

Appraisal Subcommittee

Federal Financial Institutions Examination Council

July 10, 2013

Mr. Jonathan Stewart, Division Director
Division of Real Estate
Department of Commerce
P O Box 146711
Salt Lake City, UT 84114-6711

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

Dear Mr. Stewart:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Utah appraiser regulatory program (Program) on February 25-27, 2013. 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 the following area of non-compliance:

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

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

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,



Arthur Lindo
Chairman

Attachment

cc: Mr. Jeff Nielsen, Chief Investigator
Ms. Allyn Stutsman, Investigator Secretary

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

“ASC Finding” Defined for ASC Compliance Review Report

1. IN SUBSTANTIAL COMPLIANCE

Applies when no issues of non-compliance or violations of Title XI, ASC Policy Statements or AQB Criteria are identified.

2. NOT IN SUBSTANTIAL COMPLIANCE

Applies when there are one or more issues of non-compliance or violations of Title XI, ASC Policy Statements and/or AQB Criteria but the concerns do not rise to the level of “not in compliance.”

3. NOT IN COMPLIANCE

Applies when the number, seriousness, and/or repetitiveness of the Title XI, ASC Policy Statements and/or AQB Criteria violations warrant this finding.

ASC Compliance Review Report

ASC Finding: Not In Substantial Compliance
Final Report Issue Date: July 10, 2013

Utah Appraiser Regulatory Program (Program)

Appraiser Licensing and Certification Board (Board) / Decision Making	PM: J. Tidwell	ASC Compliance Review Date: February 25-27, 2013	Review Period: March 2011 to February 2013
Umbrella Agency: Department of Commerce, Division of Real Estate		Number of State Credentialed Appraisers on National Registry: 1266	Review Cycle: Two Year

Requirement/Guidance	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			No compliance issues noted.	N/A	None	None	None
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
Reciprocity:	X			No compliance issues noted.	N/A	None	None	None
Education:	X			No compliance issues noted.	N/A	None	None	None

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Requirement/Guidance	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required State Actions	Recommended State Actions	General Comments
	YES	NO	AC					
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 79 outstanding complaints of which 23 were unresolved for more than 1 year. Of the complaints outstanding for more than 1 year, none fall under the exception for special documented circumstances.	<p>On May 3, 2013, Division staff reported to ASC staff the changes implemented to improve their appraisal investigation process including: a new case tracking system; reassignment of the older cases; and adding a new investigator.</p> <p>In addition, since the On-site Review, the Division reported 3 of its aged cases have been finalized and approximately 3 other aged cases are currently under review by the Assistant Attorney General and should result in the filing of an action soon.</p>	<p>Utah must monitor its revised processes to ensure timely processing of complaints, reduce the backlog of aged complaints, and ensure complaints of appraiser misconduct or wrongdoing are resolved in a timely manner as required by ASC Policy Statement 10E.</p> <p>The Division and Board must continue to submit quarterly complaint logs to ASC staff. Staff will analyze each log. If substantial progress is not made, the ASC may place additional requirements upon the State.</p>	None	Through off-site monitoring and during the next Review, ASC staff will pay particular attention to this area for compliance with applicable ASC Policy Statements.