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Appraisal Subcommittee

Federal Financial Institutions Examination Council

August 10, 2011

Ms. Deanna Sabey, Director
Division of Real Estate
Utah Department of Commerce
P.O. Box 146711
Salt Lake City, UT 84114-6711

RE: ASC Compliance Review of Utah's appraiser regulatory program

Dear Ms. Sabey:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of Utah's appraiser regulatory program (Program) on February 22-24, 2011. This is the final ASC Compliance Review Report (Report) on that Review.

The ASC has considered the preliminary findings regarding the Review and the State's response. The ASC has determined the Program is not in substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended. The ASC identified one area of non-compliance:

- States should resolve all complaints filed against appraisers within one year, except for special documented circumstances.¹

In its response, the State indicated corrective actions were taken. During the next Review, ASC staff will confirm these corrective actions have taken place and are appropriate. Please also be advised this letter and the attached Report are public record and available on the ASC website in accordance with the Freedom of Information Act.

Please contact us if you have any questions.

Sincerely,



Deborah S. Merkle
Chairman

Attachment

cc: Mr. Thad Levar, Deputy Director
Mr. Craig Morley, Chair

¹ Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.

ASC Compliance Review Report

Finding: Not In Substantial Compliance

Report Issue Date: August 10, 2011

Utah Appraiser Regulatory Program (Program)

Real Estate Appraiser Licensing and Certification Board (Board) / Decision Making

PM: J. Tidwell

ASC Compliance Review Date: February 22-24, 2011

Review Period: Feb. 2009 to Feb. 2011

Umbrella Agency: Department of Commerce Division of Real Estate (Division)

Number of State Credentialed Appraisers on National Registry: 1397

Issue: FINAL

Requirement/Guidance	ASC Finding Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
Utah Statutes, Regulations, Policies and Procedures:	X							
States must adopt and/or implement all relevant AQB Real Property Appraiser Qualification Criteria. (Title XI § 1116 (a), 12 U.S.C. 3345; Title XI § 1118 (a), 12 U.S.C. 3347; AQB Real Property Appraiser Qualification Criteria.)				<p>A review of the Utah Real Estate Appraiser Licensing and Certification Board's Administrative Rules revealed inconsistencies with the Appraiser Qualifications Board's (AQB) Real Property Appraiser Qualification Criteria (AQB Criteria). ASC staff brought these inconsistencies to the Board's attention during the February 2009 Review.</p> <p>Following the 2009 Review, the Board reported to ASC staff that it had adopted rule changes to bring the Administrative Rules into compliance with ABQ Criteria, and consistent with the Board's practice. However, during a change of administration, those amendments were never finalized.</p>	On April 27, 2011, the Board adopted the rule changes, with an effective date of the same day.	None	None	The Board's resolution addresses the concern.
Temporary Practice:	X							
				No compliance issues noted.	N/A	None	None	None
National Registry:	X							
				No compliance issues noted.	N/A	None	None	None
Application Process:	X							
				No compliance issues noted.	N/A	None	None	None

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	YES	NO	AC					
Reciprocity:	X							
				No compliance issues noted.	N/A	None	None	None
Education:	X							
				No compliance issues noted.	N/A	None	None	None
Enforcement:		X						
States should resolve all complaints filed against appraisers within one year, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.)				Utah had 96 outstanding complaints of which 40 were unresolved for more than one year. Of those 40 cases, 18 fall under the exception for special documented circumstances. Therefore, of the 96 outstanding complaints, 22 (23%) were not resolved in accordance with ASC Policy Statement 10E. * Note: The 10 cases the Division refers to in their response involve one respondent and was exempted as allowed under ASC Policy Statement 10E. Therefore, once those ten cases are resolved, it will lower the number of dated cases by one.	On May 16, 2011, the Division reported to ASC staff that it continues to work diligently to process complaints unresolved for more than one year. On June 22nd, the Board will hold a hearing on a licensee with 10 open cases that are part of the 18 cases that fall under the exception for special documented circumstances. * See Note under ASC Staff Observations	The Division and Board must submit quarterly complaint logs to ASC staff. The ASC Policy Manager assigned to Utah will work with the Department staff to determine the timing and content of the complaint log.	To strengthen the Program, the Division and Board should employ ways to process complaints of appraiser misconduct or wrongdoing in a timely manner to ensure compliance with ASC Policy Statement 10E.	Through off-site monitoring and during the next Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 10E.