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Appraisal Subcommittee

Federal Financial Institutions Examination Council

April 2, 2019

Mr. Jonathan Stewart, Director
Division of Real Estate
Real Estate Appraiser Licensing and Certification Board
P O Box 146711
Salt Lake City, UT 84114-6711

RE: ASC Compliance Review of Utah's Appraisal Management Company (AMC) Regulatory Program

Dear Mr. Stewart:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Utah AMC regulatory program (AMC Program) on February 25-27, 2019, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

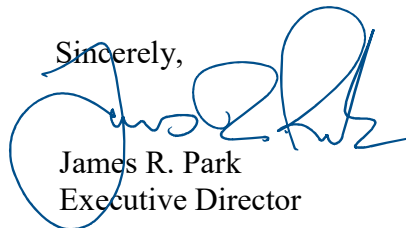
The ASC identified the following area of non-compliance:

- Participating States must impose requirements on AMCs consistent with the AMC Rule.¹

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Utah will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



James R. Park
Executive Director

Attachment

cc: Mr. Mark Fagergren, Director of Licensing and Education
Ms. Kadee Wright, Chief Investigator
Mr. Justin Barney, Hearing Officer

¹ 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> • State meets all Title XI mandates and complies with requirements of ASC Policy Statements • State maintains a strong regulatory Program • Very low risk of Program failure 	2-year
Good	<ul style="list-style-type: none"> • State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure 	2-year
Needs Improvement	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure 	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure 	1-year
Poor	<ul style="list-style-type: none"> • State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure 	Continuous monitoring

*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

ASC State AMC Program Compliance Review Report

ASC Finding: Good
Final Report Issue Date: April 2, 2019

Utah AMC Regulatory Program (State)			
Real Estate Appraiser Licensing and Certification Board (Board)	PM: K. Klamet	ASC Compliance Review Date: February 25-27, 2019	Review Period: July 2017 to February 2019
Umbrella Agency: Department of Commerce, Division of Real Estate		Number of AMCs on National Registry: 2	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:		X					
Participating States must impose requirements on AMCs consistent with the AMC Rule. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				A regulated AMC must notify appraisers on its appraiser panel before their removal from the panel. Utah statute 61-2e-306 (1) allows regulated AMCs to remove an appraiser from its panel, without notice, within the first 30 days after the appraiser is first added to the appraiser panel.	On March 14, 2019, the State reported that the necessary amendments to correct this area of concern will be included in the Program's proposed statutory changes for the 2020 legislative session.	The State must continue the process to amend its statute to bring them into compliance with Title XI, and provide the ASC staff with a copy of the statute once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 8.
National Registry:	X						
				No compliance issues noted.	N/A	None	None
Enforcement:	X						
				No compliance issues noted.	N/A	None	None