

# ***ESCROW ADVISORY COMMITTEE MEETING***

**September 7, 2022**

**10:00 AM – 12:00 PM**

**2101 Arena Blvd., Room 110A/B Video Conference Room, Sacramento, CA 95834**

**300 S. Spring Street, 15<sup>th</sup> Floor Conference Room, Los Angeles, CA 90013**

**(866) 709-4440; participant code 7675-977**

## **Department of Financial Protection and Innovation Represented by:**

Clothilde Hewlett, Commissioner

Sheila Oliver, Deputy Commissioner

Paul Liang, Special Administrator – Licensing

Gary Suzuki, Special Administrator – Regulatory

## **Committee Members:**

Benjamin Griffin, Griffin, P.C. / Attorney

Bradley Cohen, Granite Escrow & Settlement Services / Other Business Ownership

Claire Bartos, Las Brisas Escrow, Inc. / Immediate Past Chairperson EIC \*

Heidi Cassel, Solaris Escrow, Inc. / Medium Sized Escrow Company

Juliana Tu via phone, Viva Escrow! Inc. / Business Specialization

Larry Black via phone, Diamond Country Escrow, Inc. / Small Business

Patricia J. (P.J.) Garcia, Beach Pacific Escrow, Inc./Chairperson EIC \*

Patrick Felde, Certified Public Accountant

\* Escrow Institute of California

\*\* Escrow Agents' Fidelity Corporation

## **1. Welcome, Opening Remarks, and Introductions.**

Commissioner Hewlett welcomed advisory members and members of the public to attend the third quarterly advisory meeting in the DFPI's Sacramento office. Commissioner Hewlett introduced herself to advisory members and shared that she was confirmed as Commissioner for the DFPI by an unanimous vote of the State Senate in August 2022. She shared her background working in the private and public sectors prior to joining the DFPI. Advisory members also introduced themselves to the Commissioner.

Commissioner Hewlett briefly shared her vision for the DFPI which primarily focusing on consumer protection; encourage safe, responsible, and innovative growth of financial marketplace; help to stimulate the economy and encourage responsible innovation and smart enforcement; and make the DFPI a national model for consumer protection and responsible innovation. Commissioner Hewlett also shared some of the goals derived from her vision as follows:

- Implementation of the California Consumer Financial Protection Law, specifically, providing guidance to companies on responding to complaints, strengthening the DFPI's engagement with innovators through the Office of Financial Technology Innovation, and establishing registration procedures

- Implementation of the Governor's Executive Order to create policies that strengthen consumer protection while promoting responsible innovation on Crypto Assets that are equitable, inclusive, and consider environmental impact
- Enabling generational wealth-building for underserved and historically excluded communities
- Reviewing the DFPI's regulatory process for high-risk securities
- Increasing Californians' awareness of DFPI's work to better serve consumers

In addition to sharing her vision for the DFPI, Commissioner Hewlett also shared her vision for the Escrow Law program as follows:

- Transition the escrow law program onto the Nationwide Multi-state Licensing System (NMLS) to bring efficiencies to escrow licensure and examination
- Resolve escrow law program's operational deficiencies to ensure the program has the resources to provide adequate regulatory support for both consumers and the industry
- Modernizing the escrow law. The DFPI's legal division will work closely with the Escrow Law program to identify areas in the statute and regulations which need to be revised to provide guidance and clarity. The DFPI will seek advice from the advisory committee every step along the way.

## **2. Review and approval of minutes for 6/7/22 meeting**

Advisory members were provided the last meeting minutes prior to the current meeting. Advisory members do not have any corrections or comments for the minutes. P.J. Garcia made a motion to approve the minutes. Claire Bartos seconded the motion. The minutes was approved.

## **3. Ad Hoc Committee**

Deputy Commissioner Sheila Oliver brought up two ongoing issues which the DFPI needs advisory members to assist with: remote work and annual audits. There have been numerous discussions with internal and external stakeholders including advisory members on these two ongoing issues. Commissioner Hewlett supports the idea to form separate ad hoc committees to assist the DFPI in researching these topics and report findings to the committee. Oliver encouraged those who want to volunteer to contact her.

## **4. Licensing and Examination modernization**

Paul Liang shared with advisory members that the Escrow Law program is going through a re-organization to align its functional teams to meet business needs in licensing and examination functions. Getting the program on NMLS is a step forward to eliminate paper processing and enable electronic filing, electronic payments, and electronic bond through a centralized system. Majority of escrow licensees are keeping their records electronically. The transition to NMLS is expected to

eliminate most of the paper filings and payments. This will increase the program's operational efficiency.

#### **5. Enforcement actions and licensing update**

Liang shared a copy of the summarized enforcement actions taken since the last advisory meeting and summarized licensing stats.

#### **6. Public comments**

Due to technical difficulties, members of the public dialed in to the conference line experienced unstable connectivity and poor sound quality. However, members of the public who attended the meeting in-person was able to participate in discussion.

Members of the public shared their thoughts and ideas to improve DFPI processes.

#### **7. Closing remarks**

Liang thanked everyone for their attendance and participation. The next meeting is tentatively scheduled for December 7, 2022, from 10:00 a.m. to noon. Meeting announcement will be posted on the department's website. At about 12:00 p.m., the meeting adjourned.