

**UTAH RESIDENTIAL MORTGAGE REGULATOR
COMMISSION MEETING**

Heber M. Wells Building
Room 210
8:00 A.M.
November 5, 2008

MINUTES

STAFF MEMBERS PRESENT

Mark B. Steinagel, Division Director
Dee Johnson, Enforcement Director
Mark Fagergren, Education/Licensing Director
Traci Gundersen, Assistant Attorney General
Renda Christenen, Board Secretary
Marv Everett, Investigator
Elizabeth Beazley, Investigator
Kurtis Hughes, Investigator
Jody Colvin, Division Staff
Tiffeni Wall, Real Estate Education Coordinator
Jennica Robison, Division Staff
Julie Price, Division Staff

COMMISSION MEMBERS PRESENT

Rodney "Butch" Dailey, Chair
Heather MacKenzie, Vice Chair
Lance Miller, Commissioner
Brigg Lewis, Commissioner

GUESTS

Kevin Swenson	Eva Rees
David Luna	Pierre Alley
Jeremy Plouzek	Howard Tolley
Einar Schow	Gary Nielson

The meeting on November 5, 2008 of the Utah Residential Mortgage Regulatory Commission began at 8:15 a.m. with Director Steinagel conducting the comment and discussion period on the pending draft bill. The regular public portion of the meeting started at 9:09 a.m. with Chair Dailey conducting.

Commissioner Jensen was not in attendance because she was out ill.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes - The minutes from the October 1, 2008 and October 9, 2008 were approved as written.

DIVISION REPORTS

Director's Report – Mark B. Steinagel

Director Steinagel gave an update on the draft bill modifying the requirements under federal law and making other changes. He said the Division will do the minimum amount to bring us in compliance. The Division currently does more than the Act requires. Director Steinagel went through the draft of the bill to discuss issues and changes. The Division did use the model S.A.F.E. Act inasmuch as to where it did not contradict existing state law.

Under the Exemptions section (61-2c-105), many entities are currently exempt, and the only entities that S.A.F.E. exempts are depositories and subsidiaries of depositories. The other entities listed that are currently exempt will have to be discussed in the future. S.A.F.E. doesn't require licensure of entities, but it does require licensure of loan originators and does not exempt loan originators under those entities. There was discussion on what constitutes an affiliate.

Currently, if the Division grants a conditional license to someone and they fail to disclose something on their criminal background, they are automatically revoked. There is one reason why this policy should be reevaluated. Under S.A.F.E. anyone that has ever had a mortgage license revoked can never get a mortgage license anywhere, ever again. The Division is considering the possibility of issuing a suspension instead of a revocation in some circumstances.

The current working implementation plan is that everyone will have to re-test by December 31, 2011. There will be no grandfathering on testing.

Director Steinagel explained in last month's meeting the Division was going to submit an emergency rule on getting the transition done from a two-year license to an annual license. The emergency rule will be in place for 120 days.

There is a current revocation process in place if a claim has been paid out of the recovery fund. The presumption is that in instances where the recovery fund is tapped the offending licensee will also have their license revoked, but discussion was considered that they will have the opportunity to come before the Commission before the revocation is final. The decision was made that before license revocation, the person would have a hearing before the Commission.

Director Steinagel said if the public has additional issues they would like to address, they should contact him before noon tomorrow. The interim meeting on the bill will be in two weeks and the public is invited to review the bill.

Enforcement Report – Dee Johnson

Mr. Johnson said there are three Stipulations being presented today. Those respondents were offered the opportunity to be here today and have chosen not to appear.

Review of Stipulations:

Julie Thompson

Benjamin Taylor

Cofry I. (Ceballos) Thornton

Mr. Johnson was excused from the meeting to attend a previous engagement. Mr. Everett will be filling in for Mr. Johnson for the rest of the meeting and hearings.

Mr. Everett reported in October the Division received 17 complaints; screened 15 complaints; opened 3 cases; closed 8 cases; and, there are 58 total mortgage cases.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren commented on the statistics for October and the decrease in the overall numbers of licensees. Since the first of the year, there has been a 15.5% drop in mortgage licensees. In mortgage entities the drop is 19%; branch offices dropped 18.5%; inactive licensees has grown to 34%; and, inactive entities have risen 69%. The numbers show a drop from 8,351 down to 7,056 since the first of the year.

The Education Committee appointed by the Commission has met twice. The members were encouraged to review what other states have been doing, review the Division's existing mortgage officers outline, and try and determine what areas need to be changed. In meeting next month, the expanded curriculum will be evaluated, pared down and time frames will be added.

Mr. Fagergren said the Division newsletter has been mailed out.

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

CLOSED TO PUBLIC

A motion was made and passed unanimously to go into Executive Session from 9:55 a.m. until 10:15 a.m.

CLOSED TO PUBLIC

LICENSE/RENEWAL HEARINGS:

10:15 First United Mortgage – Application to Renew License
Kelly Graham, PLM, Owner/President
Mr. Everett is filling in for Mr. Johnson for this hearing.

CLOSED TO PUBLIC

A motion was made and passed unanimously to go into Executive Session from 10:53 a.m. to 11:00 a.m.

11:06 Eric Christopherson – Application for License
This is a telephone hearing.
Laurie Hammerbacker, Attorney, was on the line with
Mr. Christopherson.
Mr. Everett is filling in for Mr. Johnson for this hearing.

CLOSED TO PUBLIC

A motion was made and passed unanimously to go into Executive Session from 11:47 a.m. to 1:00 p.m.

LICENSING HEARINGS (Continued)

1:05 Eric Bjornn – Application for License

CLOSED TO PUBLIC

A motion was made and passed unanimously to go into Executive Session from 1:10 p.m. to 1:35 p.m.

OPEN TO PUBLIC

1:45 Training by Attorney General on Administrative/Hearing
Procedures – Blaine Ferguson, Assistant Attorney General

Results of Executive Session:

Review of Stipulations:

Julie Thompson - Approved
Benjamin Taylor - Approved
Cofry I. (Ceballos) Thornton - Approved

A motion was passed unanimously to adjourn at 4:45 p.m.