

UTAH RESIDENTIAL MORTGAGE REGULATORY COMMISSION MEETING

Heber M. Wells Building

Room 250

9:00 AM

November 4, 2009

MINUTES

STAFF MEMBERS PRESENT

Deanna D. Sabey, Division Director
Dee Johnson, Enforcement Director
Mark Fagergren, Education/Licensing Director
Traci Gundersen, Assistant Attorney General
Jennie Jonsson, Hearing Officer
Renda Christensen, Board Secretary
Tiffeni Wall, Real Estate Education Coordinator
Jan Buchi, Mortgage Education Coordinator
Jody Colvin, Division Staff
Elizabeth Beezley, Investigator
Kurtis Hughes, Investigator
Marv Everett, Investigator

COMMISSION MEMBERS PRESENT

Lance Miller, Chair
Maralee Jensen, Vice Chair
Rodney "Butch" Dailey, Commissioner
Holly Christenen, Commissioner
Brigg Lewis, Commissioner

GUESTS

David Luna	Irene Kennedy
JR Thompson	Ron Duyker
Chad Ahearn	Paul Naylor
John G. Stevens	Jeremy Plouzek
Heather MacKenzie	Spencer A. Haymond
Howard Tolley	

The meeting on November 4, 2009 of the Utah Residential Mortgage Regulatory Commission began at 9:00 a.m. with Chair Miller conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Administrative Law Judge Masuda Medcalf administered the Oath of Office to Holly Christensen to become the new Commissioner.

Director Sabey presented a plaque to out-going Commissioner MacKenzie for her service to the Commission and Division during the past four years. A plaque was also presented to Commissioner Christensen for her recent service on the Appraiser Board for four years.

Approval of Minutes - The Minutes from the October 7, 2009 meeting were approved as written.

DIVISION REPORTS

Director's Report – Deanna Sabey

Director Sabey reported the SAFE Education Committee held their first meeting yesterday. The purpose of the Committee is to determine content and set up the questions that will be on the state-portion of the exam that is now required by SAFE for all of the mortgage loan originators. The members of the Committee are: Mark Fagergren, Jennie Jonsson, Jan Buchi, Allen Blood, Al Bingham, JR Green, Eva Rees, Dean Smith, Traci Rumsey, and Elizabeth Roush. The Committee will meet weekly for 3-4 hours, which is a substantial time commitment. Director Sabey thanked those members for their time commitment and a great act of service.

The Division website will be posting Frequently Asked Questions regarding SAFE on the website. There is confusion and concern from licensees and the public on credit reports, and the requirements of the NMLS. There is also confusion by licensees on the Good Faith Estimate form that must be used beginning January 1, 2010.

Enforcement Report – Dee Johnson

Mr. Johnson said there was an article on the mortgage fraud blog this morning regarding loan modification experts. The title of the article is "Five charged in beating, torture of loan modification agents."

In the month of October the Division received 29 complaints; screened 1 complaint; opened 16 cases; closed 10 cases; leaving the total number of mortgage cases at 59. Mr. Johnson said he believes the number of complaints being received will continue to climb.

There are twelve stipulations being presented today for the Commission to review. All of the individuals were offered a chance to appear today, but all

have chosen not to appear.

Review of Stipulations

Jeanie M. Budge

E-Money Solutions Mortgage, Inc.

Tori L. Devey

Candice Carroll

Alan Burke

Jason F. Jacobson

Steve S. Grange

Sean D. Lambert

Garrett H. Wall

Americash Credit, Inc.

Shad Guffey

Kregg Thomassen

Part of the Enforcement staff is here today to answer any questions the Commission may have on these Stipulations. These are Marv Everett, Kurtis Hughes, and Elizabeth Beezley.

Education/Licensing Report – Mark Fagergren

Mr. Fagergren reported on the successful Instructor Development Workshop this year.

Mr. Fagergren brought up several topics that are being discussed in the conference calls with NMLS. There are several items such as: 1) whether or not a control person has to be licensed, and if so, does the Commission want those people to be PLM's or ALM's particularly with branch offices; and, 2) the restriction in the mortgage industry that SAFE requires credit reports and financial statements.

Mr. Fagergren gave an update on the SAFE Education Committee. The committee is made up of several members from the Division; several from the Department of Financial Institutions; and, several from the mortgage industry. This is only the NMLS state-portion of the exam.

The Division newsletter coming out in January will have information for the transition of licensees and what they should be doing between January and the end of May. There will be detailed information on the Division's website.

Mr. Fagergren reminded everyone that new mortgage officers at the first of the year will fall under NMLS licensing. Also, the educational component of 20 hours of NMLS approved education, and also the 40 hours of education

the Mortgage Commission approved will be required.

In a conversation with representatives from CSBS, the issue of licensing processors and underwriters has come up. Some of the thoughts are that W-2 employees of mortgage companies doing processing or underwriting do not require a license. However, CSBS views the SAFE Act as requiring independent contract processors to be licensed as mortgage officers. Utah, Virginia, and Texas are taking a broader interpretation that if a company contracts with underwriters or processors, then they are viewed as a co-employee being supervised by the mortgage company and the PLM. This issue will be discussed further in the conference call meeting today.

The Commission discussed the issues brought up by Mr. Fagergren. They have decided that a control person must be licensed with the Division as either a PLM or ALM. The definition of branch office will be defined and tightened; and, the branch must have either a PLM or ALM at each branch. The definition of who is responsible, lack of supervision issues and safe harbor for PLM's and branches were also discussed.

The issues of credit reports and financial statements were discussed. Mr. Fagergren said if a credit and/or background report came in to the Division and clearly showed there was fraud, deceit or misrepresentation, it would be something on which the Division take action.

Mr. Fagergren said Ms. Buchi and Ms. Colvin have just returned from a week of training on NMLS in Rockland, Maryland.

Industry and Commission Issues – Jennie Jonsson

Ms. Jonsson discussed two applications from individuals residing in other states that are on NMLS, and are now trying to expand their business into other states. These two applications are out of California and have similar criminal background issues, and are being brought to the Commission today for their concurrence. These applications will be discussed in detail during Executive Session.

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

CLOSED TO PUBLIC

LICENSE/RENEWAL HEARINGS:

10:07 Kenneth P. Avery – Appeal of Order

- 10:44 Berenice Perez – Application for License
Ms. Perez has requested a telephone hearing.
- 11:39 Steven Brantley - Application for Renewal of License
Robert C. Adams
Kent Homer
Gene Francis Sconi
Director Sabey disclosed that she is familiar with Mr. Brantley.
Both Mr. Brantley and the Division have no issue with Director Sabey remaining for this hearing.

OPEN TO PUBLIC

The Commission has asked Mr. Johnson questions regarding the Stipulations that have been presented today.

A motion was made and passed unanimously to go into Executive Session from 12:57 p.m. to 1:45 p.m.

CLOSED TO PUBLIC

Review of Stipulations
Deliberation on Hearings

OPEN TO PUBLIC

Results of Stipulations

Jeanie M. Budge - Approved
E-Money Solutions Mortgage, Inc. - Approved
Tori L. Devey - Approved
Candice Carroll - Approved
Alan Burke - Approved
Jason F. Jacobson - Approved
Steve S. Grange - Approved
Sean D. Lambert - Approved
Garrett H. Wall - Approved
Americash Credit, Inc. - Approved
Shad Guffey – Approved
Kregg Thomassen - Approved

A motion was passed unanimously to adjourn at 1:45 p.m.