



Steve Gooch <sgooch@utah.gov>

## Fwd: ABA regulation

1 message

Reed Stringham III <rmstringham@utah.gov>  
To: Steve Gooch <sgooch@utah.gov>

Wed, Apr 3, 2024 at 1:33 PM

----- Forwarded message -----

From: **Kadee Wright** <kadeewright@utah.gov>  
Date: Wed, Apr 3, 2024 at 1:20 PM  
Subject: Re: ABA regulation  
To: Reed Stringham III <rmstringham@utah.gov>  
Cc: Adam Martin <adammartin@utah.gov>, Tracy Klausmeier <tklausmeier@utah.gov>, Kelly Christensen <kjchristensen@utah.gov>

Reed,

Yes, that is a great summary of our discussion and understanding.

Thank you,

**Kadee Wright** | Chief Investigator



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How am I doing?



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On Wed, Apr 3, 2024 at 1:16 PM Reed Stringham III <rmstringham@utah.gov> wrote:

Dear Kadee and Adam -

Thanks again for meeting with us today to discuss the regulation of affiliated business arrangements (ABA). As you know, we'd asked to talk to you about distinguishing between the Division of Real Estate's (DRE) responsibilities and the Insurance Department's (ID) responsibilities for those entities.

During the discussion, Adam recommended that our agencies rely on 31A-23a-1003(2) to distinguish their respective roles. This provision states that the DRE may find a violation of RESPA based a consideration of whether the title entity:

- (i) is staffed with the title entity's own employees to conduct title insurance business;
- (ii) manages the title entity's own business affairs;
- (iii) has a physical office for business that is separate from any producer's or associate's office and pays market rent;
- (iv) provides the essential functions of title insurance business for a fee, including incurring the risks and receiving the rewards of any comparable title entity; and
- (v) performs the essential functions of title insurance business itself.

Adam reasoned that the DRE's enforcement should be limited to alleged violations by ABAs that involve one or more of these five factors. After discussing this, we all agreed with Adam's recommendation.

Based on this agreement, we also decided that complaints against ABAs involving one or more of the five factors should be submitted only through the DRE's complaint portal. Similarly, we agreed that complaints against ABAs that do not involve one of the five factors should be submitted only through the ID's complaint portal.

Will you please let me know whether this confirms the DRE's understanding of our arrangement?

Thank you.

Reed

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