



# Insurance Department

## State of Utah Title & Escrow Commission Meeting Meeting Information

State of Utah

GARY R. HERBERT  
Governor  
SPENCER J. COX  
Lieutenant Governor  
TODD E. KISER  
Commissioner

**Date: May 11, 2020**

**Time: 9AM**

**Place: Teleconference Only**

### ATTENDEES

#### TITLE & ESCROW COMMISSION

xChair, Nancy Frandsen (*Insurer, Salt Lake County*)      xDarla Milovich (*Agency, Salt Lake County*)  
xVice Chair, Alison McCoy (*Agency, Tooele County*)      xChase Phillips (*Agency, Weber County*)  
xRandy Smart (*Public Member, Salt Lake County*)      xPerri Babalis, *AG Counsel - TEC*

#### DEPARTMENT STAFF

xTodd Kiser, *Ins. Commissioner*      xReed Stringham, *Deputy Comm.*      xTracy Klausmeier, *P&C Dir.*  
xRandy Overstreet, *Licensing Dir.*      xDanny Schoenfeld, *Finance Dir.*      xAdam Martin, *MC Examiner*  
xMichael Covington, *CE Specialist*      xSteve Gooch, *PIO Recorder*

#### PUBLIC

Carol Yamamoto      James Seaman      Jessica Goodman  
Wade Taylor      Jeff Wiener

### MINUTES — *Not Approved*

#### *General Session: (Open to the Public)*

- **Welcome** / Nancy Frandsen, Chair (9:00 AM)
- **Telephone Roll Call**
- **Adopt Minutes of Previous Meeting**
  - **Motion by Chase to adopt minutes. Seconded by Darla. Motion passes 5-0.**
- **Concurrence Reports**
  - Licenses
    - Randy O. notes that the report has new coding in April: TTMR, which stands for "temporary title marketing rep." The temporary licenses will be discussed later in the meeting.
    - Nancy asks if the UID is collecting any information on whether new companies coming on in March through May are ABAs. Reed says no, the UID doesn't have authority to do that.
    - **Motion by Randy to concur. Seconded by Alison. Motion passes 5-0.**
  - Continuing education
    - Michael says people are asking about classroom courses, and she notes that there are very few computer classes that count as title. Webinars have been approved for a long time, but they've taken off lately because of COVID. There are two criteria to hold a webinar: keeping track of who's out there and sending questions.
    - Nancy says back in February, Michael talked about the need for prelicensing. She says the ULTA heard her plea, and the education chair, Jessica Goodman, is currently recording 6 hours with 6 different presenters. However, they've heard that the test isn't sticking with the outline. The ULTA is wondering if it's OK for them to get a copy of the contents of the test so they can make sure they're complying with the test. Michael says she can send a link to the licensing bulletin on the UID website, which lists all of the test content.
    - **Motion by Alison to concur. Seconded by Darla. Motion passes 5-0.**

- **Board Duties & Responsibilities / Perri**
  - Perri says she'll do an updated training on the Open and Public Meetings Act at the next face-to-face meeting.
- **Update on 2020 Goals**
  - ULTA report / Nancy
    - The ULTA has been focused on prelicensing.
  - REC report / Darla
    - The REC's caseload has been going down steadily. They started January with 520 cases, went down to 495 in February, and down to 465 in March.
    - Complaints have also gone down from 19 to 13. They've closed roughly 110 cases in the past 3 months.
    - Total AG cases are 13 from January, 11 from February, and 12 from March.
    - The rest of their meetings have been about enforcement and licensing procedures.
    - Going back, Alison asks if ULTA will charge for prelicensing, or if it will be free for members, or what. Nancy thinks they're still ironing out.
- **New Business**
  - Temporary licensing procedure / Randy O.
    - Randy O. says Prometric and other testing centers have closed their testing sites due to COVID-19, but some are starting to open sites now. Testing is still not available in Utah. Order 2020-1 addresses testing. While the testing and fingerprinting sites are closed, the UID is allowing temporary individual resident-only licenses beginning April 23. Applicants are not eligible for non-resident licenses in another state, which is how other states are doing it as well. The temporary licensee needs to complete 40 hours of training and be supervised by a licensed individual within the agency. Title agents must be sponsored by a title agency. The application has a certification compliance form that needs to be completed and signed by an owner, partner, officer, or designated responsible licensed producer for the agency. There's also an attestation that they will be the sponsoring agency during the temporary license period, which is good for a maximum of 180 days, during which the temporary licensee will be supervised. If the temporary licensee leaves the agency or if the agency terminates them, the agency must notify the UID immediately. The applicant applies electronically through Sircon, and the cost is the same as a normal license. Even though there's no fingerprinting, the UID checks for criminal activity in Utah court systems. Once someone gets their permanent license, the temporary license is terminated.
    - James Seaman asks what complies with the 40-hour training requirement. Will being with an agency for a while count? Randy O. says there aren't any specified requirements, but if an officer or designated responsible licensed producer attests that the person has been trained for 40 hours, the UID will accept that. The UID leaves it up to the agency to ensure they're getting the proper training so they can qualify in that line of insurance.
    - Nancy asks if the one-page document is all that's required. Randy O. says the license application must also be completed online.
    - Alison asks if this is only good for 6 months, will the temporary licensees still have to take the test afterward, like in the normal licensing process? Randy O. says yes. This Order goes along with a national standard recommended by the NAIC. If the pandemic continues, we may need to address an extension later.
    - Nancy asks if Prometric opens in July, would the Order be rescinded? Randy O. says Prometric has opened for testing in Utah effective May 1, but they don't have fingerprinting available yet. The UID has asked them not to open for insurance testing until fingerprinting is open as well. We don't want to give a permanent license to someone who passed the test but hasn't yet been fingerprinted.
    - Nancy says it will be important going forward to make everything clear to title agencies. We need to make sure everyone knows what the UID is doing.

- Nancy asks if this is across the board for all producers. Randy O. says it's for all individual resident producer licenses, including title.
- **Old Business**
  - Testifying re: filed escrow rates / Chase
    - Chase recalls that back in February, the UID had proposed eliminating filed escrow rates, and Reed wanted someone to testify in a hearing of a licensee who hadn't filed their rates in 3 years. He wants to know if the UID ever found anyone. Reed says no. Chase asks if the UID still needs someone, or if the time has passed. Reed says the hearing is coming up in June, so if anyone is interested, they can talk to the UID's lawyer to work something out.
    - Chase says if any member of the public would like to provide that service to the UID, there's a need for it.
    - Alison asks if it can be someone on the TEC. Reed says there may be some concerns about testifying against an underwriter or something like that. It involves an agent case. If they could have someone to talk about the importance of the rule, that would go a long way. He says if anyone is interested in exploring it, he'd be happy to discuss it.
    - Chase says his understanding is that the UID just needs someone to describe why the rule matters. Nobody needs to get involved in the case, it's just an expert witness to describe why the rule matters. Reed says that's correct. It just needs to be what the rule is, why it's there, and why it's important.
    - Interested parties can email [rmstringham@utah.gov](mailto:rmstringham@utah.gov). Chase & Alison are happy to talk to Reed about it, but it might be better to have someone not on the TEC.
- **Other Business**
  - Update on Department's processes during COVID / Reed
    - Everyone but the UID's receptionists are teleworking and will be at least through June 5, but that could change.
    - Adam is still doing audits, but they're not being done in-person.
    - Hearings before the administrative law judge are being conducted by phone.
  - Update on title report / Adam
    - Adam has gotten a lot of phone calls because a lot of agencies couldn't believe it was only a one-page form. Most people were happy about it, but a few accountants didn't like the idea. There are 171 title agencies, and 151 filed their report. The other 20 haven't contacted him or filed the report, and they'll hear from Adam this week.
    - Chase asks how those numbers compare to past years. Does it seem like people missed the deadline due to COVID? Adam says it's about the same. Once he gets the final report, he'll know for sure. He usually puts a note on an agency's record if he contacted them the previous year. The number of agencies went up by about 11 or 12, but 20 late filings is about average. Last year there were about 45 – maybe being at home helped. He thinks the one-page report helped too.
    - Nancy is glad that Adam will be contacting the agencies that didn't file. A while ago, there were agents who said they didn't know. She's glad it's part of his process to reach out to them.
- **Hot Topics**
  - Commissioner Kiser compliments the TEC for holding the meetings and exploring the new virtual meetings that everyone is learning about. Everyone's willingness to hold this meeting virtually is very much appreciated. He appreciates that the UID and TEC can function at this level and get things done. He thanks Reed and Randy O. for working to make temporary licensing happen. There's a high demand and he appreciates them working through the details. He notes that we're not allowing for nonresident temporary licensing because we don't have a way to do a background check in another state. He notes that there could be a backlog with Prometric, and we may need to reconsider the timeline in the future. He says he gets requests weekly about continuing education credits too. He appreciates the work the team is doing on them. He thanks everyone on his team for the work that they're doing. Nancy says it's important for the industry to have Commissioner Kiser on these calls, and she appreciates that he's able to attend them.

- Nancy asks if there have been any calls about remote notaries and online closings. Reed says we haven't heard of anything. Adam confirms that he hasn't heard of anything, and says he just refers them back to the RON Act.
- Carol Yamamoto says some of the underwriters are not accepting remote notaries at this time. She understands that Freddie Mac and Fannie Mae have gotten on board with it at point. She says 2 people at Backman Title have submitted their applications for mobile notary designations and are waiting to hear back.
- Darla says Fannie and Freddie have adopted remote online notaries, but only 4 or 5 lenders can do them because there's a requirement for an e-note certification. Because the situation wasn't expected, a lot of lenders don't have the certification and there are a lot of hybrid closings being done. It's apparently fairly difficult to get the e-note certification. Darla asks if Carol has seen many of these closings. Carol says she hasn't, but they're anticipating them because of Freddie Mac and Fannie Mae.
- Jeff Wiener says the issue he's hearing about is if the RON statutes are being altered to accompany RENS or other forms like using Zoom. That may be permissible in some jurisdictions that have emergency orders. RON is approved if a lender can perform a RON, but other variations aren't allowed under Utah law. Carol says Backman got a letter about violations because of the presence of the notary and the signer. Be aware of what state guidelines are; Zoom doesn't work because the notary needs to see people physically sign documents. Nancy says this came to the attention of the ULTA, and they immediately put out a bulletin telling people to follow Utah laws and statutes.
- Michael Covington says people have been asking her if they need to refile existing classes as a webinar, and she says the answer is no. They just need to use the same course number and outline.

**Executive Session** (None)

- **Adjourn** (9:56 AM)
  - **Motion by Darla to adjourn. Seconded by Alison. Motion passes 5-0.**
- **Next Meeting: June 8, 2020** — Copper Room

**2020 Meeting Schedule in Copper Room**

<del>Jan 13</del> <del>Canceled</del>	<b>Feb 10</b>	<del>Mar 9</del> <del>Canceled</del>	<del>Apr 13</del> <del>Canceled</del>	<b>May 11</b>	Jun 8
Jul 20	<b>Aug 17</b>	Sept 28	Oct 19	<b>Nov 9</b>	Dec 14

\* bold dates denote quarterly required in-person meetings