continued):

11:05 Sean Hadlock – Application for License
Commissioner MacKenzie will be participating in the hearing via telephone so there is a quorum. Commissioner Miller will be recusing himself for this hearing because he knows the applicant on a professional level. Director Steinagel said he knows Mr. Hadlock from playing soccer in high school. Mr. Hadlock doesn't have a problem with Director Steinagel participating in the hearing.

CLOSED TO PUBLIC

A motion was made to go into Executive Session from 11:52 a.m. to 12:00 a.m.

LICENSE HEARINGS (Continued):

1:03 Mark Madsen – Application for License
Garth Madsen, Brother
Dean Forbes, Valley Mortgage, PLM

CLOSED TO PUBLIC

A motion was made to go into Executive Session from 1:55 a.m. to 2:00 a.m.

LICENSE HEARINGS (Continued):

2:05 Twyla Kolinek – Application for License
Ms. Kolinek has requested a telephone hearing.

3:00 Cinda Morris – Application for License

CLOSED TO PUBLIC

A motion was made to go into Executive Session from 3:13 p.m. to 3:15 p.m.

Results of Executive Session

Stipulations:

Daniel Ripp - Approved

Summit Financial Solutions, LLC - Approved

Chad L. Kartchner - Approved

Philip Finan - Approved

Elena Giraldo - Approved

A motion was passed to adjourn at 3:17 p.m.