

## **Utah Division of Real Estate (UT-DRE) Continuing Education (CE) Notice for 2023**

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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 1- 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 2023 and CE credits given for the 2023 renewal period. The course will be expired on February 28th, 2024 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;
- 1 hour of Utah state-specific defined electives

**Total CE: 9 Hours**

**UT-DRE has established the following required topics list for the 1 hour of state-specific CE:**

- **Residential Mortgage Practices and Licensing Act – 5 minutes**  
**Changes made during 2022 Legislative Session in H.B. 69 –**  
<https://le.utah.gov/~2022/bills/hbillint/HB0069.pdf> (effective May 4<sup>th</sup> 2022)

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

- Remove 61-2c-202(1)(c)(ii). This provision allows the Division to charge an applicant an application fee and the reasonable expenses incurred by the Division in processing the application. The Division has never charged more than the application fee.

#### **61-2c-203. General qualifications for licensure.**

- Remove reference to good moral character in 61-2c-203(1)(b).

#### **61-2c-402. Disciplinary action.**

- Allows a mortgage licensee to have a license revocation vacated after a hearing before the Mortgage Commission. According to the SAFE Act, an individual to be eligible

for a loan originator license, a state must require and find, at a minimum, that an individual:

- a. Has never had a loan originator license revoked in any governmental jurisdiction, except that a formally vacated revocation shall not be deemed a revocation.

- **Mortgage Commission Suggested Topics – 20 Minutes.**

Please cover at least two topics not covered in your 2022 course.

1. Deceptive Advertising and Targeted Solicitation Law
  - a. Division of Real Estate
    - i. Utah Code [61-2c-301\(l\)](#)
    - ii. Division newsletter
  - b. Utah Division of Consumer Protection
    - i. Utah Code Utah Code Ann. §13-11  
[https://le.utah.gov/xcode/Title13/Chapter11/13-11-S4.html?v=C13-11-S4\\_2021050520210505](https://le.utah.gov/xcode/Title13/Chapter11/13-11-S4.html?v=C13-11-S4_2021050520210505)
    - ii. File a complaint <https://dcp.utah.gov/complaints.html>
2. Post Dating Documents
  - a. [§61-2c-301\(1\)\(d\), \(j\)](#)
3. Lending Manager
  - a. Licensing requirements
    - i. [§61-2c-206](#)
  - b. Responsibilities
  - c. Supervisor Duties
    - i. [§61-2c-301\(3\)](#)
4. Occupancy Types and Requirements
  - a. Conventional Loans
    - i. <https://selling-guide.fanniemae.com/Selling-Guide/Origination-thru-Closing/Subpart-B2-Eligibility/Chapter-B2-1-Mortgage-Eligibility/Section-B2-1-1-Occupancy-Types/1032995641/B2-1-1-01-Occupancy-Types-04-07-2021.htm>
  - b. FHA
    - i. [https://www.hud.gov/sites/documents/4155-1\\_4\\_SECB.PDF](https://www.hud.gov/sites/documents/4155-1_4_SECB.PDF)
  - c. VA
    - i. <https://www.benefits.va.gov/WARMS/docs/admin26/handbook/ChapterLendersHanbookChapter3.pdf>
5. Hard/Private Money Lending
  - a. [Licensing Requirements](#)
  - b. [Definitions](#)
  - c. Past Disciplinary Actions

- i. Case number MG-17-94-129, MG-18-105708, and MG-20-118115
- 6. Utah Licensing Roles
  - a. Principle Lending Manager vs Branch Lending Manager
  - b. MLO vs Loan Processor
- 7. Gifts
  - a. 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.
- 8. Maintain and Safeguard Records [62-2C-302\(1\) & \(2\)](#) & R162-2c-301(1)(a) R162-2c-302
  - a. Requirements for all licenses whether working from home or at a licensed location to safeguard records containing sensitive information. (Be careful: lock drawers, lock computer, utilize shredder, etc.)

### **Mortgage Licensing and Disciplinary Actions taken in 2022 – 25 min.**

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 – 2021**

COLEMAN, AMBER, Lending Manager, Las Vegas, Nevada. In a stipulated order dated December 1, 2021, Ms. Coleman admitted that she failed to turn over entity records in her possession to her sponsoring entity at the time of the termination of the sponsorship. Failure to do so is a violation of Utah administrative rules. Ms. Coleman agreed to pay a civil penalty of \$2,000. Case number MG-18-99944

USCATEGUI, JORGE E., mortgage loan originator, West Jordan, Utah. In an order dated November 9, 2021, Mr. Uscategui's application for licensure was approved on probation due to outstanding tax liens. Case number MG-21-130924

#### **1Q – 2022**

PEOPLES MORTGAGE COMPANY, mortgage entity, Murray, Utah. In a stipulated order dated February 2, 2022, Peoples Mortgage Company (Peoples Mortgage) admitted that it offered a referral promotion to past clients and borrowers in which Peoples Mortgage would provide a \$500 gift card each time the client or borrower referred a new client to Peoples Mortgage and the person referred closed on a mortgage loan. These types of payments for new business is a violation of Utah law. Peoples Mortgage agreed to pay a civil penalty of \$5,000. Case number MG-18-98370

#### **2Q -2022**

ARIAZAND, SHAHOB, mortgage loan originator, Irvine, California. In a settlement agreement and consent order between Mr. Ariazand and the state mortgage regulators of participating states, as amended on March 7, 2022, Mr. Ariazand admits to being a knowing and active participant in a mortgage education cheating scheme coordinated and implemented by Danny Yen, doing business as Real Estate Educational Services. Mr. Ariazand agreed to pay an administrative penalty of \$3,000 and to surrender his mortgage license for a period of three months. After the three-month period, the settlement agreement provides that Mr. Ariazand may apply for a new mortgage license.

BALLON, RODRIGO, lending manager, Heber City, Utah. In a settlement agreement and consent order between Mr. Ballon and the state mortgage regulators of participating states, as amended on March 7, 2022, Mr. Ballon admits to being a knowing and active participant in a mortgage education-cheating scheme coordinated and implemented by Danny Yen, doing business as Real Estate Educational Services. Mr. Ballon agreed to pay an administrative penalty of \$8,000 and to surrender his mortgage license for a period of three months. After the three-month period, the settlement agreement provides that Mr. Ballon may apply for a new mortgage license.

HAYDEN, KIMBERLY, mortgage loan originator, Grove, Oklahoma. In a settlement agreement and consent order between Ms. Hayden and the state mortgage regulators of participating states, as amended on March 7, 2022, Ms. Hayden admits to being a knowing and active participant in a mortgage education-cheating scheme coordinated and implemented by Danny Yen, doing business as Real Estate Educational Services. Ms. Hayden agreed to pay an administrative penalty of \$6,000 and to surrender her mortgage license for a period of three months. After the three-month period, the settlement agreement provides that Ms. Hayden may apply for a new mortgage license.

KANDOLA, JITENDERA, lending manager, Temecula, California. In a settlement agreement and consent order between Mr. Kandola and the state mortgage regulators of participating states, as amended on March 7, 2022, Mr. Kandola admits to being a knowing and active participant in a mortgage education-cheating scheme coordinated and implemented by Danny Yen, doing business as Real Estate Educational Services. Mr. Kandola agreed to pay an administrative penalty of \$11,000 and to surrender his mortgage license for a period of three months. After the three-month period, the settlement agreement provides that Mr. Kandola may apply for a new mortgage license.

PACE, NICKI ANN PACE, also known as Nicki Jenkins, mortgage loan originator, Delta, Utah. In an order dated May 6, 2022, the Mortgage Commission found that Ms. Pace failed to disclose to the Division within ten days a criminal conviction involving a misdemeanor forgery charge. The charge related to a lien waiver in a loan from a relative of Ms. Pace to partially fund the building of her home. In addition, in her application to renew her mortgage loan originator license for calendar year 2021, Ms. Pace answered "No" to the application question related to whether she had been convicted of such a criminal charge. Conviction of a charge involving fraud or misrepresentation also constitutes a violation of the Utah Residential Mortgage Practices and Licensing Act, Utah Code Annotated, 61-2c. The Mortgage Commission found mitigating factors in this case in that the lender was Ms. Pace's uncle, the lender received payment in full of

the loan, and the lender, her uncle, helped fund the cost of her criminal defense. The Commission ordered that Ms. Pace pay \$500 for each of the disclosure violations and that she be restricted from applying for licensure as a mortgage loan originator for three years from the date of the entry of her plea in the criminal case, which date was December 9, 2020. Case number MG-20-123659 and Docket No. MG-2022-001

MORTGAGE EDUCATORS AND COMPLIANCE, mortgage pre-license school, American Fork, Utah. In a stipulated order dated March 10, 2022, Mortgage Educators and Compliance admits that the school and its only instructor unlawfully instructed courses for a significant number of students between December 31, 2020 and February 22, 2022 when either the school or its instructor did not hold a current license, in violation of Utah law and administrative rules. Mortgage Educators and Compliance agreed to pay a civil penalty of \$42,300 and to make changes to its school course completion certificates. Case number MG-22-133376

STAMPER, SAMUEL, mortgage loan originator, Irvine, California. In a settlement agreement and consent order between Mr. Stamper and the state mortgage regulators of participating states, as amended on March 7, 2022, Mr. Stamper admits to being a knowing and active participant in a mortgage education cheating scheme coordinated and implemented by Danny Yen, doing business as Real Estate Educational Services. Mr. Stamper agreed to pay an administrative penalty of \$6,000 and to surrender his mortgage license for a period of three months. After the three-month period, the settlement agreement provides that Mr. Stamper may apply for a new mortgage license.

TOUSOUNIS, EMANUEL, mortgage loan originator, Huntington Beach, California. In a settlement agreement and consent order between Mr. Tousounis and the state mortgage regulators of participating states, as amended on March 7, 2022, Mr. Tousounis admits to being a knowing and active participant in a mortgage education cheating scheme coordinated and implemented by Danny Yen, doing business as Real Estate Educational Services. Mr. Tousounis agreed to pay an administrative penalty of \$3,000 and to surrender his mortgage license for a period of three months. After the three-month period, the settlement agreement provides that Mr. Tousounis may apply for a new mortgage license.

### **3Q – 2022**

There were no disciplinary or licensing actions in the mortgage industry in the third quarter.

#### 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.