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Appraisal Subcommittee
Federal Financial Institutions Examination Council

April 20, 2004

Mr. Dexter Bell, Director
Division of Real Estate
Department of Commerce
P.O. Box 146711
Salt Lake City, Utah 84114-6711

Dear Mr. Bell:

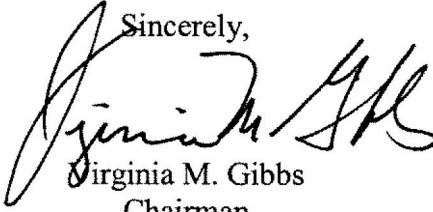
Thank you for your cooperation and your staffs assistance in the January 27-28,2004 Appraisal Subcommittee ("ASC") review of Utah's real estate appraiser regulatory program ("Program"). Based on our review, Utah effectively carries out the requirements of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended. We identified a few relatively minor items that need your attention.

The State's statutory definition of federally related transaction does not provide that licensed level appraisers may perform appraisals in federally related transactions. We understand the State mistakenly failed to include this clarification in the 200 I amendments that resulted from our previous field review. Other statutory and regulatory provisions clearly permit licensed appraisers to perform work in connection with federally related transactions within the established scope of practice. When possible, the State should amend the definition section to correspond to other statutory provisions regarding scope of practice.

The Board needs to amend its regulations to reflect the following three changes in Appraiser Qualifications Board ("AQB") criteria. Effective January 1, 1998, the AQB eliminated acceptance of activities such as authorship of textbooks, program development, and teaching from the list of activities permitted to count toward qualifying education. Next, in its recent regulatory changes to incorporate the National USP AP Course and its associated requirements, the Board failed to specify that USP AP instructors must be AQB certified. Finally, on December 1,2003, the AQB issued a ruling that removed ACE/Credit from its authorized distance education approval process effective April I, 2004. The Board needs to amend its regulations to remove the ACE/Credit Program as an approval source for distance education.

Please respond to our findings and recommendations within 60 days from the date of this letter. Until the expiration of that time period or the receipt of your response, we consider this field review to be an open matter. After receiving your response or the expiration of the 60-day response period, whichever is earlier, this letter, your response and any other correspondence between you and the ASC regarding this field review become releasable to the public under the Freedom of InfoID1ation Act and will be made available on our Web site.

If you have any questions, please contact us.

Sincerely,

Virginia M. Gibbs
Chairman

cc: Michael Christensen, Chair
Appraiser Licensing and Certification Board