



Escrow Committee Webinar

We will begin shortly

Call In #: 1-855-929-3239

Meeting #: 803 118 645

Password: July102018

If you have a question during the presentation, please send a message to the presenter using the chat feature.

There will be a portion at the end of the webinar where there will be a Q&A. We will try to get to as many questions as possible.

- This webinar is being recorded and will be available on our website.

If you run into technical difficulties contact WebEx support at:

1-866-229-3239



Escrow Committee Meeting Agenda

Tuesday July 10, 2018

10:00 a.m.

Webinar

Call in number: 1-855-929-3239

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1. Welcome – Charlie Clark
2. Approve Meeting Minutes from May 2018
3. Licensing Update
4. Examination Update
5. Enforcement Update
6. Old Business
7. New Business - Escrow Committee vacant committee positions

Committee Members

Philip Dryden, Chair

Laurie LeMay

Susan Berry

TBD

TBD

Consumer Services Division Representatives:

Charlie Clark, Deputy Director / CS Division Director

Lucinda Fazio, Chief of Regulatory Affairs

Devon Phelps, Financial Legal Examiner

Steven Sherman, Enforcement Program Manager

Rick St. Onge, Examinations Program Manager

Alan Leingang, Examinations Supervisor

Joepaul Wong, Examinations Supervisor

Charles Moore, Licensing Management Analyst

Dawn Woolery, Licensing Management Analyst

Michele Gill, Webinar Facilitator

Escrow Committee Meeting Minutes

May 8, 2018

Attendees:

Committee Members Present:

Philip Dryden
Laurie LeMay
Susan Berry

Consumer Services Division Representation:

Cindy Fazio, Chief of Regulatory Affairs
Lorenda Lillard, Chief of Licensing and Administrative Operations
Steven Sherman, Enforcement Chief
Joepaul Wong, Examinations Supervisor
Alan Leingang, Examinations Supervisor
Charles Moore, Licensing Supervisor
Dawn Woolery Licensing Supervisor
Carolyn Sabin, Enforcement MA3
Michele Gill, Webinar Facilitator

Guests:

**Guest list as generated by the webinar program – may not be complete*

Pamela Nix	Aubry Ludberg
Shalini Chhabra	Kay Oliver

Meeting Called to Order at 10:00 a.m.

Welcome

Quorum met, approval of minutes for the July and October 2017, meetings. Laurie moved Susan seconded the motion and the minutes were approved unanimously.

Licensing Update

Escrow Agent Numbers as of March 31, 2018:

- 61 Main Offices (59 reported at October 2017 meeting)
- 11 Branch offices (10 reported at October 2017 meeting)
- 87 Active Escrow Officers (80 reported at October 2017 meeting)
- 28 Inactive Escrow officers (31 reported at October 2017 meeting)
- 115 Total Escrow Officers (111 reported at October 2017 meeting)

We have seen an increase in Escrow Officers over the last year with a new total of 87. We encourage any qualified staff to take the exam so back-ups are in place.

Examinations Update

- 2 Exams completed in January
- 3 Exams completed in February
- 3 Exams completed in March



8 exams completed from January-March 2018
Average number of violations per exam: 1

Common Violations

There were no common violations cited. However, we are seeing more nonnumeric Closing Disclosure issues. Escrow is being named as the title company, so escrow fees are being charged to the CD under the title company's name. This may be due to several multiple out of-state exams, where out of state escrow companies act as title companies nationally.

Enforcement Update

From January to March 2018, Enforcement received 9 Escrow complaints, Resolved 9 complaints.

Investigations:

Investigations – Open (EARA only) 4

Investigations – Open (All Industries) 94.

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

Temporary Cease and Desist: 0

Old Business

Cindy confirmed with the committee they did not want to make any changes to the test following the test review sessions. The committee confirmed that the test will not be changed at this time.

New Business

Cindy told the Committee about the E-Notary rule changes being proposed by the Department of Licensing affecting chapters 42.44, 42.45 RCW, and WAC 308-30. The public hearing on the proposed rule is May 9th. Phil said that the Escrow Association of Washington has been involved in the rulemaking. He advised the committee to be prepared for changes coming with reporting and recording of notary activities.

We have received one Escrow Committee Member application, it is pending review, and a decision should be coming soon.

Meeting Adjourned at 10:18 a.m.

You may listen to a recording of the entire meeting at:

<https://dfi.wa.gov/escrow-agents/committee>

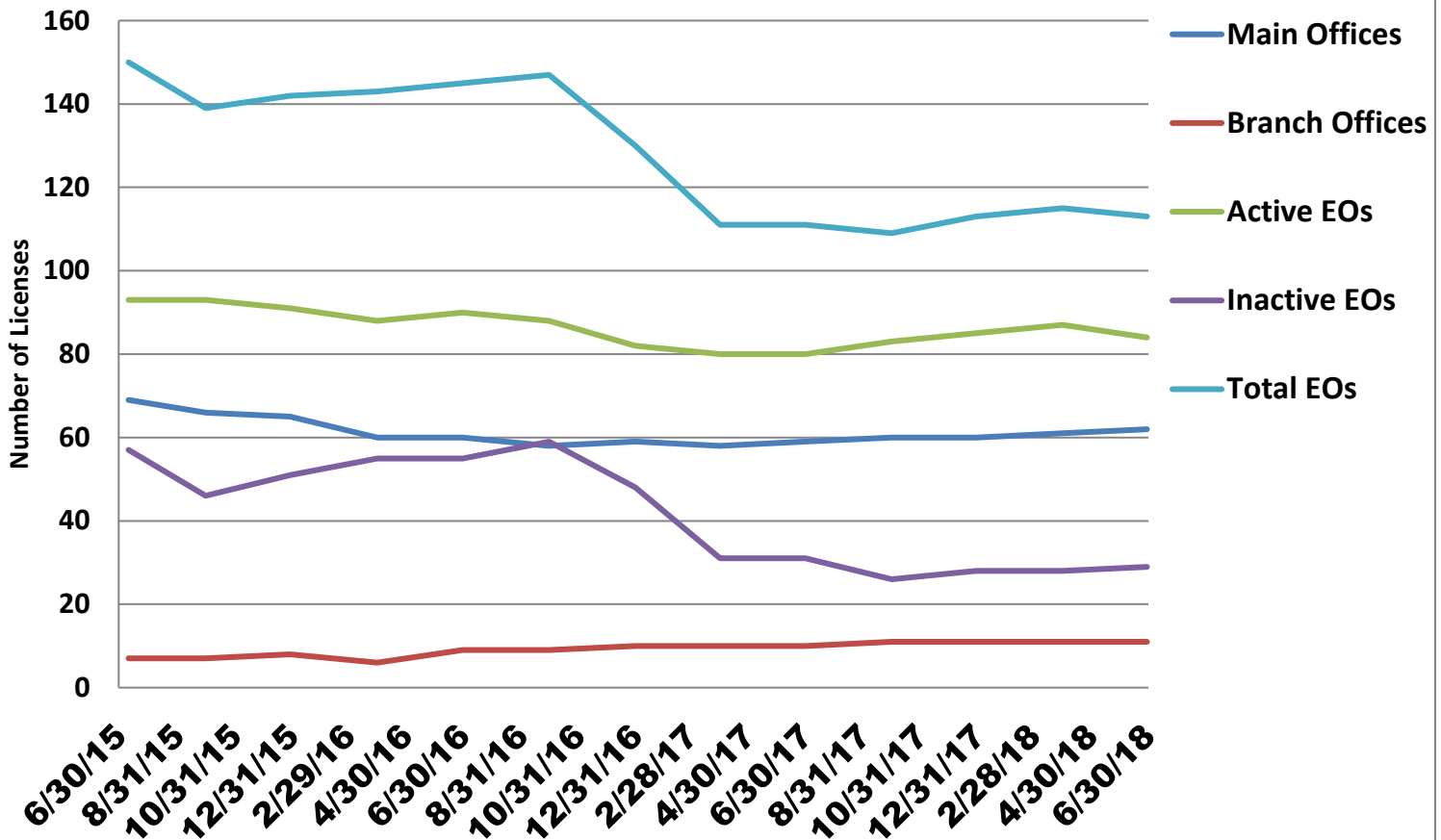
Escrow Committee

Licensing Unit Quarterly Report

July 10, 2018

	6/29/18	3/31/18	12/29/17	9/25/17
Main Offices	62	61	60	60
Branch Offices	11	11	11	11
Active EOs	84	87	85	83
Inactive EOs	29	28	28	26
Total EOs	113	115	113	109

Current Escrow Licensee Trends



**CS - Examination Unit Report
Escrow Program
Escrow Committee Meeting
July 10, 2018**

Examination Summary

- 3 Exams completed in April
 - 2 Exams completed in May
 - 3 Exams completed in June
- } **Eight exams completed from April through June 2018**

Average number of violations per exam: one

Composite Rating	Number of Exams	Previous Avg. Exam Cost	Current Avg. Exam Cost	Exam Cost Change
1	4	\$ 1,547.72	\$ 1,551.14	\$ 3.42
2	3	\$ 1,923.57	\$ 1,923.15	(\$ 0.42)
3	1*	\$ 2,542.41	\$ 2,544.18	\$ 1.77
4	0	\$ 4,187.50	N/A	N/A
5	0	\$ 19,343.75	N/A	N/A

*The three-rated examination was referred to Division's Enforcement Unit due to the Agent failing to accurately reconcile the trust account for three consecutive examinations.

Common Violations

1. Information Security Plan

Two Escrow Agents failed to implement an Information Security Plan (ISP). The Escrow Agent Registration Act, effective April 30, 2016, requires Escrow Agents implement an ISP that, at minimum, includes:

- Designate an employee or employees to coordinate the information security program;
- Identify and assess the risks to customer information;
- Design and implement information safeguards to control the risks identified in the risk assessment and regularly monitor and test the safeguards;
- Select service providers that can maintain appropriate safeguards and oversee their handling of customer information; and
- At least annually evaluate and adjust the program in light of relevant circumstances, including changes in business or operations, or the results of testing and monitoring the effectiveness of the implemented safeguards.

2. Inaccurate Closing Disclosure

Two Escrow Agents failed to notify the lender the Closing Disclosure contained a non-numerical error.

**Escrow Committee
Enforcement Unit Quarterly Report
April 1, 2018 – June 29, 2018**

Complaints	EARA Quarter	EARA 2018	All Industries Quarter
Received in period	8	17	317
Closed in period	9	18	331
Open as of 6/29/2018	EARA 8	Other Industries 202	Total Open Complaints 210

Investigations

Investigations – Open (EARA only) 2

Investigations – Open (all industries) 102

Enforcement Actions 2nd Quarter	
CCSA	0
CLA	14
EARA	3
MBPA	11
UMSA	4

Enforcement Actions – EARA

Statement of Charges (issued in period)	0
Consent Orders (issued in period)	3
Criminal Referrals	0
Final Orders (issued in period)	0
Civil Actions: (injunction, enforce subpoena)	0
Temporary Cease and Desist	0