

Escrow Committee Meeting Minutes

July 16, 2019

Attendees:

Committee Members Present:

Philip Dryden
Laurie LeMay
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
Alan Leingang, Examinations Supervisor
Steven Sherman, Enforcement Chief
Robert Jones, Enforcement Supervisor
Charles Moore, Licensing Supervisor
Michele Gill, Webinar Facilitator

Guests:

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

Shalini
Tamara L. Warnke
Michele McGhuey

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

Welcome

Quorum met, April 2019 minutes were approved

Licensing Update

Escrow Agent Numbers as of June 30, 2019:

- 63 Main Offices (61 reported at April 2019 meeting)
- 11 Branch offices (11 reported at April 2019 meeting)
- 86 Active Escrow Officers (88 reported at April 2019 meeting)
- 26 Inactive Escrow officers (24 reported at April 2019 meeting)
- 112 Total Escrow Officers (115 reported at April 2019 meeting)

Examinations Update

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



10 Exams completed from April - June 2019

Average number of violations per exam: 0

Common Violations

No common violations for Q2 2019

Discussion Point

Wire fraud continues to be a significant concern.

Enforcement Update

From April to June 2019, Enforcement received 4 Escrow complaints, 3 are for unlicensed activity and have been closed, and forwarded to investigation. The last one is for a bonding issue with a licensee and is still open at this time.

Investigations:

Investigations – Open (EARA only)

7 Investigations – Open (All Industries)

91

Enforcement Actions—EARA

Statement of Charges (Issued in Period) 0

Consent Orders (Issued in period) 0

Final Orders (issued in period) 0

Civil Actions: (injunction, enforce subpoena) 0

Temporary Cease and Desist: 0

Old Business

At the April 2019 meeting, DFI talked about proposed legislation for moving the escrow program onto NMLS. Since then, the Governor has come out, through the Cabinet, with a very restrictive list of what legislation he wants to consider for the 2020 session. At this point in time, we do not believe that we will be running *any* legislation at all. This may change, and if it does, we will update you at the October 22nd meeting.

However, we do have a plan B for getting the escrow program on NMLS. DFI is going to look at rulemaking activity to transition the escrow officers onto the annual renewal. To accomplish this DFI will issue an interim license that will take them to the next annual renewal period. We will transition everyone in 2020. No one will be required to renew more than once in the time period, and the department would waive DFI's portion of the renewal fee for the officer license during this process. There will still be a system fee from NMLS, which DFI cannot waive. Any questions can be direct to Deborah Taellious at CSPMLicensing@dfi.wa.gov or Cindy Fazio CSRA@dfi.wa.gov.

New Business

Rick received communication from FINCEN, a [Geographic Targeting Order](#), dated May 14, 2019. specific to Title Companies acting in Escrow roles accepting purchase prices of real property in Cash, Cashiers Checks, Certified

Checks, Personal Checks, Business Checks, Virtual Currency, money orders, wires, Traveler's Cheque, or purchases made without a bank loan or similar financing. There are 9 states involved, with specific areas in a number of states with King County as Washington state's targeted area. Accompanying the order are reporting and record keeping requirements as well. Aubryum advised, being in the title industry, she was aware of the Order and the company was working on meeting the requirements.

Meeting Adjourned at 10:26 a.m.

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