

**MINUTES OF REGULAR MEETING  
COMMISSION ON CONSUMER CREDIT  
March 9, 2011**

The regular monthly meeting of the Commission on Consumer Credit was held at 10:00 a.m. at 4545 N. Lincoln Blvd., Suite 164, Conference Room, Oklahoma City, Oklahoma. The Notice and Agenda for the meeting was posted at the Department's office, outside the main public entrance of the Lincoln Plaza office building and on the Department's internet website on March 4, 2011 before 5:00 p.m.

I. Call to Order.

Chairman Spencer Stanley called the meeting to order at 10:00 a.m.

II. Roll Call.

PRESENT: Chairman Spencer Stanley, Vice-Chairman Bob Moses, Odell Roland, Cass Fahler, Trisha Thompson, Joe Wilbanks, James Lee, Rick Harper and Armando Rosell.

ABSENT: Mick Thompson

Chairman Spencer Stanley announced that a quorum was present.

III. Discussion and possible action regarding minutes of regular meeting held January 12, 2011.

Commissioner Trisha Thompson made a motion to approve the minutes of the regular meeting held January 12, 2011. The motion was seconded by Vice-Chairman Moses, with the roll call vote as follows: Cass Fahler – Yes; James Lee – Yes; Bob Moses – Yes; Odell Roland – Yes; Trisha Thompson – Yes; Joe Wilbanks-Yes; Rick Harper- Yes; Armando Rosell-Abstain; Spencer Stanley – Yes.

IV. Public comments. (Limited to three minutes per person).

There were no public comments.

V. Staff announcements and discussion.

There were no staff announcements.

VI. Presentation of January 2011 and February 2011 Monthly Budget and Financial Reports. Discussion and possible action regarding January 2011 and February 2011 Monthly Budget and Financial Reports.

Riley Shaull from the Office of State Finance presented the January 2011 and February 2011 Monthly Budget. Mr. Shaull also introduced Tiffany Lyon and Colby Kruse to the Commission as the Office of State Finance employees now assisting the Department with purchasing matters.

Vice-Chairman Moses made a motion to approve the January 2011 and February 2011 Monthly Budget and Financial Reports. The motion was seconded by Commissioner Wilbanks and unanimously approved.

VII. Presentation regarding proposed permanent rules. Discussion and possible action regarding the adoption of the following proposed permanent rules:

Title 160, Chapter 1, Organization, Duties of Administrator, 160:1-1-1.2 [AMENDED], Consumer Credit Advisory Committee, 160:1-1-7 [NEW];

Title 160, Chapter 3, Procedure, Requirements for individual proceedings, 160:3-1-4 [NEW];

Title 160, Chapter 5, Fees, 160:5-1-2 [AMENDED];

Title 160, Chapter 15, Pawn Transactions, Subchapter 3, Records, Examinations, 160:15-3-1.1 [AMENDED];

Title 160, Chapter 30, Credit Services Organization, Subchapter 9, Records, Examinations, 160:30-9-2 [AMENDED];

Title 160, Chapter 35, Oklahoma Rental-Purchase Act, Subchapter 5, Records, Examinations, 160:35-5-2 [AMENDED];

Title 160, Chapter 45, Truth in Lending Rules, Subchapter 9, Special Rules for Certain Home Mortgage Transactions, Requirements for certain closed-end home mortgages, 160:45-9-2 [AMENDED], Prohibited acts or practices in connection with credit secured by a consumer's principal dwelling, 160:45-9-6 [AMENDED];

Title 160, Chapter 65, Supervised Lenders, Subchapter 7, Records, Examinations, 160:65-7-2 [AMENDED];

Title 160, Chapter 70, Deferred Deposit Lenders, Subchapter 7, Records, Examinations, 160:70-7-2 [AMENDED].

General Counsel, Roy John Martin, summarized each of the proposed rules for the Commission. General Counsel Martin stated that the Notices of Rulemaking Intent were published in the February 1, 2011 edition of the Oklahoma Register. The comment period was from February 1, 2011 through March 3, 2011. The public hearing regarding the proposed rules was held March 3, 2011.

General Counsel Martin informed the Commission that the Department did not received any written comments regarding the proposed permanent rules. Gene Seiter, of Edmond, Oklahoma, appeared at the March 3, 2011 public hearing on behalf of the Oklahoma Association of Mortgage Professionals. Mr. Seiter offered comments and questions regarding proposed amendments to 160:45-9-6 concerning loan originator compensation as follows: Mr. Seiter questioned why the Department needs to incorporate the loan originator compensation rule into the Department's rules since the loan originator compensation rule has been passed by the Federal Reserve Board and the Federal Reserve Board rule is mirrored by legislation as part of the Dodd-Frank Act.

Mr. Seiter also stated that the mortgage industry cannot interpret the federal rule or federal law regarding loan originator compensation. Mr. Seiter stated that he believed there would be questions and concerns from the mortgage industry concerning how to interpret the

state rule mirroring the federal law and rule. Mr. Seiter asked if the Department would be able to help the mortgage industry interpret the rule because the mortgage industry cannot get any help at the federal level. General Counsel Martin explained that the Administrator was required to take action when the Federal Reserve Board had determined certain transactions in connection with residential mortgage loans to be unfair or deceptive.

Administrator, Scott Leshner, spoke to the Commission regarding proposed amendments to 160:45-9-6 concerning loan originator compensation. Administrator Leshner requested to withdraw the proposed amendments to 160:45-9-6 because of requests from Congress and professional trade groups to the Federal Reserve Board to delay implementation of the Federal Reserve Board rule. Administrator Leshner advised the Commission that 14A O.S. § 3-309.4(11)(b) also authorizes the Administrator to do an order that prohibits acts or practices the Federal Reserve Board has found to be unfair in connection with mortgage transactions. Administrator Leshner advised an order would be more appropriate at this time. General Counsel Martin advised the Commission to have a separate motion and roll call vote to withdraw amendments to rule 160:45-9-6 and another motion and roll call vote for adoption of the remaining proposed permanent rules.

Commissioner Fahler made a motion to withdraw proposed amendments to rule 160:45-9-6. The motion was seconded by Commissioner Trisha Thompson and unanimously approved.

Vice-Chairman Moses made a motion to adopt the remaining proposed permanent rules as follows. The motion was seconded by Commissioner Trisha Thompson and unanimously approved:

Title 160, Chapter 1, Organization, Duties of Administrator, 160:1-1-1.2 [AMENDED], Consumer Credit Advisory Committee, 160:1-1-7 [NEW]; Title 160, Chapter 3, Procedure, Requirements for individual proceedings, 160:3-1-4 [NEW]; Title 160, Chapter 5, Fees, 160:5-1-2 [AMENDED]; Title 160, Chapter 15, Pawn Transactions, Subchapter 3, Records, Examinations, 160:15-3-1.1 [AMENDED]; Title 160, Chapter 30, Credit Services Organization, Subchapter 9, Records, Examinations, 160:30-9-2 [AMENDED]; Title 160, Chapter 35, Oklahoma Rental-Purchase Act, Subchapter 5, Records, Examinations, 160:35-5-2 [AMENDED]; Title 160, Chapter 45, Truth in Lending Rules, Subchapter 9, Special Rules for Certain Home Mortgage Transactions, Requirements for certain closed-end home mortgages, 160:45-9-2 [AMENDED], Title 160, Chapter 65, Supervised Lenders, Subchapter 7, Records, Examinations, 160:65-7-2 [AMENDED]; Title 160, Chapter 70, Deferred Deposit Lenders, Subchapter 7, Records, Examinations, 160:70-7-2 [AMENDED].

VIII. Legislation report. Discussion and possible action regarding legislation.

Legislative Liaison, Greg Piatt, spoke to the Commission regarding legislation affecting the Department and the industries regulated by the Department as follows: Senate Bill 503, which would repeal language regarding fees adopted by the Legislature last session pursuant to HB2831 was dormant; Senate Bill 505, which would exempt persons from filing notification with the Administrator if interest earned in a calendar year from a consumer credit sale, consumer loan or lease was \$2,500.00 or less was dormant; HB1304, which authorizes the Information Technology Division of the Office of State Finance to approve all information technology related contracts and purchases and consolidates all information technology employees under the Office of State Finance was active and Senate Bill 772,

which would transfer licensing and regulation of mortgage brokers and mortgage loan originators to a newly created division of the Department of Commerce was active.

There was discussion between the Commission, Administrator Leshar and Mr. Piatt regarding this agenda item. The Commission did not take any action regarding this agenda item.

- IX. Discussion and possible action to amend the Commission's procedural rules regarding Commission meeting minutes.

Chairman Stanley announced the Department had requested a change to the Commission's procedural rules authorizing the Department to submit the minutes of the previous Commission meeting five days in advance of the next following meeting instead of ten days in advance of the next following meeting.

Commissioner Rosell made a motion to amend the Commission's procedural rules requiring submission of the meeting minutes five days in advance of the next following meeting. The motion was seconded by Commissioner Lee and unanimously approved.

- X. 2011 Nationwide Mortgage Licensing System Conference report by Deputy Administrator, Trish Strunk. Discussion and possible action regarding the 2011 Nationwide Mortgage Licensing System Conference report.

Deputy Administrator, Trish Strunk, discussed the 2011 Nationwide Mortgage Licensing System Conference with the Commission.

There was no discussion regarding this agenda item. The Commission did not take action regarding this agenda item.

- XI. Discussion and possible action authorizing the Administrator of Consumer Credit to make revisions concerning the Department of Consumer Credit Employee Manual as deemed appropriate by the Commission.

Administrator Leshar requested authority from the Commission to make revisions to the Department's Employee Manual, which contains policies and procedures for the Department. There was discussion between the Commission, Administrator Leshar and General Counsel Martin regarding this agenda item.

Vice-Chairman Moses made a motion authorizing the Administrator to make revisions to the Department's Employee Manual subject to Commission approval at the next Commission meeting following the revisions. The motion was seconded by Commissioner Fahler. After further discussion, Vice-Chairman Moses withdrew his motion.

Commissioner Rosell made a motion authorizing the Administrator to make revisions to the Department's Employee Manual and report any revisions to the Commission at the next Commission meeting following any revisions. The motion was seconded by Commissioner Fahler and unanimously approved.

- XII. Consent Agenda – Discussion and possible action regarding the January 2011 and February 2011 reports listed below:

The items on the Consent Agenda listed below may be discussed and acted upon individually item by item or discussed and acted upon collectively through one motion. Each Commissioner retains the right to remove any item(s) so that the item(s) may be discussed and/or acted upon through a separate motion(s).

- A. Enforcement Report
- B. Financial Report
- C. Strategic Plan Report
- D. Other Administrator Reports

Commissioner Trisha Thompson inquired concerning the source of civil penalties as indicated in the Enforcement Report. General Counsel Martin advised that unlicensed precious metal dealers were the source of most civil penalties, with one unlicensed mortgage loan originator included in the civil penalty total for the fiscal year.

Administrator Leshar discussed Other Administrator Reports. Administrator Leshar announced that without objection from the Commission, the telephone log would no longer be included in the Commission reports.

Administrator Leshar also informed the Commission the Department would be purchasing fourteen (14) iPad 2 computers. The computers would be utilized by Commission members to view Commission materials in lieu of paper documents and would also be utilized by staff in the performance of their duties.

Vice-Chairman Moses made a motion to approve items A-D of the Consent Agenda. Commissioner Trisha Thompson seconded the motion and the motion was unanimously approved.

- VII. New Business. (Any matter not known about or which could not have been reasonably foreseen prior to the time of posting the agenda.)

There was no new business for the Commission's consideration.

- VIII. Adjournment.

Chairman Stanley adjourned the meeting at 11:40 a. m. without objection.



  
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Bob Moses, Vice-Chairman

  
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Wendy Crowder, Commission Secretary