

# **Escrow Commission Meeting Minutes October 7, 2008**

Attendees:

**Commissioners:**

Philip Dryden, Chair  
Patricia Maddux  
Stan Pilon  
LaurieLeMay  
Chariese Adams  
Susan Kinyon

**Consumer Services Division Representation:**

Deb Bortner, Division Director  
James Brusselback, Enforcement Program Manager  
Kwadwo Boateng, Examinations Program Manager  
Ariana Wood, Customer Service Supervisor  
Elizabeth Stancil, Administrative Assistant

**Additional Guests:**

Dennis Daug, SeaTac Escrow  
Adeen Sells  
Tamara Warnke, Escrow Association of Washington

Meeting Called to Order 9:02 a.m.

**Approve Minutes from July 8, 2008, Meeting – Handout**

Laurie LeMay moved to accept the minutes from the July 8, 2008, meeting as written. Chariese Adams seconded the motion. All were in favor and the minutes were approved.

**Exam Report – Kwadwo Boateng**

In the third quarter, three exams were completed – one rated at a 3 and two rated at a 4 with one being referred to Enforcement.

The Exams group completed one investigation.

This last quarter, there were several enforcement actions that took up most of the examiners time. The Examinations Unit is hoping to complete three examinations per examiner per month in the next quarter.

Explanation of examination ratings:

Exam Reports are rated on a 1-5 rating. A rating of 1 is the least amount of violations or findings. Ratings of 4 and 5 are the worst; a 5 rating typically isn't ever rated because at that point there are so many violations and findings the case would be referred to the enforcement unit. A rating of 4 indicates that there were a lot of findings but not sufficient reason to refer to the enforcement unit, typically DFI would go back and do another examination in 6 months or less to make sure that they are in compliance.

Top three common violations:

1. Failure to prevent overdrafts in the trust bank accounts and individual escrow accounts.
2. Failure to perform all duties in a prompt and efficient manner.
3. Failure to file quarterly reports on time.

### **Licensing Update – Ariana Wood**

Escrow Agent:

- 167 - Main offices (167 reported at July meeting)
- 22 - Branch offices (22 reported at July meeting)
- 257 - Escrow Officers (254 reported at July meeting)
- 125 – Inactive Escrow Officers (123 reported at July meeting)

Mortgage Broker:

- 6,757 – Loan Originators (As of September 30, 2008)
- 1,485 – Mortgage Brokers (As of September 30, 2008)

The Escrow Licensing Test Content Outline was provided as a handout. The Escrow Test will soon be proctored through Promissor. Promissor is the company that currently administers the Mortgage Broker exams. This will be more convenient for individuals as Promissor has several locations throughout the state where the test will be given.

### **Enforcement Update – James Brusselback**

As of the end of September, there were about 50 open escrow complaints in the Enforcement Unit. In the third quarter, DFI received 37 complaints; about 20-30 of those were referred over by the Examinations Unit. Approximately, 49 cases were closed in the third quarter.

Actions taken this quarter:

North American Title Company (California) for unlicensed activity. Consent Order entered.

Barrett Escrow (Freeland, Washington). Statement of Charges issued seeking revocation of the agent and DEO license.

Temporary Cease and Desist entered the first week of October against another company. The name was not released because service of the order had not been confirmed. The case will be reported at the next meeting.

See DFI's website for more details of these actions:  
[http://www.dfi.wa.gov/cs/adminactions\\_2008.htm](http://www.dfi.wa.gov/cs/adminactions_2008.htm)

### **Old Business**

- **Policy Statement 02-07 - Reconveyances**

Deb Bortner shared that the Policy Statement is done and it will be posted to the website. A final copy was provided to all.

### **New Business**

- **2009 Meeting Schedule**

In 2009, the commission will meet three times unless there is the need to call an additional meeting. Elizabeth Stancil will send proposed dates to the commissioners and will post them to the website once they are set.

- **Commission Vacancies**

Laurie LeMay's term ends in December of this year; however, she will be seeking another term on the commission.

Stan Pilon's term will end in April of 2009. He will not be seeking another term.

Elizabeth Stancil will send commission information and applications out via the ListServ.

The meeting was adjourned at 10:51 a.m.