



STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE

APPRAISAL MANAGEMENT COMPANY
ADMINISTRATIVE RULES

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TABLE OF CONTENTS

R162-2e-101. Title 1
R162-2e-102. Definitions 1
R162-2e-201. Registration Required - Qualification for Registration..... 1
R162-2e-301. Use of Licensed or Certified Appraisers..... 2
R162-2e-302. Adherence to Standards 2
R162-2e-303. Recordkeeping 2
R162-2e-304. Required Disclosure..... 3
R162-2e-305. Employee Requirements 3
R162-2e-401. Unprofessional Conduct 4

R162-2e-101. Title.

This chapter is known as the "Appraisal Management Company Administrative Rules."

R162-2e-102. Definitions.

- (1) "Affiliation" means a business association:
 - (a) between:
 - (i) two individuals registered, licensed, or certified under Section 61-2b; or
 - (ii) an individual registered, licensed, or certified under Section 61-2b and:
 - (A) an appraisal entity; or
 - (B) a government agency;
 - (b) for the purpose of providing an appraisal service; and
 - (c) regardless of whether an employment relationship exists between the parties.
- (2) The acronym "AMC" stands for appraisal management company.
- (3) As used in Subsection R162-2e-201(3)(c)(ii), "business day" means a day other than:
 - (a) a Saturday;
 - (b) a Sunday;
 - (c) a state or federal holiday; or
 - (d) any other day when the division is closed for business.
- (4) "Client" is defined in Section 61-2e-102(10).
- (5) "Competency statement" means a statement provided by the AMC to the appraiser that, at a minimum, requires the appraiser to attest that the appraiser:
 - (a) is competent according to USPAP standards;
 - (b) recognizes and agrees to comply with:
 - (i) laws and regulations that apply to the appraiser and to the assignment;
 - (ii) assignment conditions; and
 - (iii) the scope of work outlined by the client; and
 - (c) has access, either independently or through an affiliation pursuant to Subsection (1), to the records necessary to complete a credible appraisal, including:
 - (i) multiple listing service data; and
 - (ii) county records.
- (6) "Select" means:
 - (a) for purposes of composing the AMC appraiser panel, to review and evaluate the qualifications of an appraiser who applies to be included on the AMC's appraiser panel; and
 - (b) for purposes of assigning an appraisal activity to an appraiser:
 - (i) to choose from the AMC's appraiser panel an individual appraiser or appraisal entity to complete an assignment; or
 - (ii) to compile, from among the appraisers included in the AMC's appraiser panel, an electronic distribution list of appraisers to whom an assignment will be offered through e-mail.
- (7) The acronym "USPAP" stands for Uniform Standards of Professional Appraisal Practice.

R162-2e-201. Registration Required - Qualification for Registration.

- (1) The division may not register or renew the registration of an AMC that fails to:

- (a) comply with any provision of Utah Code Title 61, Chapter 2e, "Appraisal Management Company Registration and Regulation Act"; or
- (b) comply with any provision of these rules.
- (2) The division shall schedule a hearing before the board for an AMC that:
 - (a) (i) applies for registration or renewal of registration;
 - (ii) has a control person who discloses, or the division finds through its own research, an issue that might affect the control person's moral character; and
 - (iii) the division determines that the board should be aware of the issue; or
 - (b) fails to provide an adequate explanation for the AMC's:
 - (i) plan to ensure the use of licensed appraisers in good standing;
 - (ii) plan to ensure the integrity of the appraisal review process; or
 - (iii) plan for record keeping.
- (3) (a) An AMC shall register with the division in the name of the legal entity under which it conducts the business of appraisal management in Utah and in other states.
- (b) An AMC shall notify the division of a dba, trade name, or assumed business name under which the registered legal entity operates in Utah:
 - (i) at the time of registration; or
 - (ii) if applicable, immediately upon beginning to operate under such dba, trade name, or assumed business name.
- (c) If an AMC changes its registered name, a dba, a trade name, or an assumed business name, the AMC shall notify the division:
 - (i) in writing; and
 - (ii) within ten business days of making the change.

R162-2e-301. Use of Licensed or Certified Appraisers.

Beginning upon registration with the division and continuing biennially thereafter, an AMC shall provide to the division a statement signed by its designated controlling person that explains the AMC's system for verifying that:

- (1) an appraiser who is added to the panel is licensed or certified; and
- (2) an appraiser who is assigned to complete a real estate appraisal remains licensed or certified in good standing.

R162-2e-302. Adherence to Standards.

Beginning upon registration with the division and continuing biennially thereafter, an AMC shall provide a statement to the division, signed by its designated controlling person, certifying that the AMC verifies that each appraisal assignment offered to an appraiser acting as an independent contractor is:

- (1) signed by an appraiser who is included in the AMC's panel at the time the assignment is offered; and
- (2) includes the information outlined in Subsection 304(1)(b)-(c).

R162-2e-303. Recordkeeping.

An AMC's statement of recordkeeping required upon registration with the division and biennially thereafter shall be signed by its designated controlling person and shall describe:

- (1) its system for maintaining a record of:

- (a) (i) the name of the appraiser who accepts each assignment and signs the corresponding appraisal report; and
- (a) (ii) if an assignment is accepted by an appraisal entity, the name of the entity that accepts the assignment; and
- (b) the client that requested the appraisal report;
- (2) the format in which the records required to be kept under Section 61-2e-303(1) are maintained;
- (3) an explanation of the system through which the AMC backs up any records kept as required by Section 61-2e-303(1) that are maintained in an electronic format;
- (4) the location where the records are kept; and
- (5) the name of the records custodian.

R162-2e-304. Required Disclosure.

In addition to the disclosures required by Section 61-2e-304, an AMC shall:

- (1) at the time an assignment is offered, disclose to the appraiser:
 - (a) the total amount that the appraiser may expect to earn from the assignment, disclosed as a dollar amount;
 - (b) (i) the property address;
 - (b) (ii) the legal description; or
 - (b) (iii) equivalent information that would allow the appraiser to determine whether the appraiser has been involved with any service regarding the subject property within the three years preceding the date on which the assignment is offered;
 - (c) the assignment conditions and scope of work requirements in sufficient detail to allow the appraiser to determine whether the appraiser is competent to complete the assignment; and
 - (d) any known deadlines within which the assignment must be completed;
- (2) at or before the time the appraiser accepts an assignment, obtain the appraiser's acknowledgment as to the AMC's competency statement;
- (3) before requiring the appraiser to submit a completed report, disclose to the appraiser:
 - (a) the total fee that will be collected by the AMC for the assignment; and
 - (b) the total amount that the AMC will retain from the fee charged, disclosed as a dollar amount; and
- (4) direct the appraiser who performs the real estate appraisal activity to disclose in the body of the appraisal report:
 - (a) the total compensation, stated as a dollar amount, paid to the appraiser or, if the appraiser is employed by an appraisal company, to the appraiser's employer; and
 - (b) the total compensation retained by the AMC in connection with the real estate appraisal activity, stated as a dollar amount.

R162-2e-305. Employee Requirements.

- (1) An AMC seeking registration shall demonstrate to the division that each person who selects an appraiser or reviews an appraiser's work for the AMC:
 - (a) is a licensed or certified appraiser in good standing; or
 - (b) has taken and passed the 15-hour national USPAP course.
- (2) An AMC seeking renewal of the company's registration shall demonstrate to the division that each person who selects an appraiser or reviews an appraiser's work for the AMC:

- (a) is a licensed or certified appraiser in good standing; or
- (b) has completed the seven-hour national USPAP update course.

R162-2e-401. Unprofessional Conduct.

- (1) An AMC commits unprofessional conduct if the AMC:
 - (a) requires an appraiser to modify any aspect of the appraisal report, unless the modification complies with Section 61-2e-307;
 - (b) unless first prohibited by the client or applicable law, prohibits or inhibits an appraiser from contacting:
 - (i) the client;
 - (ii) a person licensed under Section 61-2c or Section 61-2f; or
 - (iii) any other person with whom the appraiser reasonably needs to communicate in order to obtain information necessary to complete a credible appraisal report;
 - (c) requires the appraiser to do anything that does not comply with:
 - (i) USPAP; or
 - (ii) assignment conditions and certifications required by the client;
 - (d) makes any portion of the appraiser's fee or the AMC's fee contingent on a favorable outcome, including but not limited to:
 - (i) a loan closing; or
 - (ii) a specific dollar amount being achieved by the appraiser in the appraisal report; or
 - (e) requests, for the purpose of facilitating a mortgage loan transaction,
 - (i) a broker price opinion; or
 - (ii) any other real property price or value estimation that does not qualify as an appraisal.
- (2) An AMC commits unprofessional conduct and creates a violation by the appraiser of R162-107.1.6 if the AMC requires the appraiser to:
 - (a) accept full payment; and
 - (b) remit a portion of the full payment back to the AMC.