

REAL ESTATE COMMISSION MEETING

Heber M. Wells Building

Room 210

9:00 a.m.

August 20, 2008

MINUTES

STAFF MEMBERS PRESENT:

Dee Johnson, Enforcement Director
Mark Fagergren, Education and Licensing Director
Blaine Ferguson, Assistant Attorney General
Tony Patterson, Assistant Attorney General
Traci Gundersen, Assistant Attorney General
Tiffeni Wall, Real Estate Education Coordinator
Julie Price, Division Staff
Elizabeth Beazley, Investigator

COMMISSION MEMBERS PRESENT:

H. Blaine Walker, Chair
Doyle "Sam" Sampson, Vice Chair
Bonnie Peretti, Commissioner
Gary Hancock, Commissioner
Kay Ashton, Commissioner

GUESTS

Kevin Swenson	Linda Leavitt
Curtis Bullock	Marty Stringham
Paul Naylor	Chad Ahearn
Lance Miller	Jack Marinello
Michael Welker	Ron Duyker

The August 20, 2008 meeting of the Utah Real Estate Commission began at 9:00 a.m. with Chair Walker conducting.

OPEN TO PUBLIC

9:00 Discussion on Proposed REPC

Chair Walker thanked all those who served on the task force for their help. He turned the meeting over to Commissioner Hancock and Mr. Bullock to continue discussion on the final revisions of the REPC. A copy of the proposed changes to the final REPC and addenda were distributed to the attending public for their review. The new forms will supersede the existing forms on January 1, 2009. A Motion was made to approve the proposed REPC, Seller Financing Addendum, and the FHA/VA Loan Addendum as written with the two minor changes to be done by the Attorney General's office. The

effective date will be immediate upon the signature of the Attorney General's signature. The Motion passed unanimously.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

A Motion was made and passed unanimously to approve the Minutes from the July 16, 2008 meeting as written.

Chair Walker mentioned the next regularly scheduled meeting of the Real Estate Commission will fall during the UAR convention. The convention is being held in Midway, Utah, and Chair Walker asked if Mr. Fagergren could check the possibility of holding the Commission meeting in Midway. Mr. Fagergren said he reviewed the schedule that has been posted by the UAR and appears that the Commission meeting would be in conflict with what the UAR has scheduled. He will check into the possibility and let the Commission know the outcome.

DIVISION REPORTS

ENFORCEMENT REPORT – Dee Johnson

Mr. Johnson reported in the month of July the Division received 47 complaints; screened 23 complaints; opened 9 cases; closed 28 cases; and, the total number of cases is now 156. Last month there were eight cases closed on one individual alone. The investigative staff has done a wonderful job to get all of these cases closed.

Mr. Johnson said each of the respondents in the respective Stipulations was given the opportunity to come before the Commission today and each decided not to attend.

Review of Stipulations

Veronica Franco

Donald E. Sanders II

Vial Fatheringham, LLP

Terri D. Colvin

COMMISSION AND INDUSTRY ISSUES – H. Blaine Walker

Mr. Fagergren said Director Steinagel is attending the AARMR convention which is a national mortgage regulators group. He asked Mr. Fagergren to pass on his thanks and appreciation for those who worked hard on the REPC; the Commission, the forms committee; and, the AG's office.

Mr. Fagergren said on July 30, 2008, President Bush signed legislation which provides the S.A.F.E. Act ("Secure and Fair Enforcement for Mortgage Licensing Act of 2008"). This Act will impact the Division quite extensively. Utah is one of 14 states in the country that were licensing mortgage officers (i.e., pre-licensing education, examinations, fingerprint checks, etc.) including principal lending managers, and entities. The legislation will require quite a few things to be accomplished by July 30, 2009. States that do not meet that deadline will fall under HUD's regulations for licensing.

The S.A.F.E. Act will require the licensure and registration of all loan officers which will now include banks. Those employees will not be licensed but will be registered. There will be a national database called the NMLSR and all individuals will be required to submit their applications through this database. These licenses will now have an annual renewal date as compared to the current Division's renewal of two years. The legislation requires a national entity that is governed by CSBS that regulates banks and AARMR. This group has a database that will require all 50 states to be on this system.

Minimum standards will be included such as those individuals who have ever committed a felony within the last seven years, and certain felonies; and, if a license has ever been revoked, these individuals will be banned permanently from getting a license or registration. Financial responsibilities will require that individuals now submit a credit report, and a national exam will now have to be passed.

LICENSING AND EDUCATION REPORT – Mark Fagergren

Mr. Fagergren said the statistics for the year show the sum of sales agents, principal brokers, and associate brokers, the drop has been 1.25%. Most of this drop has taken place over the last two months.

Last month the Commission approved the new broker curriculum. A group of eight: Randy Benoit, Mike Welker, Paul Naylor, Ron Duyker, Lance Miller, Mr. Fagergren and staff, Doug Boulden and Paul Willden, met for two days in a hotel to work on questions for this broker exam. Pearson Vue is working with the Division on the amount of questions on the state portion of the state. The implementation date is scheduled to be January 1st for the new examination.

The Instructor Development Workshop will be on September 29 – 30, 2008, in which all of the Commissioners are invited. Several Commissioners have been invited to participate in the Commissioner's Corner.

A Motion was made at 10:35 a.m. to close the public portion of the meeting for licensing hearings. The Motion passed unanimously.

LICENSE HEARINGS: CLOSED TO PUBLIC

10:45 Jay Sorensen – Application for License
Gaynell Instefjord, Broker, Coldwell Banker

11:30 Martin W. Day – Application for License

A Motion was made to go into an Executive Session from 12:10 p.m. until 12:50 p.m. The Motion was approved unanimously.

OPEN TO PUBLIC

RESULTS OF EXECUTIVE SESSION

The Commission thanked Enforcement for their hard work and expressed concern on stipulations where fines are substantially reduced. The Commission suggested that perhaps the fine should be for the full amount but allow a lesser license (i.e., principal broker to sales agent, etc.), and perhaps take a 70/30 approach on the fines.

The Commission would also like to see fines collected by the Division to go toward the educational advertisements on television instead of going into the general fund. Chair Walker said he believes that the funds can be used for Public Service Announcements to educate the public.

Results of Stipulations:

Veronica Franco - Approved

Donald E. Sanders, II - Approved

Vial Fotheringham, LLP - Approved

Terri D. Colvin - Approved

A Motion was made and accepted to adjourn the meeting at 1:05 p.m. The Motion was passed unanimously.