Escrow Committee Webinar

We will begin shortly

Call In #: 1-855-929-3239
Meeting #: 801 310 505
Password: July162019

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 16, 2019
10:00 a.m.
Webinar

Call in number: 1-855-929-3239
Meeting number: 801 310 505
Meeting password: July162019

1. Welcome – Rick St. Onge
2. Approve Meeting Minutes from April 2019
3. Licensing Update
4. Examination Update
5. Enforcement Update
6. Old Business
7. New Business

Committee Members
Philip Dryden, Chair
Laurie LeMay
Susan Berry
Aubryum M. Drugge
TBD

Consumer Services Division Representatives:
Rick St. Onge, Acting Division Directory
Cindy Fazio, Chief of Regulatory Affairs
Devon Phelps, Financial Legal Examiner
Deborah Taellious, Licensing Program Manager
Anya Tabb, Acting Examinations Program Manager
Steve Sherman, Enforcement Program Manager
Alan Leingang, Examinations Supervisor
Joepaul Wong, Examinations Supervisor
Charles Moore, Licensing Management Analyst
Michele Gill, Webinar Facilitator

Escrow Committee Meeting Minutes
April 23, 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
Devon Phelps, Financial Legal Examiner
Deborah Taellious, Licensing Chief
Anya Tabb, Acting Examinations Chief
Alan Leingang, Examinations Supervisor Joepaul
Wong, Examinations Supervisor
Steven Sherman, Enforcement Chief
Charles Moore, Licensing Supervisor
Michele Gill, Webinar Facilitator

Guests:

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

Shalini Nancy G. Angie R. Sara R.
Natalie A. Tamara L. Warnke Carolyn S.
Sarah S.

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

Welcome

Quorum met, October 2018 and January 2019 minutes were approved

Licensing Update

Escrow Agent Numbers as of March 30, 2019:

- 61 Main Offices (61 reported at January 2019 meeting)
- 11 Branch offices (11 reported at January 2019 meeting)
- 88 Active Escrow Officers (88 reported at January 2019 meeting)
- 24 Inactive Escrow officers (27 reported at January 2019 meeting)
- 112 Total Escrow Officers (115 reported at January 2019 meeting)

Examinations Update

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

} **8 Exams completed from Jan-Mar 2019**
Average number of violations per exam: 0

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Common Violations
No common violations for Q1 2019

Discussion Point
Privacy Policy
This discussion is about a slight change in how the Department will verify information-sharing agreements between the Agent and affiliated and/or unaffiliated entities meet the requirements of Regulation P. The appendix has a model Privacy Policy disclosure with instruction regarding form completion and language to use including opt-out options.
This model agreement can be found by searching for the Electronic Code of Federal Regulations (ECFR), or you can also access directly from the CFPB website as well.

Enforcement Update

From January to March 2019, Enforcement received 7 Escrow complaints, 4 resolved complaints.

Investigations:
Investigations – Open (EARA only) 3
Investigations – Open (All Industries) 95

Enforcement Actions—EARA
Statement of Charges (Issued in Period) 1
Consent Orders (Issued in period) 1
Final Orders (issued in period) 0
Civil Actions: (injunction, enforce subpoena) 0
Temporary Cease and Desist: 0

Old Business
No old business to discuss.

New Business
Transitioning Escrow licensing to the Nationwide Multistate Licensing System (NMLS). This is an electronic licensing portal that is cloud based.
This is going to require statutory change, DFI is planning to run modernization statutory language for the 2020 session, and this transition would be included in that language.
Please see the bulleted sheet providing information regarding the transition. Any questions can be direct to Deborah Taellious at CSPMLicensing@dfi.wa.gov or Cindy Fazio CSRA@dfi.wa.gov.

Meeting Adjourned at 10:31 a.m.
You may listen to a recording of the entire meeting at: https://dfi.wa.gov/escrow-agents/committee

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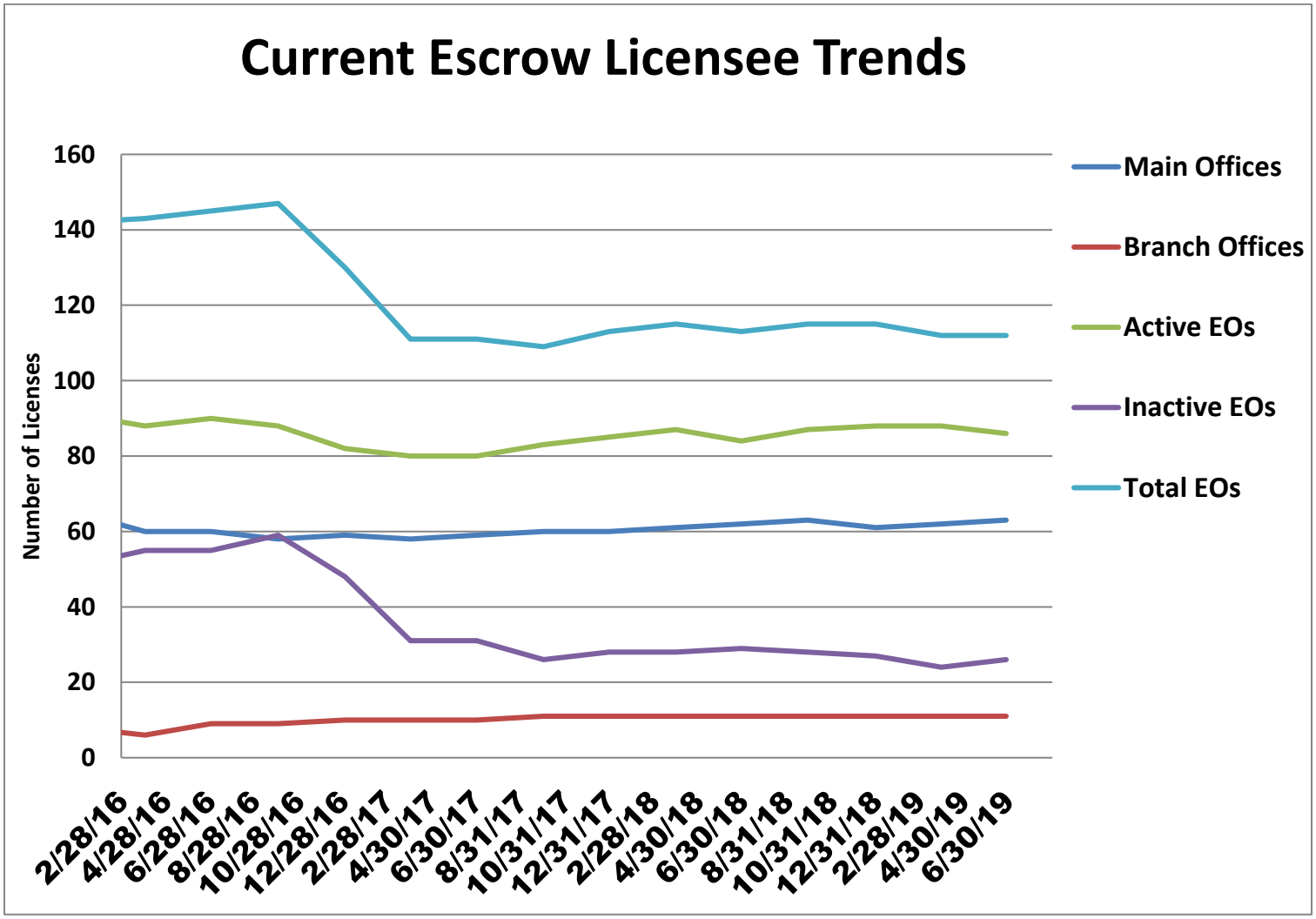
Escrow Committee

Licensing Unit Quarterly Report

July 16, 2019

	6/28/2019	3/31/2019	12/31/18	9/28/18
Main Offices	63	62	61	63
Branch Offices	11	11	11	11
Active EOs	86	88	88	87
Inactive EOs	26	24	27	28
Total EOs	112	112	115	115



CS - Examination Unit Report
Escrow Program

Escrow Committee Meeting
July 16, 2019

Examination Summary

- 4 Exams completed in April
- 4 Exams completed in May
- 2 Exams completed in June

} **10 exams completed from March to June 2019**

Average number of violations per exam: no findings

Composite Rating	Number of Exams	Previous Avg. Exam Cost	Current Avg. Exam Cost	Exam Cost Change
1	6	$ 1,586.36	$ 1,602.27	$ 15.91
2	0	$ 1,922.44	N/A	N/A
3	0	$ 2,536.46	N/A	N/A
4	0	$ 4,187.50	N/A	N/A
5	0	$ 19,343.75	N/A	N/A
No Rating	4	N/A	N/A	N/A

The Department performed four limited scope examinations with no rating assigned. Three were low production examinations, and one examination was a request for examiner services to verify an escrow agent maintained compliance with a consent order.

Common Violations

No common violations for 2Q 2019.

Discussion Points

Wire fraud continues to be a significant concern.

Escrow Committee

Enforcement Unit Quarterly Report

April 1, 2019 – June 27, 2019

Complaints	EARA Quarter	EARA 2019	All Industries Quarter
Received in period	4	11	253
Closed in period	8	12	274
Open as of 6/27/2019	**EARA** 2	**Other Industries** 146	**Total Complaints Open** 148

Investigations

Investigations – Open (EARA only)	7
Investigations – Open (all industries)	91
Enforcement Actions 2nd Quarter	
CCSA	1
CLA	10
EARA	0
MBPA	13
UMSA	2

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**