

Agenda

2008-2009 Mortgage Broker Rulemaking Task Force

**May 13, 2009
9:00 – 11:00 a.m.
DRE 9th floor conference room
Colorado Division of Real Estate
1560 Broadway, Suite 925
Denver CO 80202
303.894.2166**

Task Force Members: Anita Padilla, Bart Bartholomew, Brad Groves, Bill Kidwell, Charles L. Workman, Dan Eason, Geoffrey Schroder, Jan Zavislan, , Lainey Hamrick, Stacey Harding and Jason Lyon.

Agenda topics

9:00 – 9:30 a.m.	Preliminary Advisories	Cary Whitaker
9:30 – 10:00 a.m.	Nullification Process	Cary Whitaker
10:00 - 10:15 a.m.	Break	N/A
10:15 – 10:50 a.m.	Brainstorming for Future Rules	Cary Whitaker
10:50 – 11:00 a.m.	Public Commentary	Cary Whitaker

Minutes

Mortgage Broker RuleMaking Task Force

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9:00 – 11:00 a.m.
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Task Force Members Present:

9:00 – 9:30 a.m.	Preliminary Advisories	Cary Whitaker
<p>Discussion:</p> <ol style="list-style-type: none">1. What should this process look like?2. What specific criteria should individuals be able to seek preliminary advisories?<ol style="list-style-type: none">a. Criminal background;b. Past licensing issues; and/orc. Past issues that have led to the individual being enjoined within the immediately preceeding 5 years.3. Should the preliminary advisories be posted on the website?		
Results:		
Action Items:		
Person Responsible:		
Timeline:		

Discussion:

1. The S.A.F.E. Act disqualifies applicants if they have ever had a mortgage loan originator licensed revoked in any governmental jurisdiction.
2. The CSBS Model Act states (1) NO LICENSE REVOCATION—
 - a. The applicant has never had a mortgage loan originator license revoked in any governmental jurisdiction, except that a subsequent formal vacation of such revocation shall not be deemed a revocation.
 - b. HUD has reviewed and approved the model law.
3. House Bill 09-1085 disqualifies individuals who have had a mortgage loan originator license or similar license revoked in any other jurisdiction; except that a revocation that was subsequently formally nullified shall not be deemed a revocation for the purposed of this section.
4. Background:
 - a. Many mortgage brokers have been revoked or have voluntarily surrendered their license which, per our stipulated agreements, is the same as a revocation.
 - b. Some mortgage brokers, facing allegations of fraud or deceptive practices, have chosen to voluntarily surrender their license rather than face the scrutiny of an investigation.
 - c. Some of these mortgage brokers choose revocation over paying fines for non-compliance with requirements such as the errors and omission insurance or the surety bond.
 - d. Some mortgage brokers requested voluntary surrenders after findings of fact by the Director.
5. As a result, some revocations may not warrant one being permanently bared from licensure.
6. The Director may want to establish a process where cases may be individually reviewed and revocations nullified when appropriate.
7. What should this process look like?
8. Should the results be posted on the website?
9. What are appropriate timelines?

Results:

Action Items:
Person Responsible:
Timeline:

10:00 - 10:15 a.m.	Break	

10:15 – 10:50 a.m.	Brainstorming for Future Rules	Cary Whitaker
<p>Discussion:</p> <ol style="list-style-type: none"> 1. Rules already on the horizon: <ul style="list-style-type: none"> a. Renewal rule; b. Education transition rule; c. Financial responsibility rule/position statement; d. Finger print transition rule; e. Nullification Process rule; f. Pre-Qualification rule; 2. What other topics would the task force like the Division to address moving forward? 3. Future task force participants: Please have interested individuals contact the Division of Real Estate. 		

Results:
Action Items:
Person Responsible:
Timeline:

10:50 - 11:00 a.m.	Public Commentary - Public to limit comments to five (5) minutes.	Cary Whitaker
Public Attendees:		
Public Comments:		