



Dora
Department of Regulatory Agencies

Executive Director's Office

Barbara J. Kelley
Executive Director

Bill Ritter, Jr.
Governor

February 18, 2010

The Honorable Mike May
State Capitol Building
136 State Capitol
Denver, Colorado 80202

Dear Representative May:

Thank you for your request to our legislative liaison, Chris Lines, regarding modifying the current structure of the Division of Real Estate (Division). As I understand your inquiry or proposal, you are interested in establishing a board for all of the programs within the Division. I first want to make sure that you are aware that the Division currently operates with three boards or commissions. They include the Real Estate Commission, which has authority principally for brokers and salespersons, the Board of Real Estate Appraisers and the Conservation Easement Oversight Commission.

The mortgage loan originators program, created by the Legislature in 2007, was established as a director model. In considering the appropriate regulatory structure for the mortgage loan originators program, the General Assembly considered and expressly rejected the proposal to establish a board to determine licensing and discipline. Among the factors in the ultimate selection of the director model were the increased costs and delays inherent in a board model, relative to the benefits of a board.

Boards and commissions are expensive. The State must pay per diem expenses, travel and accommodation expenses and meals for their members. Since board composition is typically comprised of individuals representing the whole State, the costs of members from the western slope, Grand Junction and Durango, among others, are particularly expensive.

Resolutions of critical complaints take much longer through a board model. Boards meet monthly at most, and with reduced budgeting, they sometimes meet every other month. Short of calling emergency meetings and struggling to get a quorum, investigations cannot be brought to the board outside of their normal business meetings due to the open meetings laws. Consequently, investigators must wait for monthly meetings to bring cases.



After considering the legislative history of HB 07-1322 and given that all indications are that the program is functioning as the Legislature intended, I must admit that I see no need to modify the current regulatory structure of the mortgage loan originators program, and I would not be supportive of a proposal to create a board model for this program.

However, I appreciate your interest and inquiry regarding DORA. I am always open to dialogue on any issues involving the best way to ensure DORA does its legislatively mandated job of efficiently, effectively and fairly regulating professionals and businesses while protecting consumers and businesses.

Thank you again for your interest in DORA.

Sincerely,


Barbara J. Kelley
Executive Director