

June 30, 2025

Via Email

Leigh Veillette, Division Director
Division of Real Estate
Utah Department of Commerce
160 East 300 South, 2nd Floor
Salt Lake City, UT 84111
LVeillette@utah.gov

RE: ASC Compliance Review of Utah's Appraiser Regulatory Program

Dear Leigh Veillette:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Utah appraiser regulatory program (Appraiser Program) on August 13-15, 2024, to determine the Appraiser Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Utah Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must track all temporary practice permits using a permit log, which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any;²
- States must designate a senior official as the State's Authorized Registry Official and inform the ASC, in writing, of their designee and any individual(s) authorized to act on their behalf.³
- States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade or renewal of a credential so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations;⁴
- States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria.⁵

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3351; Policy Statement 2 B.

³ 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 3 A.

⁴ 12 U.S.C. § 3347; Policy Statement 4 A.

⁵ 12 U.S.C. § 3347; Policy Statement 6 A.

- States must maintain relevant documentation to enable understanding of the facts and determinations in the matter and the reasons for those determinations;⁶
- States must ensure that the system for processing and investigating complaints and sanctioning appraisers is administered in an effective, consistent, equitable and well-documented manner;⁷ and
- States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances.⁸

The ASC considers the State's proactive responses to the Preliminary Report to be indicative of an earnest effort to remedy non-compliance. ASC staff will confirm 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,



Luke H. Brown
Acting Chair

Attachment

cc: Kadee Wright, Chief Investigator, KadeeWright@utah.gov
Laurel North, Director of Licensing and Education, LaurelNorth@utah.gov
Justin Barney, Hearing Officer, JustinBarney@utah.gov

⁶ 12 U.S.C. § 3347; Policy Statement 7 B.

⁷ 12 U.S.C. § 3347; Policy Statement 7 B.

⁸ 12 U.S.C. § 3347; Policy Statement 7 B.

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.

** An ASC Finding of "Poor" may result in significant consequences to the State. See Policy Statement 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Needs Improvement

Final Report Issue Date: June 30, 2025

Utah Appraiser Regulatory Program (State)

Real Estate Appraiser Licensing and Certification Board (Board)	PM: M. Brown	ASC Compliance Review Date: August 13-15, 2024	Review Period: August 2022 to July 2024
Umbrella Agency: Department of Commerce, Division of Real Estate		Number of State Credentialed Appraisers on Appraiser Registry: 1274	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			No compliance issues noted.	N/A	None	None
Temporary Practice:		X					
States must track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any. (12 U.S.C. § 3351; Policy Statement 2 B.)				The State's temporary practice permit log did not include the date the completed application was received. The date application received log entry for 7 temporary permit applications did not match the date stamped on each form.	On December 2, 2024, the State reported its Division of Technology Services is working on changes to its electronic licensing system. At the same time, the State reported that it is noting the date received, the date an application is completed, and the date the permit is issued.	The State must monitor the system changes for temporary practice permit processing to ensure compliance.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry:		X					
States must designate a senior official as the State's Authorized Registry Official and inform the ASC, in writing, of their designee and any individual(s) authorized to act on their behalf. (12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 3 A.)				The State failed to designate a new Authorized Registry Official and notify the ASC after its previous Authorized Registry Official left the Program.	On December 2, 2024, the State reported the Division designated Director Leigh Veillette as the Authorized Registry Official on September 3, 2024, and in the event the Director leaves, the vacancy will be addressed internally and communicated to the ASC promptly.	The State must ensure that it designates a new Authorized Registry Official and notifies the ASC in the event its current designee no longer holds the position.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.



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Umbrella Agency: Department of Commerce, Division of Real Estate		Number of State Credentialed Appraisers on Appraiser Registry: 1274	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				
Application Process:		X					
States must obtain and maintain sufficient relevant documentation pertaining to an application for issuance, upgrade or renewal of a credential so as to enable understanding of the facts and determinations in the matter and the reasons for those determinations. (12 U.S.C. § 3347; Policy Statement 4 A.)				The State's application file did not contain documentation to support that an applicant's experience was USPAP compliant.	On December 2, 2024, the State reported it is updating its guidance for experience reviewers. The State will now use the form currently used by contract enforcement reviewers for experience reviewers.	The State must ensure that all documentation to support its validation methods are available to ASC staff for future Compliance Reviews.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Reciprocity:	X						
				No compliance issues noted.	N/A	None	None
Education:		X					
States must maintain sufficient documentation to support that approved appraiser courses conform to AQB Criteria. (12 U.S.C. § 3347; Policy Statement 6 A.)				The State did not maintain documentation to support that courses conform to AQB Criteria.	On December 2, 2024, the State reported that it will ensure documentation to support courses conform to AQB Criteria is provided to the ASC.	Within 60 days, the State must review its approved course listings for continuing education to ensure all approved courses meet current AQB criteria. Courses that do not meet AQB Criteria criteria must be removed from the approved list or reported on the list as "expired." The State must then notify ASC staff in writing of its findings within 15 days of the completion of its review.	After review of the State's findings, ASC staff will determine if an onsite Follow-up review is necessary.



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Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
		X					
Enforcement: States must maintain relevant documentation to enable understanding of the facts and determinations in the matter and the reasons for those determinations. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State failed to maintain relevant documentation to enable an understanding of the facts and determinations and the reasons for those determinations.	On December 2, 2024, the State acknowledged that insufficient documentation was provided to the ASC for enforcement cases. The State reported that it is actively taking steps to improve its enforcement case handling process, such as implementing new case procedures to ensure proper documentation of relevant information for understanding the facts, conclusions, and reasoning for those conclusions in each enforcement case.	The State must monitor its revised complaint handling and documentation process to ensure compliance.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Enforcement Continued: States must ensure that the system for processing and investigating complaints and sanctioning appraisers is administered in an effective, consistent, equitable and well-documented manner. (12 U.S.C. § 3347; Policy Statement 7 B.)		X		The enforcement files provided to ASC staff did not include sufficient information to understand the basis of the complaint and the reasoning behind the resolution.	On December 2, 2024, the State acknowledged that it had provided insufficient documentation to the ASC for enforcement cases. The State reported that the transition to a new enforcement software system complicated the consistency, clarity, and cohesiveness of case processing due to a learning curve and adjustment period associated with the new system. The State also reported that it is actively taking steps to improve its handling of enforcement cases, including the implementation of new procedures to ensure the proper documentation of relevant information. This documentation will help clarify the facts, conclusions, and the reasoning behind those conclusions in each enforcement case. Additionally, the State reported the hiring of a dedicated investigator to ensure future cases are processed in consistently.	The State must monitor its revised complaint handling and documentation process to ensure compliance.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.



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Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Enforcement Continued:		X					
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State had 21 aged complaints, of which 14 were unresolved for more than 1 year and 7 were unresolved for more than 2 years without the exemption for special documented circumstances.	On December 2, 2024, the State reported that it acknowledges there were delays in complaint processing and resolution. At the same time, the State reported that instead of filling an investigator vacancy, it utilized third party contractors for 3 years. This decision and the transition to a new enforcement software system led to a backlog of cases. The State also reported that it is actively taking steps to improve its enforcement case handling process by hiring a dedicated investigator, implementing organized investigative procedures, committing to ensure that all cases are timely processed with consistency, clarity, and logical progression, developing a new case prioritization system, and implementing new case procedures to ensure proper documentation of relevant information.	The State must monitor its revised processes to ensure complaints are resolved timely and the backlog of aged complaints is eliminated.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.