

## Utah Division of Real Estate (UT-DRE) Continuing Education (CE) Notice for 2021

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### Purpose

The purpose of this notice is to inform NMLS approved course providers of the required topics to be covered in the 2- hour state specific Continuing Education (CE) requirement which must be met as a condition for maintaining a mortgage loan originator (MLO) license with the Utah Division of Real Estate.

**This course should be completed by licensees in 2021 and CE credits given for the 2021 renewal period. The course will be expired on February 28th, 2022 or the course's renewal period, whichever comes first.**

### CE requirements are as follows:

- 3 hours of Federal law;
- 2 hours of Ethics;
- 2 hours of non-traditional mortgage lending;
- 1 hour of general electives;
- 2 hours of Utah state-specific defined electives

**Total CE: 10 Hours**

**UT-DRE has established the following required topics list for the 2 hours of state-specific CE:**

- **Residential Mortgage Practices and Licensing Act – 15 minutes**  
(Changes made during 2020 Legislative Session in *S.B. 140* – <https://le.utah.gov/~2020/bills/hbillamd/HB0147S01.pdf> effective May 12, 2020)

### **Residential Mortgage Practices and Licensing Act**

**61-2c-102. Definitions, 61-2c-204.1. Education providers -- Education requirements – Examination requirements.**

Removed references to Utah approved continuing education. All continuing education is now approved through the Nationwide Multistate Licensing System (NMLS).

**61-2c-202. Licensure procedures.**

Removed requirement to submit to a periodic background check with the Bureau of Criminal Identification. Mortgage licensees receive their background check through the

NMLS, which is an FBI background check. Leaving this unchanged would require all mortgage licensees to submit to two background checks.

- **Mortgage Administrative Rule changes that went into effect in 2020 – 5 Minutes**

**Amended Section: R162-2c-204**

The Division has approved an amendment to Clarify when a new loan originator is required to take the division-approved continuing education course for new loan originators. The rule will adjust the timing requirement for licensees to complete the mandatory 5-hour CE.

**Amended Section R162-2c-102**

Deleted outdated language from the definitions of subsections (3) "Certification" and (10) "Instructor applicant."

**Amended Section R162-2c-203**

Eliminated the requirement that instructors of division-approved continuing education ("CE") courses be certified by the division. In 2017, the division discontinued approving CE courses. Since 2017, all CE courses are approved through the National Mortgage Licensing System. This amendment clarifies the rule by eliminating the outdated requirement of certification of instructors for non-existent CE courses.

**Amended Section R162-2c-301a**

Eliminated the requirement that a lending manager review each complaint relating to conduct by a sponsored mortgage loan originator or unlicensed staff member.

- **Other Topics – 15 Minutes**

**New Targeted Solicitation Law**

1. A new law that went into effect on May 12, 2020 may affect lenders and those who represent that they are the financial institution of an account holder. H.B. 113, Consumer Sales Practices Amendments prohibits a supplier who is not the financial institution of an account holder from representing, directly or indirectly, that the supplier is the financial institution of the account holder. Over the years, the Division has heard about companies that send direct mailers that misrepresent the source of the mailer. These direct mailers appear as though they are coming from the company where the consumer has an account, when in reality it is coming from a different company. This new law prohibits this practice. If a targeted solicitation is used, the following provisions must be followed:
  - A targeted solicitation, if offered in writing, shall include a clear and conspicuous statement in bold type on the front page of the document containing:

- the name, address, and telephone number of the supplier offering the targeted solicitation; and
- a statement indicating that the supplier offering the targeted solicitation is not sponsored by or affiliated with the financial institution that holds the account holder's account.
- If the targeted solicitation is offered orally, the supplier offering the targeted solicitation shall verbally communicate the statement described above.

A supplier who violates this section commits a deceptive act or practice under 13-11- 4(1). Each violation can come with a fine of up to \$2,500. The Division of Consumer Protection will enforce this new law. If an individual uses your company's name in targeted solicitations without your authorization, please [file a complaint with the Division of Consumer Protection](#).

### **Resources to report or file complaints**

1. Utah Division of Real Estate - If you have a complaint on a company or person licensed under our jurisdiction or believe an unlicensed person is acting as a licensee, you may file that complaint by visiting our [Complaints page](#).
  2. [www.consumerfinance.gov/complaint/](http://www.consumerfinance.gov/complaint/) Examples of common mortgage complaints include:
    - Applying for a mortgage
    - Receiving loan estimates and closing documents
    - Transferring a mortgage to another servicer
    - Applying your payments correctly
    - Refinancing or modifying a mortgage loan
    - Misreporting mortgage account status to you or to credit reporting agencies
    - Requiring private mortgage insurance
    - Paying additional fees
  3. [Banks or Credit Unions](#)
    - [Federal complaints](#)
    - [Utah Department of Financial Institutions](#)
- **Mortgage Licensing and Disciplinary Actions taken in 2020 – 65 min.**  
(Full disciplinary actions can be found here: [https://realestate.utah.gov/edu\\_provider.html](https://realestate.utah.gov/edu_provider.html))

Multiple licensee applications for initial license or license renewal were either denied or placed on probation for the initial licensing period due to their criminal histories. The licensing sanctions varied based on whether the criminal conduct was either reported by the licensee, or determined by the criminal background check; the recency of the offense; and the severity and number of criminal convictions.

#### 4Q – 2019

BAYON, MARCELLO, mortgage loan originator, Layton, Utah. In an order dated November 6, 2019, Mr. Bayon's license was granted and immediately suspended due to outstanding warrants. Case number MG-19-113717

BORST, JULIA G., lending manager, Park City, Utah. In a stipulated order dated September 4, 2019, Ms. Borst admitted that while she was the principal lending manager for a licensed entity, she allowed an unlicensed staff member to originate two residential mortgage loans in Utah under her lending manager license, in violation of Utah law and administrative rules. Ms. Borst agreed to pay a civil penalty of \$10,000 and to have her license suspended for two years. Docket number MG-2019-003, case number MG-18-103346

DE SANTI COTELLO, PAULA A., mortgage loan originator, Riverton, Utah. In a stipulated order dated November 6, 2019, Ms. De Santi admitted that she received commission payments for two residential mortgage loans for transactions originated by an unlicensed staff member and then issued checks as compensation to the unlicensed staff member, in violation of Utah law and administrative rules. Ms. De Santi agreed to pay a civil penalty of \$4,000, to have her license placed on probation until December 31, 2020, and to complete two hours of continuing education in addition to the continuing education required for her next license renewal. Docket number MG-2019-004, case number MG-15-76250

KOLAKOSKY, STANLEY, mortgage loan originator, Garden Grove, California. In an order dated November 13, 2019, Mr. Kolakosky's license was denied due to a plea in abeyance agreement in a criminal matter. Case number MG-19-114254

MORTGAGE EDUCATORS AND COMPLIANCE, mortgage education provider, American Fork, Utah. In a stipulated order dated November 6, 2019, Mortgage Educators and Compliance ("Mortgage Educators") admitted that it was sanctioned on or about April 12, 2019 by the State Regulatory Register for awarding credit to students before they completed the education. At least five of the students held Utah licenses. These actions are in violation of Utah administrative rules. Mortgage Educators agreed to pay a civil penalty of \$5,000 and that its Pre-License School license be placed on probation until the next renewal date. Case number MG-19-112385

SECURITY NATIONAL MORTGAGE COMPANY, mortgage lender company, Salt Lake City, Utah. In an Amended Stipulation & Order dated November 6, 2019, SECURITY NATIONAL MORTGAGE COMPANY ("Security National") acknowledged that it employed an individual who had been previously licensed with the Division as a lending manager. However, from April 17, 2013 through April 8, 2016, this person was not licensed to engage in the residential mortgage business in Utah. During the unlicensed period, the Division claims that Security National paid a partial commission for several mortgage loans to a licensed individual who was part of a team and that the unlicensed team leader was also compensated for these loans in the form of a salary. The Division also claims that the unlicensed person hosted events for real estate agents who referred business to the team. Security National paid all or most of the costs of these events. The Division concluded that

Security National's acts and practices violate Utah law and administrative rules. Security National agreed to pay a civil penalty of \$35,000. Docket number MG- 2019-008, case number MG-18-105713

SEVILLA, CARLOS ENRIQUE, expired mortgage loan originator, Herriman, Utah. In a stipulated order dated November 6, 2019, Mr. Sevilla admitted that after the expiration of his license to originate residential mortgage loans he originated two loans. The 1003 loan applications identified another person who was a licensed mortgage loan originator as originator of the loans. Mr. Sevilla was compensated from the personal account of the licensee who was paid a commission on the loans. Mr. Sevilla's conduct is a violation of Utah law. He agreed to pay a civil penalty of \$2,000 and to cease and desist from transacting the business of residential mortgage loans unless or until he obtains a license. Docket number NG-2019- 005, case number MG-18-103347

TONEY, ERIC LORENCE, mortgage loan originator, Louisville, Kentucky. In an order dated September 17, 2019, Mr. Toney's license was renewed and placed on probation due to a pending criminal matter.  
Case number MG-19-112800

## **1Q -2020**

COMMUNITY LENDING GROUP, INC., mortgage lender company, Riverton, Utah. In a stipulated order dated December 4, 2019, Community Lending Group admitted that it mailed letters to prospective borrowers to solicit their mortgage business. The letters suggested that the recipient needed to act quickly in order to qualify for a reduced FHA Mortgage Insurance Premium even though the premium decrease had been in effect months prior to the mailing. The Division concluded that these acts and practices were false or misleading advertising in violation of Utah law and administrative rule. Community Lending Group has been sanctioned on two prior occasions for misleading advertisements. They agreed to pay a civil penalty of \$5,000 and to update their MU-1 Form. Case number MG-15-79691

JOHNSON, GARY BRIAN, mortgage loan originator, St. George, Utah. In a stipulated order dated December 4, 2019, Mr. Johnson admitted to having failed to disclose criminal history in his application for licensure in violation of Utah law and administrative rules. Mr. Johnson was granted a license to practice as a mortgage loan originator. He agreed to pay a civil penalty of \$1,000 and to have his license placed on probation for the initial licensing period.  
Case number MG-19-114620

TELLO, ANA MARIA, lending manager, Taylorsville, Utah. In a stipulated order dated December 4, 2019, Ms. Tello agreed to dismiss her petition for judicial review of a 2018 order against her entered by the Commission and Division and the Commission and Director agreed to vacate the 2018 order. Ms. Tello also agreed to pay a civil penalty of \$2,500, to repeat the 40-hour Principal Lending Manager pre- licensing education, and to have her lending manager license suspended for three months with credit for time suspended previous to her appeal. Her license remains suspended until she repeats the 40-hour pre-licensing

education course and passes the lending manager exam. Case number MG-14-72214 and docket number MG-2018-008

## **2Q -2020**

BALDRIDGE, JOHN RICHARD, mortgage loan originator, Ladera Ranch, California. In an order dated June 1, 2020, Mr. Baldrige's license was granted and placed on probation for the initial licensing period due to criminal history. Case number MG-20-119028

MATKIN, GARY MICHAEL, mortgage loan originator, Salt Lake City, Utah. In an order dated April 16, 2020, Mr. Matkin's license was granted and placed on probation for the initial licensing period due to criminal history. Case number MG-20-118073

MCDANNEL, CHRISTOPHER MICHAEL, mortgage loan originator, San Diego, California. In an order dated June 1, 2020, Mr. McDannel's license was granted and placed on probation for the initial licensing period due to a pending criminal matter. Case number MG-20-119063

## **3Q – 2020**

HEATH, TODD D., lending manager, Kaysville, Utah. In a stipulated order dated July 1, 2020, Mr. Heath admitted that he charged a fee in connection with a residential mortgage loan without disclosing to the borrower in writing that he would be charging the fee and without disclosing to the lender that he would be seeking additional compensation from the borrower. These actions are a violation of Utah law. Mr. Heath agreed to pay a civil penalty of \$10,000, to have his lending manager license placed on probation through December 31, 2021, and to update his answers to the disclosure questions in the NMLS. Case number MG-16-87179

PARKER, JOHN THOMAS, mortgage loan originator, Organ, New Mexico. In an order dated August 7, 2020, Mr. Parker's license was granted and placed on probation until December 31, 2021 due to criminal history. Case number MG-20-120563

RESPINI, RHONDA SUE, mortgage loan originator, San Diego, California. Ms. Respini applied for licensure under the temporary authority provisions but failed to provide the Division with evidence that she had completed required Utah specific pre-licensing education within 120 days of her application, as required by Utah law. In an order dated August 24, 2020, her application for licensure was denied. Case number MG-20-120962

SEVERIN, AMY CHRISTINE, mortgage loan originator, Gibbsboro, New Jersey. Ms. Severin applied for licensure under the temporary authority provisions but failed to provide the Division with evidence that she had completed required Utah specific pre-licensing education within 120 days of her application, as required by Utah law. In an order dated August 24, 2020, her application for licensure was denied. Case number MG-20-120965

SMITH, CHERRIE ABELEDA, mortgage loan originator, Elmhurst, Illinois. Ms. Smith applied for licensure under the temporary authority provisions but failed to provide the Division with evidence that she had completed required Utah specific pre-licensing education within 120 days of her application, as required by Utah law. In an order dated August 24, 2020, her application for licensure was denied. Case number MG-20-120963

TIGNER, JULIAN THOMAS, mortgage loan originator, Denver, Colorado. Mr. Tigner applied for licensure under the temporary authority provisions but failed to provide the Division with evidence that he had completed required Utah specific pre-licensing education within 120 days of his application, as required by Utah law. In an order dated August 24, 2020, his application for licensure was denied. Case number MG-20-120975

TOMLIN, BRANDON CHRISTIAN, mortgage loan originator, Perkiomenville, Pennsylvania. Mr. Tomlin applied for licensure under the temporary authority provisions but failed to provide the Division with evidence that he had completed required Utah specific pre-licensing education within 120 days of his application, as required by Utah law. In an order dated August 24, 2020, his application for licensure was denied. Case number MG-20-120957

WITTHUHN, CARRIE SUE, mortgage loan originator, Elizabeth, Colorado. Ms. Witthuhn applied for licensure under the temporary authority provisions but failed to provide the Division with evidence that she had completed required Utah specific pre-licensing education within 120 days of her application, as required by Utah law. In an order dated August 24, 2020, her application for licensure was denied. Case number MG-20-120961

### **MSA Actions**

HOUSTON, H. THAYNE, principal broker, St. George, Utah. In a stipulated order dated April 18, 2018, Mr. Houston admitted to participating in a marketing services agreement which did not reflect a proportionate allocation of costs between his company and the mortgage company, in violation of Utah administrative rules. Mr. Houston agreed to pay a civil penalty of \$5,000. Case number RE-1796027

STAPLES, REBECCA, lending manager, St. George, Utah. In a stipulated order dated February 7, 2018, Ms. Staples admitted to having violated Utah law with regard to a marketing service agreement with a real estate brokerage. The payments made by Ms. Staples's mortgage company to the real estate brokerage were not commensurate with the services provided by the brokerage. Ms. Staples agreed to pay a civil penalty of \$5,000, to have her license placed on probation, and to amend her MU4 disclosures on the NMLS within 10 days of the order. Case number MG-14-69409

NMLS Approving Authority

In accordance with the SAFE Act, NMLS is the approval authority for courses that are intended to satisfy the PE & CE requirement for an MLO to be licensed by a state-agency. Courses intending to satisfy these requirements must also meet NMLS course approval standards as detailed in the *Functional Specification for All NMLS Approved Courses*.

Legislative Updates

Course providers are responsible for keeping abreast of changes made to the applicable statutes, regulations and rules.