

The Escrow Commission met on July 12, 2006 at HiLine Community College for a morning open session. Commissioners in attendance were Stan Pilon, Laurie LeMay, Susan Kinyon, Phil Dryden, and Sharon Holman. 6 industry guests were present. Members of the DFI in attendance were Chuck Cross, Division Director, Whittier Johnson, Licensing Program Manager, James Brussleback, Enforcement Program Manager, Kwadwo Boateng, Examination Program Manager, Levi Clemmens, Examination Supervisor, Julie Vanderslice, Examination Supervisor, Lana Monfort, Financial Examiner, Kate Dixon, Financial Examiner, Jeannette Terry, Administrative Assistant and Beth Craig, Administrative Assistant.

Transition from Securities to Consumer Services: Began July 1, 2006, with the handoff from DFI Securities Division to the DFI Consumer Services Division. So far the transition has been uneventful. DFI website has changed over with cross reference links on Securities page.

Enforcement: 2nd ¼ 2006 James Brussleback stated there are: 20 open investigations. Complaints: 16 new one's received. 5 Open Complaints, 27 Complaints were closed. A very old litigation was closed, and there are 4 pending litigations. All outstanding orders are posted to the DFI website. [Administrative Orders and Actions](#)

Examination: Kwadwo indicated there would be no examination changes at this time. Both examiners moved from Securities to Consumer Services and will continue to do Escrow examinations

OLD BUSINESS:

Vessel Escrow Services: Additional review and research is being done with an Interpretative letter promised within the next 30 days. Jerry Baker, a Marine Broker, was in attendance and was gracious enough to review for the commission exactly what is involved the process of a vessel transaction. He strongly feels it is an "escrow" transaction and that parties performing such services should be licensed under 18.44.

Contract Collection: Is also under review to determine if said services fall under 18.44. There are two distinct types of contract collection; True Escrow, where both parties agree to a contract collection, and a Pure Escrow where only one party initiates the contract collection. At this point it appears a True Escrow clearly meets the criteria for licensing. A Pure Escrow is still under review. An interpretative letter will be issued within 30 days regarding contract collection.

Escrow Officer Testing: Commissioners inquired about the status of the new questions that were to be handed off from Securities to Consumer Services to be added to the testing pool in July. Chuck said they will follow up.

NEW BUSINESS:

The Significant **amendments to the Mortgage Broker Practices Act** were discussed at length. Loan Originators will now have to be licensed. Effective January 1, 2007. Chuck Cross reviewed the major points of the

amendments and the potential areas that would affect Escrow. DFI and the affected parties are in the process of writing the rules. They are trying something new with the rules process and are doing open rule writing where anyone can attend. All meetings are open to the public and are held in Renton at City Hall. A list of the meeting dates are on the web site at the link that follows. Rule making has to be complete by August 23rd. A hearing will follow and final rules issued prior to January 1, 2007.

All information, updates, minutes, audio casts, and rules versions are available at this link [RULE MAKING](#). You are encouraged to become familiar with the amendments and the subsequent rules. Escrow is not part of the actual amendment, but it will affect your business in areas such as liability, (dealing with non licensed mortgage brokers), RESPA line item placement, (where are broker fee's supposed to go on the HUD), broker trust accounts, (why they may request two checks for their fee's), etc. Chuck Cross will be present at our Annual Conference in September to give an overview and an update to the attendee's. Meanwhile check out all of the wonderful info on the link.

RENEW your escrow license on the WEB: To renew your license within minutes, access DFI website. **RENEW Your Escrow License on Line** and use your Credit card to renew, then immediately print out your new license at your desk.

The Next Commission Meeting will be October 18, 2006.
Sharon Holman Commissioner