

**UTAH RESIDENTIAL MORTGAGE
REGULATORY COMMISSION MEETING
Telephonic Meeting**

Heber M. Wells Building

Room 210

9:00 A.M.

February 3, 2016

MINUTES

DIVISION MEMBERS PRESENT

Jonathan Stewart, Division Director
Mark Fagergren, Licensing/Education Director
Jeffery Nielsen, Chief Investigator
Justin Barney, Hearing Officer
Elizabeth Harris, Assistant Attorney General
Amber Nielsen, Board Secretary
Marvin Everett, Division Investigator
Tim Cuthbertson, Division Investigator
Lark Martinez, Mortgage Education Coordinator
Mike Page, Division Staff
Desha Pages, Division Staff

COMMISSION MEMBERS PRESENT

Steve Hiatt, Chair
Cathy J. Gardner, Commissioner
John T. Gonzales, Commissioner
Kay Ashton, Commissioner

The meeting on February 3, 2016 of the Utah Residential Mortgage Regulatory Commission began at 9:02 a.m. with Chair Hiatt conducting.

PLANNING AND ADMINISTRATIVE MATTERS

Approval of Minutes

The draft minutes incorrectly stated Commissioner Richard had conducted the January 6, 2016. Chair Hiatt conducted that meeting. The error was corrected in the minutes. A motion was made and seconded to approve the January 6, 2016 minutes as corrected. Vote: Chair Hiatt, yes; Commissioner Gardner, yes; Commissioner Ashton, yes. The motion is approved.

There is not a quorum for approval on the December 30, 2015 minutes. This will be reviewed when there are enough members present.

Public Comment Period

No public attended the meeting and there were no comments given.

DIVISION REPORTS

Director's Report – Jonathan Stewart

Director Stewart reported the Division Real Estate Clean-Up Bill has not been numbered and Director Stewart has not yet seen a draft. Director Stewart is hoping to see something within the next couple days.

Director Stewart reported on a separate bill, House Bill 177 Mortgage Lending Amendments. The bill defines mortgage lender: "Mortgage lender" means an entity that performs each of the following related to originating a mortgage loan: taking and processing an application; providing a required disclosure; in some circumstances, underwriting the mortgage loan and making the final credit approval decision; closing the mortgage loan in its name; funding the mortgage loan; and selling the mortgage loan to an investor. Under the section of exemptions it states that anyone who is not a servicer is not exempt under the DFI section and the same thing with mortgage lender. The purpose of this bill is to require everyone who fits the description of mortgage lender to register with DFI and the Division simultaneously. This would pertain to entities only. This bill was discussed by the Board.

Enforcement Report – Jeffery Nielsen

Mr. Nielsen reported in January the Division received 1 complaint; opened 1 case; closed 3 cases; leaving 69 open mortgage cases. The AG's office has 7 cases.

Stipulation for Review

Joel R. Harward

Education/Licensing Report – Mark Fagergren

Mr. Fagergren reported on the renewal period. Licensees have until February 28, 2016 to reinstate the license. There are currently 60-65 individuals whose applications are on hold, 8 of whom are under review.

Mr. Fagergren reported there is a pre-license education expiration policy proposed by the NMLS Policy Committee. The NMLS Policy Committee stated the SAFE mandated PE requirement is a national minimum standard accepted in any state and rules surrounding eligibility in those requirements should be uniform. The adoption of this rule would eliminate the current policy that requires expired individuals to take the education from when they would have expired prior to relicensing. This new policy would cause the PE to expire after 3 years of license expiration.

Mr. Fagergren reported on the NMLS background check refund process. 165 individuals requested their background checks in September and October in response to that NMLS email. They have begun submitting the refunds.

Mr. Fagergren discussed the State and General Exams. In 2014, 901 individuals took the Utah State test, 653 of which passed the test on their first time which is 82.1%. In 2015, 1,166 individuals took the test, 822 of which passed the Utah State test on their first time which is 82.5%. The overall pass rate in 2015 was 79.9%.

There are no education stipulations to review this month.

Hearing Officer Report – Justin Barney

Mr. Barney reported there may be some rule or statutory amendments that may be forthcoming in response to the NMLS Policy Committee PE expiration policy. There are no draft rule updates to present today.

Stipulation for Review

Brian Simpson

Commission and Industry Issues

Commissioner Ashton presented for discussion the possibility of approving and using the Uniform State Test. Commissioner Ashton noted Utah is one of only six states which require a state specific test. Commissioner Ashton asked if the state test is still necessary since we now have the state continuing education requirement. Commissioner Ashton wants to ensure Utah is not perceived as a state where it is difficult to do business. Director Stewart expressed he feels the education isn't overly burdensome and will protect Utah citizens. Mr. Fagergren noted the CE requirement only covers changes that occurred in the past year. The Division has not received comments from licensees or companies requesting a change. Vice Chair Gardner feels it is important to keep things as they are in order to ensure licensees understand state regulations. Chair Hiatt at this time doesn't mind having the extra requirements.

A motion was made to close the meeting for the sole purpose of discussing the character, professional competence or physical or mental health of an individual. Vote: Chair Hiatt, yes; Commissioner Gardner, yes; Commissioner Gonzales, yes; Commissioner Ashton, yes. The motion is approved.

CLOSED TO PUBLIC

An Executive Session was held from 10:07 a.m. to 10:09 a.m.

OPEN TO PUBLIC

Results of Executive Session

Results of Stipulations

Joel R. Harward – Approved

Brian Simpson – Approved

Mr. Barney reported there are still a number of reviews regarding the renewal applications for licensees. Mr. Barney asked if the Commission would be available for a brief meeting if necessary to get stipulations reviewed prior to the renewal deadline. The Commission said they would be available.

A motion was made to adjourn the meeting. Vote: Chair Hiatt, yes; Commissioner Gardner, yes; Commissioner Gonzales, yes; Commissioner Ashton, yes. The motion is approved. The meeting adjourned at 10:10 a.m.