

Escrow Committee Meeting Minutes October 29, 2014

Attendees:

Committee Members:

Philip Dryden, Chair
Laurie LeMay
Patricia Maddux
Julie Booth

Consumer Services Division Representation:

Deb Bortner, Division Director
Cindy Fazio, Financial Legal Examiner
Rick St. Onge, Examinations Program Manager
Alan Leingang, Financial Examiner Supervisor
Tani Thurston, Financial Examiner Supervisor
Joepaul Wong, Financial Examiner
Lorenda Lillard, Licensing Program Manager
Dawn Woolery, Licensing Supervisor
Charles Clark, Enforcement Program Manager

Guests:

BSF
Lora
Cyril Zoldak
Sara
Wayne
Tammy Warnke

Meeting Called to Order at 9:02 a.m.

Welcome

Approve Minutes from July 16th Meeting

The July 16, 2014 minutes were approved.

Legislative Update

Deb described the Agency's proposed legislation for the new session. The Mortgage Fraud language will be amended to be broader if the legislation passes. Tammy Warnke indicated she has seen the proposed legislation.

Rules Update

No rules updates at this time.

Licensing Update

Escrow Agent Numbers as of October 14, 2014:

- 72 Main offices (76 reported at July 2014 meeting)
- 9 Branch offices (8 reported at July 2014 meeting)
- 103 Active Escrow Officers (108 reported at July 2014 meeting)
- 52 Inactive Escrow Officers (57 reported at July 2014 meeting)
- 155 Total Escrow Officers (165 reported at July 2014 meeting)

Examinations Update

Exams completed as of October 29, 2014:

- 4 Exams completed in July
 - 4 Exams completed in August
 - 4 Exams completed in September
- } 12 Exams Completed from
July 2014 - September 2014

Average number of violations per exam: 3

Common Violations

1. Failed to properly administer trust funds
 1. Failed to sign month-end reconciliation

DEO must review, sign, and should date the reconciliation attesting to its accuracy.

2. Overdue or stale-dated checks

The Agent had outstanding checks exceeding 90 days and/or 3 years.

2. Failed to retain records

The Agent failed to retain the endorsement (backside) of trust account checks.

3. Failed to timely file quarterly reports

The Agent failed to timely file quarterly reports. Quarterly Reports are due within 30 days of the end of each quarter.

4. Failed to follow instructions

The Agent continued to hold funds under expired instructions, or the Agent failed to follow instructions stated in the short sale approval letter.

Enforcement Update

From July 1, 2014 to September 30, 2014, DFI's Enforcement Unit received 14 complaints and closed 18 complaints.

Investigations

Investigations – Pending (EARA only) 5

Investigations – Closed in Period (all industries) 34

Statement of Charges (issued in period) – 0

Consent Orders (issued in period) – 6

- Premium Settlements of PN, LLC and Michael Patrick Bell, 07/30/2014, [C-13-1369-14-CO01]
- North Sound Escrow, LLC and Stacy Ann Bradshaw, 09/23/2014, [C-14-1444-14-CO01]
- America's Reverse Title, Inc. and William Baumgart, 09/05/2014, [C-14-1534-14-CO01]
- Pauline Weber, 09/10/2014, [C-11-0832-13-CO01]
- Performance Title, 09/02/2014, [C-11-0781-14-CO02]
- Perre Cabell, 09/02/2014, [C-11-0781-14-CO03]

Temporary Cease and Desist - 0
Criminal Referrals – 0
Final Orders – 0
Civil Actions (injunction, enforce subpoena) – 0

See DFI’s website for more details of these actions:
http://www.dfi.wa.gov/cs/adminactions_2014.htm

Old Business

None.

New Business

DFI will present information on seller financing at the next meeting.

Meeting adjourned at 9:25 a.m.