

**UTAH RESIDENTIAL MORTGAGE REGULATOR  
COMMISSION MEETING**

Heber M. Wells Building  
Room 210  
9:00 A.M.  
October 1, 2008

**MINUTES**

**STAFF MEMBERS PRESENT**

Mark B. Steinagel, Division Director  
Mark Fagergren, Education/Licensing Director  
Dave Mecham, Chief Investigator  
Traci Gundersen, Assistant Attorney General  
Renda Christenen, Board Secretary

**COMMISSION MEMBERS PRESENT**

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

**GUESTS**

Kevin Swenson  
David Luna  
Jeremy Plouzek  
Einar Schow  
Paul Naylor

The meeting on October 1, 2008 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Chair Dailey conducting.

**PLANNING AND ADMINISTRATIVE MATTERS**

Approval of Minutes - The minutes from the September 3, 2008 were approved as written.

**DIVISION REPORTS**

Director's Report – Mark B. Steinagel

Director Steinagel said the industry today has positive and negative sides. The Division staff is working with those who contact us to be very sensitive and to keep in mind that times are difficult for our licensees.

There is an emergency rule which has been filed, R162-211, Adjusted License Terms. This rule will be valid for 120 days. This needs legislative approval to bring the statutes into compliance with the S.A.F.E. Act.

Director Steinagel was on a conference call with the Implementation Group. He was appointed the spokesperson of the group. There were six states put on the sub-group for Education and Examination. There are four sub-groups which cover the topics of education and examination; background checks and revocations; public access to the information; tracking of complaints; and, bonding and recovery fund issues.

The sub-group working on background checks currently recommends that everyone will have to resubmit fingerprints. No states had identical requirements to the NMLS, which would mean seven years for felonies, ever for a felony regarding dishonesty, etc. The recommendation would be to re-print every three years. The cost will be done at the NMLS which has been given the authority to charge fees to recover the costs. It will affect the licensees who will be paying the costs.

Many states require a credit report, and the NMLS would require that authorization be given to them to obtain a credit report. Utah doesn't require this and doesn't access it, but it may need to be added to our legislation to be in compliance. Most states are regulated by their banking departments and require credit reports from their members.

In revocation guidelines, the state with the minimum standards for revocations will apply to everyone. The way the things stand now, if a person has ever had a license revoked they can never get a mortgage license. The Division may have to review our guidelines for revocations. The group is looking for guidelines and does not have a solid recommendation yet. The way it stands now, there is no "grandfather" clause provided in the Act.

The testing is one of the most controversial topics. The sub-group started two weeks ago to try and validate test content and scores. The sub-group decided to grandfather in pre-license education but wants to make everyone re-test with the NMLS test. There are two current proposals open. The first one would be all mortgage loan originators are required to pass the test regardless of prior testing experience or any other criteria. The second option is mortgage loan originators who have passed by a score of 75% or better, which is determined to meet the mandates of the S.A.F.E. Act, do not have to take the test. The second option is the one recommended by the Division.

Currently, the NMLS wants to own the state portion of the test and own its contents. Director Steinagel was very concerned about this and expressed his opposition. The recommendation states the NMLS will develop procedures to include subject matter experts from each state to assist in the initial development of the content of each state test and the on-going maintenance of each state test.

The education segment is trying to provide grandfathering, but nothing has been decided as of yet. Standards for bonding are covered under the recovery fund. Under the Act, the NMLS will require call reports. This is basically uniform reporting on origination activities. They have not decided how often this will be required. States will be required to report any violations.

The bill and rule will be listed on the Division's website on a page specifically for the S.A.F.E. Act. This will help distribute any information the Division has regarding the changes coming up.

Enforcement Report – Dave Mecham

Mr. Mecham is covering for Mr. Johnson today. Since it is the first day of the month, the statistics will be compiled by the end of the day today, but are not available for this meeting. There are no stipulations to present to the Commission.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren said the Instructor Development Workshop went well. Chair Dailey and Commissioner Miller attended from this Commission. Topics covered were: the new REPC and forms; the S.A.F.E. Act; a presentation on the new mortgage curriculum and exam; and, insights from Commissioners. There was a meeting for the appraisers to talk about changes in their regulations. Enforcement spoke about some of the trends and problems in the industry.

Mr. Fagergren submitted a list of suggested names for the education committee. The Commission will review the list during their Executive Session.

A motion was made and unanimously passed to close the meeting for the upcoming hearing.

A motion was made and passed unanimously to go into Executive Session from 9:50 a.m. until 10:25 a.m.

**CLOSED TO PUBLIC**

LICENSE HEARINGS:

10:33 Mortgage Research Center, LLC – Application for Renewal  
This is a telephone hearing.  
Nathan Long, CEO  
Marv Everett represented Enforcement on behalf of the Division

**CLOSED TO PUBLIC**

A motion was made and passed unanimously to go into Executive Session from 10:50 a.m. to 10:58 p.m.

Results of Executive Session:

Those approved to serve on the Mortgage Education Committee were:

Lance Miller	Pierre Alley
Gary Nielsen	Bud Bate
Ron Duyker	Amanda Orme
Holly Thompson	Holly Christensen
Mark Fagergren	

A motion was passed unanimously to adjourn at 11:00 a.m.