



DEPARTMENT OF COMMERCE
Division of Real Estate

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March 6, 2001

THOMAS E WATSON JR CHAIRMAN
APPRAISAL SUBCOMMITTEE
2000 K ST NW STE310
WASHINGTON DC 20006

RE: Your Letter of February 1, 2001

Dear Mr. Watson,

This letter is in response to your letter dated February 1, 2001 reviewing compliance issues determined by the Appraisal Subcommittee audit which took place in November of 2000.

First, may I compliment you on your staff. Both Dennis and Vicki were thorough professionals in the way they conducted the audit of our program. They were willing to speak to me and my colleagues to better understand how our program operates, and we appreciated their constructive criticism. It is the intention of the Utah Appraiser Licensing and Certification Board and the Utah Division of Real Estate to be fully compliant with Title XI with the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

With respect to the two concerns raised in your letter, permit me to begin by addressing the concern that Utah State Licensed Appraisers are not permitted to appraise property for Federally Related Transactions ("FRT"). Your observations are exactly correct. However, that fact was the result of a series of errors at the time the 1999 Appraiser Amendments were passed. To remedy the situation, we drafted a bill and found a strong sponsor in the House to amend the Utah statute to bring our classifications into compliance with FIRHEA. House Bill 271 was passed by both the House and the Senate, and I have it on good authority that the governor intends to sign that legislation. Enclosed, for your information, are relevant portions of our statute, clarifying the fact that State Licensed Appraisers may, in fact, perform appraisals on FRTs. The language we used in the amendment was taken directly from the AQB web site and was reviewed by Ben Hensen prior to enactment.

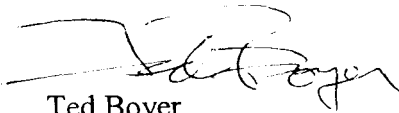
The second concern raised in the ASC audit was the fact that our Board had approved continuing education credit for appraisers willing to supervise unclassified persons as they gain experience to become State Licensed Appraisers. The intentions of the Board in adopting that policy were

of the purest intent. The Board was attempting to discourage gate-keeping by currently licensed and certified appraisers who might choose, for economic reasons or market concerns, not to help train new appraisers coming into the profession.

Notwithstanding that, the Board has now discontinued that policy for all licensed and certified appraisers in the State of Utah.

We trust that upon review of this new and additional information, you will find the Utah program to be totally compliant with federal law. Thank you for your assistance and cooperation in this matter.

Yours truly,

A handwritten signature in black ink, appearing to read "Ted Boyer", written over a horizontal line.

Ted Boyer
Executive Director
Department of Commerce/
Acting Director
Division of Real Estate

TB/sk

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cc: Members of the Utah State Appraiser Licensing and Certification Board