GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah
Department of Commerce

FRANCINE A. GIANI
Executive Director

THAD LEVAR
Deputy Director

DEANNA D. SABEY
Director, Division of Real Estate

November 4, 2009

Senator John L. Valentine, Senate Chair
Representative James A. Dunnigan, House Chair
Utah Business & Labor Interim Committee

RE: Appraisal Management Company Registration and Regulation Act (Utah Code Ann. §61-2e-101, et. seq.) and Rules of the Utah Division of Real Estate

Dear Senator Valentine, Representative Dunnigan, and Committee Members:

Pursuant to your request, I am reporting the licensing, enforcement and rulemaking activities of the Division of Real Estate since the above referred-to Act was enacted on May 12, 2009.

Licensing and Enforcement (as of November 4, 2009)

30 appraisal management companies have registered as AMCs and there are 5 applications pending. The Division has received 3 complaints against AMCs that are working their way through the enforcement process.

Rulemaking

Rule 162-150 (effective 8/7/09): establishes

1. qualifications for registration or renewal;
2. employee qualifications; and
3. activities that constitute unprofessional conduct, including, but not limited to:
   a. failure to disclose to the appraiser and in the appraisal report the total compensation retained by the AMC and paid to the appraiser for the appraisal activity; and
   b. prohibition by the AMC of communication between the appraiser and other settlement service provider (real estate agent or mortgage lender) in order to obtain relevant information

The Division received 3 comments during the public comment period.

Amendment to Rule 162-150 (public comment period expired 11/2/09):

The Amendment clarifies the requirement of the USPAP (Uniform Standards of Professional Appraisal Practice) course as an alternative to being a licensed or certified appraiser in order for the AMC to qualify for registration. It also adds to the unprofessional conduct list any request for a broker price opinion or any other real property price or value estimation that does not qualify as an appraisal for the purpose of facilitating a mortgage loan transaction.

The Division has had 23 comments: 10 AMCs, 10 appraisers, 1 mortgage broker, 1 Appraisal Institute, and 1 UAR.

Please let me know if you have any further questions you would like me to address. I would be happy to give you any additional information.

Very truly yours,

Deanna Sabey

DIRECTOR
UTAH DIVISION OF REAL ESTATE

cc: Utah Appraisal Board