



Escrow Committee Meeting Agenda

Wednesday, October 19, 2016

9:00 a.m.

Webinar

Call in number: 1-877-668-4490

Meeting number: 928 036 963

Meeting password: Oct192016

1. Welcome
2. Approve Meeting Minutes from July 14, 2016
3. Licensing Update
4. Examination Update
5. Enforcement Update
6. Old Business
7. New Business – 2017 Committee meetings calendar

Committee Members

Philip Dryden, Chair
Laurie LeMay
Patricia Maddux
Susan Berry
Angela Kosoff

Consumer Services Division Representatives:

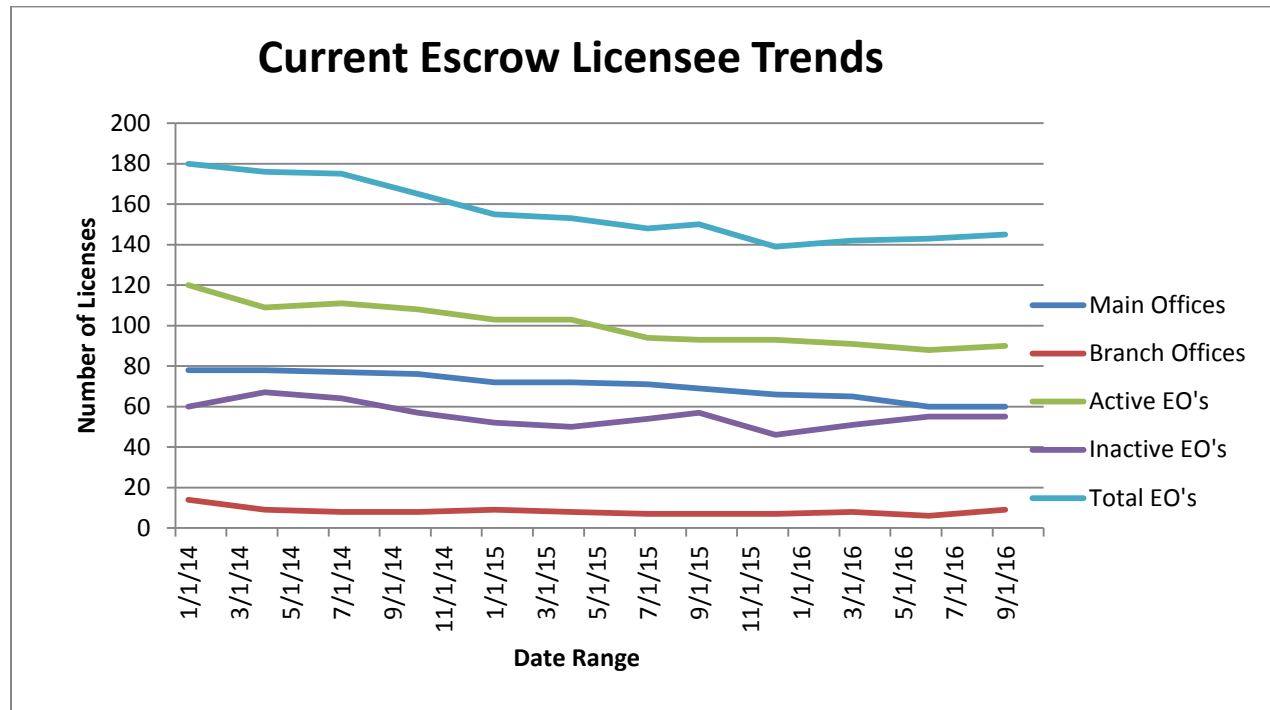
Charles Clark, Division Director
Cindy Fazio, Chief of Regulatory Affairs
Steven Sherman, Enforcement Program Manager
Lorenda Lillard, Licensing Program Manager
Rick St. Onge, Examinations Program Manager
Joepaul Wong, Examinations Supervisor
Alan Leingang, Examinations Supervisor
Devon Phelps, Financial Legal Examiner
Dawn Woolery, Licensing Management Analyst
Ellen Daly, Webinar Facilitator

Escrow Committee

Licensing Unit Quarterly Report

October 19, 2016

	9/30/16	6/30/16
Main Offices	58 (-2)	60
Branch Offices	9	9
Active EOs	88 (-2)	90
Inactive EOs	59 (+4)	55
Total EOs	147 (+2)	145



CS - Examination Unit Report

Escrow Program

Escrow Committee Meeting

October 19, 2016

Examination Summary

- 3 Exams completed in July
 - 5 Exams completed in August
 - 2 Exams completed in September
- } **10 exams completed from July through September 2016**

Average number of violations per exam: 2

Composite Rating	Number of Exams	Previous Avg. Exam Cost	Current Avg. Exam Cost	Exam Cost Change
1	4	\$ 1,463.83	\$ 1,467.40	\$ 3.57
2	4	\$ 2,011.22	\$ 1,965.71	(\$ 45.51)
3	2	\$ 2,720.24	\$2,634.11	(\$ 86.13)
4	0	\$ 4,187.50	N/A	N/A
5	0	\$ 19,343.75	N/A	N/A

Common Violations

1. Overdue outstanding checks

Escrow Agents must take appropriate action prior to an outstanding check aging greater than 90 days (e.g. remit a due diligence letter to the payee when the outstanding check reaches 60 days outstanding).

Internal Routine and Control Recommendations

Please note the following findings are related to EARA requirements that became effective April 30, 2016. As the requirements are new, the Department granted the Agents a one-time exception and cited the findings as Internal Routine and Control recommendations instead of violations conditional on management agreeing to timely implement corrective action(s).

1. Information security plan

Per WAC 208-680-532, the Agent must implement a written information security plan tailored to its specific business model ensuring reasonable measures have been implemented to protect sensitive consumer information. At a minimum, the plan must:

- a. Designate an information security plan coordinator
- b. Identify security risks
- c. Detail safeguards implemented to mitigate the aforementioned risks
- d. Be evaluated on an annual basis

CS - Examination Unit Report Escrow Program
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2. Business resumption plan

Per WAC 208-680-538, the Agent must have a written business resumption plan detailing the Agent's response to and recovery of any event that results in the destruction to or damage of its books and records. The plan may also address other issues such as what actions will be taken if the DEO is unable to fulfill her or his duties for an extended period of time.

Escrow Committee
Enforcement Unit Quarterly Report
July 1, 2016 – September 30, 2016

Complaints	EARA Quarter	EARA 2016	All Industries Quarter
Received in period	3	22	268
Closed in period	10	27	310
Open as of 9/30/2016	EARA 3	Other Industries 231	Total Complaints Open 234

Investigations

Investigations – Open (EARA only)	13
Investigations – Open (all industries)	175

Enforcement Actions 3rd Quarter	
CCSA	1
CLA	9
EARA	0
MBPA	7
UMSA	1

Enforcement Actions – EARA

Statement of Charges (issued in period)	0
Consent Orders (issued in period)	0
Criminal Referrals	0
Final Orders (issued in period)	0
Civil Actions: (injunction, enforce subpoena)	0

2017 Tentative Escrow Committee Webinar Dates

Thursday, January 12, 2017 9 a.m.

Thursday, April 13, 2017 9 a.m.

Tuesday, July 11, 2017 9 a.m.

Thursday, October 12, 2017 9 a.m.

DRAFT