



Escrow Committee Webinar

We will begin shortly

Call In #: 1-855-929-3239

Meeting #: 282 499 300

Password: April152020

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

Wednesday, April 15, 2020

9:00 AM

Webinar

Call in number: 1-855-929-3239

Meeting number: 282 499 300

Meeting password: April152020

1. Welcome – Cindy Fazio
2. Approve Meeting Minutes from October 2019
3. Approve Meeting Minutes from January 2020
4. Licensing Update
5. Examination Update
6. Enforcement Update
7. Old Business
8. New Business

Committee Members

Philip Dryden, Chair

Laurie LeMay

Susan Berry

Aubryum M. Drugge

TBD

Consumer Services Division Representatives:

Cindy Fazio, Division Director

Devon Phelps, Financial Legal Examiner

Rick St. Onge, Examinations Program Manager

Robert Jones, Enforcement Financial Legal Examiner Supervisor

Joepaul Wong, Examinations Supervisor

Charles Moore, Licensing Management Analyst

Ashley Sutherland, Webinar Facilitator

Escrow Committee Meeting Minutes

October 22, 2019

Attendees:

Committee Members Present:

Philip Dryden
Laurie LeMay
Susan Berry
Aubryum M Drugge

Consumer Services Division Representation:

Rick St. Onge, Acting Director of Consumer Services
Cindy Fazio, Chief of Regulatory Affairs
Anya Tabb, Acting Chief of Examinations
Deborah Taellious, Licensing Chief
Alan Leingang, Examinations Supervisor
Joe Wong, Examinations Supervisor
Charles Moore, Licensing Supervisor
Michele Gill, Webinar Facilitator

Guests:

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

Tamera Anderson
Michele McGhuey

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

Welcome

Quorum met, July 2019 minutes were approved

Licensing Update

Escrow Agent Numbers as of September 30, 2019:

- 63 Main Offices (63 reported at July 2019 meeting)
- 9 Branch offices (11 reported at July 2019 meeting)
- 84 Active Escrow Officers (86 reported at July 2019 meeting)
- 26 Inactive Escrow officers (26 reported at July 2019 meeting)
- 110 Total Escrow Officers (110 reported at July 2019 meeting)

Examinations Update

- 3 Exams completed in July
- 2 Exams completed in August
- 2 Exams completed in September

10 Exams completed from July-Sept. 2019
Average number of violations per exam: 0

Common Violations

No common violations for Q3 2019

Discussion Point

2 Internal Routine and control recommendations (IRC's) and not a violation at first, but cited at best practice recommendation. The first one was Information Security Program (ISP) best practices: ISP Version Control Guidelines.

The second was Required Records. Original voided checks and receipts must be retained. Essentially everything else can be maintained electronically, but the voided instruments will remain an area of risk, regardless of the system used. A primary purpose being as most systems are developed as escrow and accounting systems, so unfortunately, there are ways to circumvent the system fraud deterrent tools regarding voided instruments and requiring original voided instruments may help deter prohibited activity.

Enforcement Update

From July to September 2019, Enforcement received 5 Escrow complaints and closed 4.

Investigations:

Investigations – Open (EARA only) 6
Investigations – Open (All Industries) 88

Enforcement Actions – EARA

Statement of Charges (Issued in Period) 2

Consent Orders (Issued in period) 0

Criminal Referrals 0

Final Orders (issued in period) 4

Civil Actions: (injunction, enforce subpoena) 0

Temporary Cease and Desist: 0

Old Business

At the July 2019 meeting, DFI alluded to Plan B for transitioning Escrow to NMLS Functionality. We are looking at February 1, 2020, to allow this to happen. We are looking to allow a voluntary soft transition to occur through 2020 with the expectation of writing rules throughout the year, with an effective date of October 31, 2020. This is the day before the renewal period to get onto NMLS for the following year of 2021. With the expectation that with the statutory authority and director discretion, we will choose January 1, 2021, to require licensees to be on NMLS. The plan is still to incentivize the voluntary transition to NMLS, by waiving DFI fees, NMLS fees would still be required, but is much less than the current renewal fee.

As February gets closer, DFI will be disseminating information and provide training to both industry and our staff including messaging to the industry as a whole.

New Business

OIC has a rulemaking meeting that affects title companies November 15th at 9am for those interested. Rick reached out to the committee to see if the format and forum still fits the needs of the Escrow committee. At this time all needs are met, and no changes were requested.

Meeting Adjourned at 10:19 a.m.

You may listen to a recording of the entire meeting at: <https://dfi.wa.gov/escrow-agents/committee>

DRAFT

Escrow Committee Meeting Minutes

January 23, 2020

Attendees:

Committee Members Present:

Philip Dryden
Susan Berry

Quorum Not Met

Consumer Services Division Representation:

Rick St. Onge, Examinations Chief
Devon Phelps, FLE - Regulatory Affairs
Deborah Taellious - Licensing Chief
Alan Leingang - Examinations Supervisor
Robert Jones – Enforcement Supervisor
Charles Moore - Licensing Supervisor
Michele Gill & Cindy Dowies, Webinar Facilitator

Guests:

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

Tamera Anderson Shelly Domotor
Joe Wong Kenneth Casteel
Shalini Michelle Bruce
Michele McGhuey

Meeting Called to Order at 9:00 a.m.

Welcome

Quorum NOT met, October 2019 minutes were tabled until April 15th meeting.

Licensing Update

Escrow Agent Numbers as of December 31, 2019:

- 59 Main Offices (63 reported at October 2019 meeting)
- 9 Branch offices (9 reported at October 2019 meeting)
- 80 Active Escrow Officers (84 reported at October 2019 meeting)
- 24 Inactive Escrow officers (26 reported at October 2019 meeting)
- 104 Total Escrow Officers (110 reported at October 2019 meeting)

Examinations Update

- 3 Exams completed in October
- 1 Exams completed in November
- 3 Exams completed in December

7 Exams completed from Oct - Dec. 2019
Average number of violations per exam: 1

Common Violations

Inaccurate Closing Disclosure

Enforcement Update

From October to December 2019, Enforcement received 2 Escrow complaints and closed 3.

Investigations:

Investigations – Open (EARA only) 4

Investigations – Open (All Industries) 84

Enforcement Actions—EARA

Statement of Charges (Issued in Period) 1

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

The NMLS transition for Escrow has been postponed due to Vendor and DFI IS Infrastructure project updates that have to be resolved prior to transitioning onto NMLS. NMLS has been very helpful and their end is going smoothly. More information will be coming soon.

New Business

None.

Meeting Adjourned at 9:13 a.m.

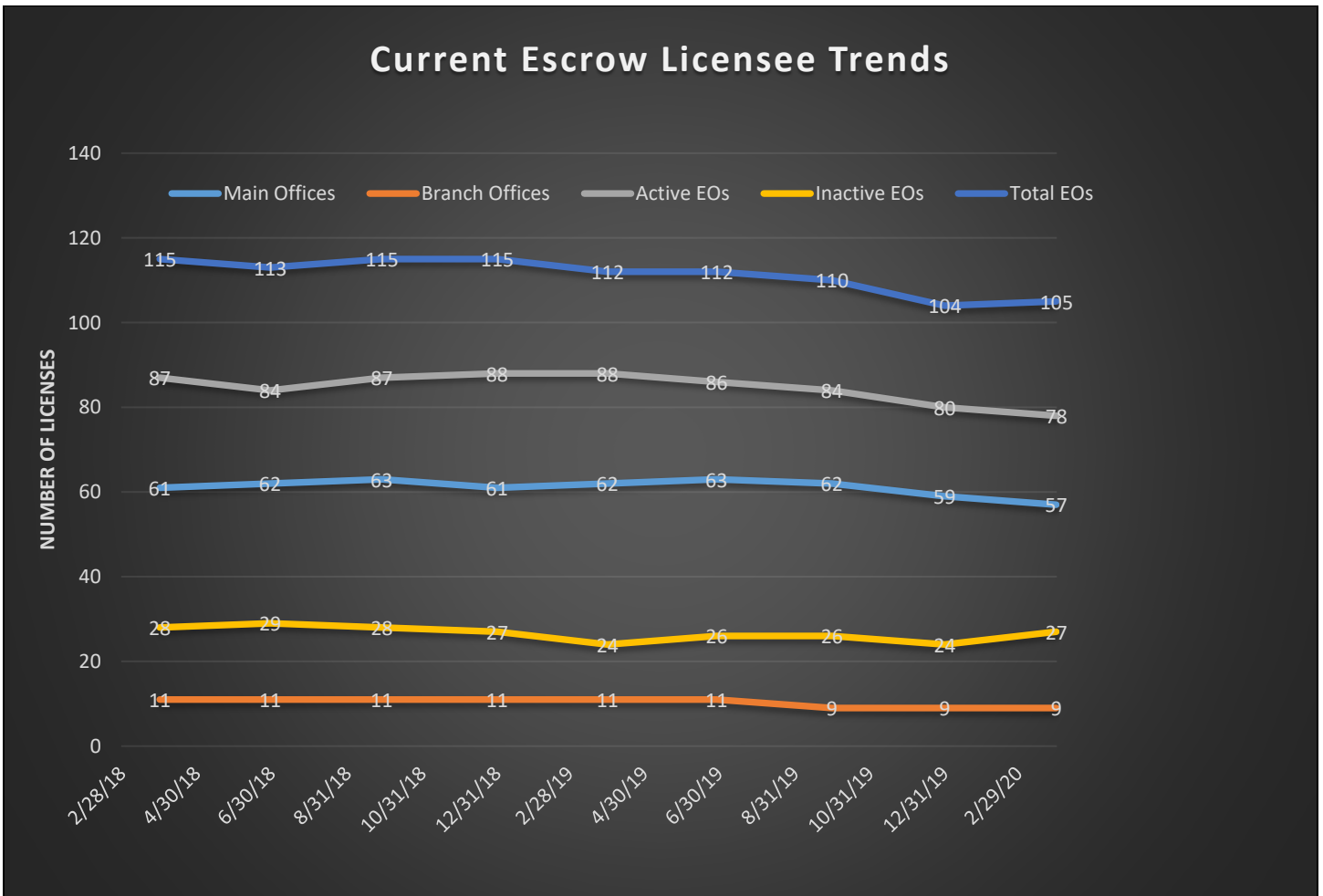
You may listen to a recording of the entire meeting at: <https://dfi.wa.gov/escrow-agents/committee>

Escrow Committee

Licensing Unit Quarterly Report

April 15, 2020

	03/31/2020	12/31/2019	09/30/2019	06/28/2019
Main Offices	57	59	62	63
Branch Offices	9	9	9	11
Active EOs	78	80	84	86
Inactive EOs	27	24	26	26
Total EOs	105	104	110	112



CS - Examination Unit Report

Escrow Program

Escrow Committee Meeting
April 15, 2020

Examination Summary

- 2 Exams completed in January
 - 2 Exams completed in February
 - 0 Exams completed in March
- } **Four exams completed from January to March 2020**

Average number of violations per exam: two

Composite Rating	Number of Exams	Previous Avg. Exam Cost	Current Avg. Exam Cost	Exam Cost Change
1	1	\$ 1,603.59	\$ 1,606.65	\$ 3.06
2	2	\$ 1,899.21	\$ 1,898.31	\$ (0.90)
3	1	\$ 2,536.46	\$ 2,523.19	\$ (13.27)
4	0	\$ 4,187.50	N/A	N/A
5	0	\$ 19,343.75	N/A	N/A
No Rating	0	N/A	N/A	N/A

Common Violations

1. Inaccurate Closing Disclosure

Inaccurate lender-issued Closing Disclosures continue to be an issue. Inaccurate ALTA Settlement Statements are periodically an issue as well.

**Escrow Committee
Enforcement Unit Quarterly Report
January 1, 2020 – March 31, 2020**

Complaints	EARA Quarter	EARA 2020	All Industries Quarter
Received in period	4	4	333
Closed in period	4	4	328
Open as of 3/31/2020	EARA 2	Other Industries 191	Total Complaints Open 193

Investigations

Investigations – Open (EARA only)	2
Investigations – Open (all industries)	84
Enforcement Actions 1st Quarter	
CCSA	0
CLA	20
EARA	2
MBPA	7
UMSA	4

Enforcement Actions – EARA

Statement of Charges (issued in period)	0
Consent Orders (issued in period)	1
Criminal Referrals	0
Final Orders (issued in period)	1
Civil Actions: (injunction, enforce subpoena)	0
Temporary Cease and Desist	0

EARA Consent Order

C-18-2381-20-CO01 Citadel Escrow, Inc.; Peter Z. Hom

2/19/2020

EARA Final Order

C-18-2525-19-FO02 American Freedom Assurance, Inc.; Daniel M. Rover 1/24/2020