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Utah Division of Real Estate (UT-DRE) Continuing Education (CE) Notice for 2019

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 2019 and CE credits given for the 2019 renewal period. The course will be expired on February 28th, 2020 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 min.

(Changes made during 2018 Legislative Session in H.B. 243, effective May 8, 2018)

1. Clarifies that licensees have 10 days from the date of service of an order to respond to a request from the Division. *(61-2c-401(4). Prohibited conduct -- Violations of the chapter)*
2. Prohibits an entity that conducts the entity's business outside the United States to be licensed with the Division. *(61-2c-209(1)(b). Sponsorship – Affiliation)*
3. Clarifies that a person required to be licensed is subject to the record retention requirements. *(61-2c-302. Record requirement)*

Mortgage Administrative Rule changes that went into effect in 2018 – 10 min.

1. On July 13, 2018, a rule amendment became effective which provides optional experience points for a licensed mortgage loan originator working as a junior loan officer or assistant loan officer. Under circumstances outlined in the rule, optional experience points may accumulate at the rate of one- half point per month.

Mortgage Commission Suggested Topic – 15 min.

1. Referral Fees – Utah Law *(61-2c-301(1)(a) Prohibited conduct -- Violations of the chapter) & (RESPA Section 8) 1024.14 prohibition against kickbacks and unearned fees.*

Mortgage Licensing and Disciplinary Actions – 60 min.

(Summary of disciplinary actions listed below; full disciplinary actions can be found [here](#))

Multiple licensee applications for initial license or license renewal were either denied or placed on probation for the initial licensing period due to criminal histories, and other violations. The licensing sanctions varied based on whether the conduct was either reported by the licensee or determined by the criminal background check; the time of the offense; and the severity and number of activities. Other disciplinary actions were related to unlicensed activity and misleading advertising. Use the following disciplinary actions to illustrate the laws violated and to reinforce the proper conduct.

It is not required that all the violations be covered since many of the violations are similar to each other in some way. The more egregious violations should be covered in more detail while the lesser infractions should be briefly covered.

Providers may use the names in the cases since it is public record but may choose to use the respondents' initials or fictitious names since many of the individuals are still licensed.

4Q – 2017

LYSY, LESLIE, mortgage loan originator, Cedar Hills, Utah. In an order dated October 24, 2017, Ms. Lysy's license was granted and placed on probation until December 31, 2018 due to criminal history. Case number MG-17-95442

MARCHANT, HAROLD KENT, lending manager, West Point, Utah. In an order dated September 27, 2017, Mr. Marchant was ordered to pay a civil penalty of \$2,500 and his license was placed on probation until December 31, 2018, for his refusal to pay for an appraisal report without reasonable justification in violation of Utah Administrative Rules. Case No. MG-13-68100

NAUDE, EDUARDO JOSE, mortgage loan originator, Salt Lake City, Utah. In a stipulated order dated September 6, 2017, Mr. Naude admitted to having engaged in the business of residential mortgage loans on behalf of more than one entity at the same time and requesting a fee before obtaining a written offer for a loan modification and written acceptance from the borrower. Mr. Naude agreed to pay a civil penalty of \$3,000 and to complete two hours of continuing education in addition to the continuing education required for his next license renewal. Case number MG-13-68581

REED, ANTHONY BERNARD, mortgage loan originator, Aliso Viejo, California. In an order dated September 20, 2017, Mr. Reed's license was granted and placed on probation for one year due to criminal history. Case number MG-17-94567

SMITH, KARL EDWIN, lending manager, Ogden, Utah. In an order dated September 21, 2017, Mr. Smith's license was granted and placed on probation until December 31, 2018 due to criminal history. Case number MG-17-94613

WAGGONER, TRAVIS L., mortgage loan originator, Lehi, Utah. In an order dated October 20, 2017, Mr. Waggoner's license was granted and placed on probation until at least December 31, 2017, due to criminal history and civil judgments. Case number MG-17-95355

WRIGHT, RYAN GREGORY, lending manager, West Jordan, Utah. In a stipulated order dated October 4, 2017, Mr. Wright admitted to having originated a hard money loan in Utah while his license was inactive in violation of Utah law. In mitigation, Mr. Wright does hard money loans in other states that do not require a license to do such loans and his attorney incorrectly advised him that he need not be licensed to do hard money loans in Utah. Mr. Wright agreed to pay a civil penalty of \$4,000. Case number MG-14-71141

1Q – 2018

DAKER, FIRAS, mortgage loan originator, Garden Grove, California. In an order dated December 4, 2017, Mr. Daker's license was granted and placed on probation for the initial licensing period due to a pending criminal matter. Case number MG-17-96412

LASSIG, D. PETTER, II, lending manager, Bountiful, Utah. In an order dated November 2, 2017, Applicant's license was renewed on probation until December 31, 2018, and a civil penalty assessed in the amount of \$5,000. Mr. Lassig was also ordered to retake the principal lending manager pre-licensing course in addition to the continuing education required for his next license renewal. Case number MG-13-65829

MARKOSIAN, CHRISTOPHER THOMAS, mortgage loan originator, Sandy, Utah. In an order dated December 15, 2017, Mr. Markosian's license was renewed and placed on probation due to judgments against him for child support obligations. Mr. Markosian's license shall remain on probation until he demonstrates his financial responsibility by making regular and substantial payments on the child support arrearages. Case number MG-17-96674

MARTINEZ, JOANN, mortgage loan originator, Midvale, Utah. In an order dated December 28, 2017, Ms. Martinez's application for licensure as a mortgage loan originator was denied due to criminal history and unpaid tax liens. Case number MG-17-88623

SIMMONS, STEVEN J., mortgage loan originator, Riverton, Utah. In an order dated January 31, 2018, Mr. Simmons's license was granted and placed on probation until he has formalized a repayment plan with the IRS and the State of Utah for the payment of several state and federal tax liens. Case number MG-18-97767

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

TUPLING, HELENA MARIE, mortgage loan originator, Corona, California. In an order dated December 15, 2017, Ms. Tupling's license was granted and placed on probation until she has formalized a payment plan with the IRS for the payment of a tax arrearage. Case number MG-17-96690

UNDERHILL, SAYRA, mortgage loan originator, Saratoga Springs, Utah. In an order dated January 25, 2018, Ms. Underhill's application for licensure as a mortgage loan originator was denied due to a previous stipulation in 2009 in which she admitted to having allowed, as a principal lending manager, another person to originate residential mortgage loans in her name despite knowing that the other person's license had expired. Case number MG-18-97604

2Q – 2018

HESS, BRETT, mortgage loan originator, Eagle Mountain, Utah. In a stipulated order dated May 2, 2018, Mr. Hess admitted to having originated a number of loans under the name and license of another person in violation of Utah law and Administrative Code. Mr. Hess agreed to disgorge commissions he received from the transactions in the amount of \$13,141.46 and to pay a civil penalty of \$10,000, resulting in a total amount to be paid to the Division of \$23,141.46. In addition, Mr. Hess's license is placed on probation until December 31, 2019. Case number MG-16-80508

QUICKEN LOANS, mortgage entity, Detroit, Michigan. In a stipulated order dated May 2, 2018, Quicken Loans admitted to having engaged in false or misleading advertising in violation of Utah law. An advertising mailer sent by Quicken Loans had the appearance of a government agency document and indicated that urgent action should be taken by a specific date to secure favorable VA financing. In mitigation, the mailer had not been used since August 2014 and the Division found no evidence that any borrower had relied on the advertising mailer in making a loan decision. Quicken Loans agreed to pay a civil penalty of \$3,000. Case number MG-14-72399

SEDILLO, ROBERT JOSEPH, mortgage loan originator, Mesa, Arizona. In an order dated March 28, 2018, Mr. Sedillo's license was granted and placed on probation for the initial licensing period due to criminal history. Case number MG-18-99156

3Q – 2018

BEUS, BRADLEY R., mortgage loan originator, Hooper, Utah. In a stipulated order dated July 11, 2018, Mr. Beus admitted to having originated loans under the name and license number of

Brandt Miles in violation of Utah law and administrative rules. Mr. Beus agreed to disgorge commissions from the transactions amounting to \$6,122.50 and to pay a civil penalty of \$4,000, resulting in a total obligation for payments to the state of \$10,122.50. In addition, he agreed that his license would be on probation until December 31, 2019. Case number MG-16-80783 and Docket No. MG-2018-009

CAMPBELL, RYKER DANIEL, mortgage loan originator, Syracuse, Utah. In an order dated June 28, 2018, Mr. Campbell's license was denied due to his criminal history. Case number MG-18-101717

DUNROE, JESSICA, mortgage loan originator, Kaysville, Utah. In a stipulated order dated June 22, 2018, Ms. Dunroe admitted that while acting as a loan processor, she processed loans she knew were originated by Brandt Miles in the names of other licensed mortgage loan originators. In addition, on at least two occasions, Ms. Dunroe signed for the other originator, without the originator's knowledge or consent. Ms. Dunroe's actions were in violation of Utah law and administrative rules and she agreed to have her license suspended for 12 months, to disgorge commissions in the amount of \$1,376, and to pay a civil penalty of \$5,000, resulting in a total obligation for payments to the state of \$6,376. Case number MG-14-69349 and Docket No. MG-2018-003

HANSEN, MARIA, mortgage loan originator, Mountain Green, Utah. In a stipulated order dated June 22, 2018, Ms. Hansen admitted that while acting as a loan processor, she processed loans she knew were originated by Brandt Miles in the names of other licensed mortgage loan originators, in violation of Utah law and administrative rules. Ms. Hansen agreed to have her license suspended for 12 months and to pay a civil penalty of \$5,000. Case number MG-14-71705 and Docket No. MG-2018-004

MILES, BRANDT, lending manager, Syracuse, Utah. In a stipulated order dated June 22, 2018, Mr. Miles admitted that his name and the name of his mortgage company, Precision Home Loans, Inc. ("Precision") were placed on the exclusionary list by the Federal Home Loan Mortgage Corporation ("Freddie Mac"), which excluded him and his company from transacting business with Freddie Mac. Mr. Miles arranged to have loans that he originated submitted to Freddie Mac through other companies and in the name of other mortgage loan originators. In addition, Mr. Miles submitted loan applications through Precision to lenders using his name and license as if he had originated the loans despite the loans having been originated by other licensees not affiliated with Precision. Mr. Miles's actions were in violation of Utah law and administrative rules and he agreed to have his license revoked and to pay a civil penalty of \$50,000. Case number MG-13-67766 and Docket No. MG-2018-001

WHEELER, AMIE, mortgage loan originator, Syracuse, Utah. In a stipulated order dated June 22, 2018, Ms. Wheeler admitted that she agreed to process loans in her name and under her license that had been originated by Brandt Miles. In one instance, Ms. Wheeler fabricated credit score disclosure forms by cutting and pasting the borrower's signature on the form without the borrower's knowledge or consent. Ms. Wheeler also processed loans originated by other

licensees under Brandt Miles's name and license. Ms. Wheeler's actions were in violation of Utah law and administrative rules. In its investigation, the Division determined that there were mitigating circumstances in Ms. Wheeler's conduct in that she relied on representations by Mr. Miles and by her lending manager and, at the time, her experience in the mortgage industry was limited to working as a contract processor. Ms. Wheeler agreed to have her license suspended for 36 months and to disgorge commissions in the amount of \$13,570.34. Case number MG-15-79930 and Docket No. MG-2018-002

WHITTAKER, TODD HUGH, mortgage loan originator, Salt Lake City, Utah. In an order dated August 13, 2018, Mr. Whittaker's application for licensure was denied due to a prior denial for licensure and due to outstanding judgments and liens. Case number RE-18-102759

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.