

**APPRAISER LICENSING AND CERTIFICATION BOARD  
HEBER M. WELLS BUILDING  
ROOM 2B  
June 10, 2009  
4:00 p.m.  
TELEPHONIC MEETING**

**MINUTES**

**STAFF MEMBERS PRESENT**

Thad Levar, Acting Division Director  
Mark B. Steinagel, Division Director  
Dee Johnson, Enforcement Director  
Mark Fagergren, Education/Licensing Director  
Traci Gundersen, Assistant Attorney General  
Renda Christensen, Board Secretary  
Jim Bolton, Investigator  
Ken Wamsley, Investigator  
Carla Westbroek, Appraisal Education/Licensing Specialist

**BOARD MEMBERS PRESENT**

Ron Smith, Chair  
Craig Morley, Vice Chair  
Debra Sjoblom, Board Member  
Paul Throndsen, Board Member

The June 10, 2009 meeting of the Appraiser Licensing and Certification Board began at 4:02 p.m. with Chair Smith conducting.

Chair Smith welcomed Mr. Levar and asked him to give the Board a brief history of his background. Mr. Levar said that he is currently the Deputy Director for the Department of Commerce. He said that Director Steinagel officially took over the position of Director of the Division of Occupational and Professional Licensing this week. Until the Division of Real Estate has a permanent replacement for Real Estate, Mr. Levar will be the Interim Director.

**DISCUSSION ON INDUSTRY ISSUES**

Chair Smith said there is only one item on the agenda today, which is the discussion on Draft Rule 162-150-1, Appraisal Management Companies. Chair Smith asked for some background on what the industry was thinking and how the draft rule was written. Acting Director Levar said the rule being proposed today has three sections. Sections 1 and 2 have previously been approved by the Board and are ready to go forward. Section 3, Unprofessional Conduct, was added for this draft rule. Two industry groups, the Utah Association of Realtors and the Utah Appraiser Association, approached the Department of Commerce and asked us to consider a rule filing with the material that is contained in Section 3. There were some concerns expressed with real estate dealings failing and undue pressure being put on appraisers by AMC's. As a Department, this draft was prepared and the commitment was made to present the draft to the Board for their consideration on to whether to move forward on the rule. The Associations that brought this to us feel very strongly that timeliness is important to make a

statement on these issues. With the input from these two groups, we have put this draft together, and are now presenting it to the Board for their consideration.

Director Steinagel said the groups gave their opinion that the issue was of such an urgent nature that it shouldn't wait until the next scheduled meeting of the Board. This is why this special meeting was called. Monday is the filing deadline for new Administrative Rules. This draft is prepared with the suggestions from two industry groups, and it up to the Board to decide if it is something they want to carry forward.

Chair Smith asked what types of problems the Utah Association of Realtors and the Utah Appraiser Association have been seeing in the industry to make them ask for this rule. Board Member Sjoblom said that appraisers are calling real estate agents because they don't have key box access, a lack of communication between the lender and the appraiser, and issues of getting clarification worked out. Acting Director Levar said that one of the reasons for the provision is that some AMC's are, in their contract with the appraisers, prohibiting communication with some parties. Vice Chair Morley said the AMC's don't want the appraiser interacting with the loan officer who is processing the loan. In some circumstances, the AMC's will make the appraiser sign a certification that they won't talk to the loan officer, and this creates a confusion as to who can interact with the appraiser.

Director Steinagel asked the Board to look at 1(a) under Section 3. This section was discussed heavily about disclosing to the consumer; filling in who is the client; and, what the cost of the appraisal is, including what the Appraisal Management Company gets paid.

After discussion, additional wording was added to reflect these changes: subsection (a) would be repeated twice. The first subsection (a) would be "fails to disclose to the appraiser:" (i) and (ii); subsection (b) would then become part of subsection (a), and then renumber the item to reflect the changes.

After extended discussion it was decided to eliminate subsection (e).

In subsection (f) (ii), the wording is changed to now read "the real estate licensee".

The current addition of USPAP has deleted the supplemental standards rule, and replaced it with what is called "assignment conditions." The term "supplemental standards" will now be replaced by "assignment conditions" in subsection (g).

Subsection (h) and Section 2 were both approved with no changes.

A motion was made to accept the proposed rule with the above changes, and start the rule in the rulemaking process. The motion was passed unanimously.

Acting Director Levar said the rule will be filed by Monday, published around July 1<sup>st</sup>, and has a 30-day comment period after it is published. The rule could become effective around the end of July, or the first week in August.

A motion was made to adjourn at 5:09 p.m.