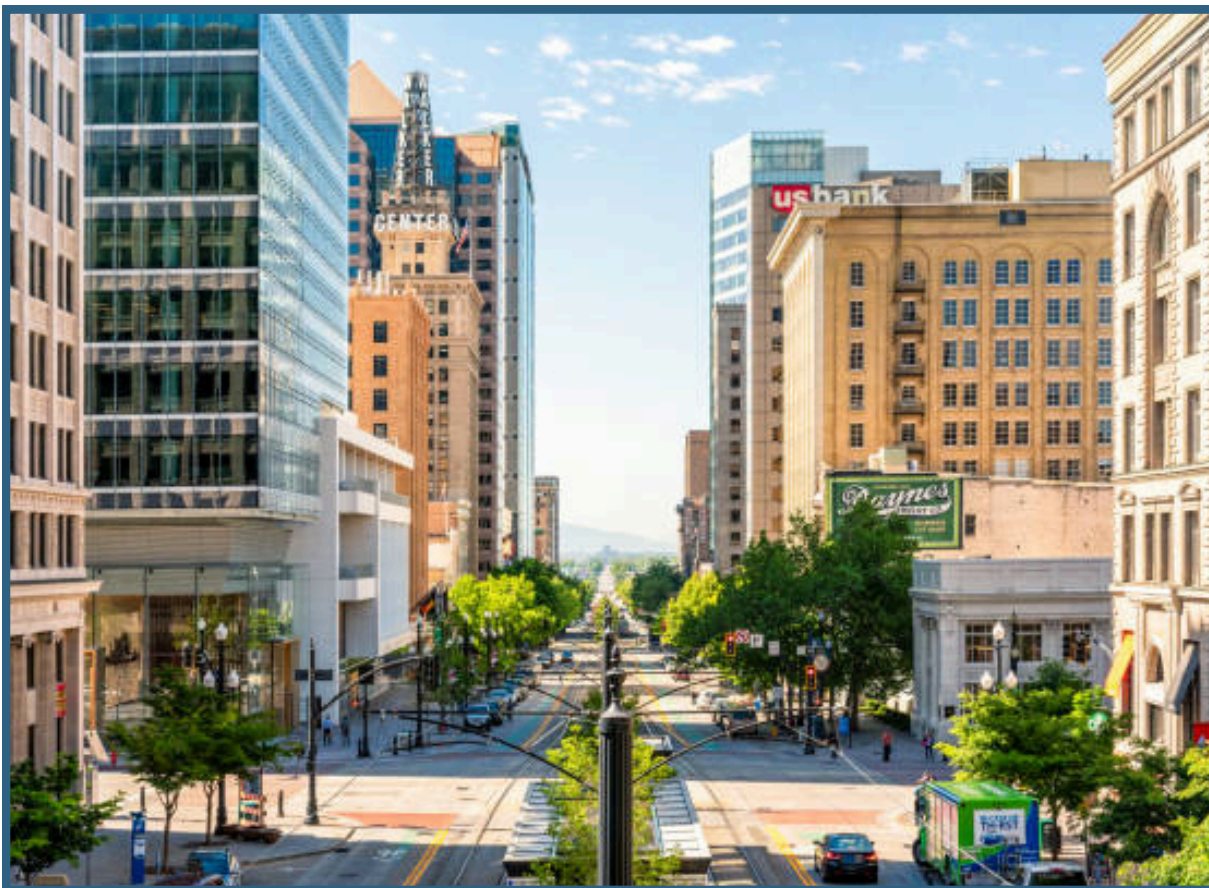


NEWSLETTER

A PUBLICATION FOR UTAH'S REAL ESTATE,
APPRAISAL, & MORTGAGE PROFESSIONALS



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DIRECTOR'S MESSAGE

The 2025 General Legislative Session of the Utah State Legislature has officially concluded, running from January 21st to March 7th. During this intensive period, our elected officials dedicated themselves to addressing a wide array of issues impacting our state.

What Happened During the Session?

The Capitol was a hub of activity for 45 days as lawmakers discussed and voted on hundreds of bills covering a wide range of topics. Housing and development was a key issue given Utah's rapid growth, with a focus on affordability and sustainability. Governor Cox's "Utah Home" initiative also prioritizes housing and development under its "Growth" pillar, aiming to expand housing access.

Legislative Impacts on Appraisal, Mortgage, and Real Estate Professionals

Several bills passed may impact those of you in the appraisal, mortgage, and real estate industries. While this is not an exhaustive list, we've highlighted some key areas of focus:

House Bill 99 Residential Mortgage Loan Amendments

- The bill grants the division the power to issue citations for violations of trigger lead standards related to residential mortgage loans. It also restricts the use of consumer report information for solicitation purposes, aiming to protect consumers from unwanted or misleading offers. Furthermore, the legislation makes technical adjustments to existing code sections, clarifying and refining the regulatory framework for residential mortgage lending in Utah.

House Bill 337 Property Manager Requirements

- House Bill 337 represents a significant overhaul of the regulations governing property managers in Utah. The bill defines key terms, grants authority to the Real Estate Commission to create administrative rules, and mandates licensure for individuals engaging in property management. It also outlines exemptions from licensure, sets qualifications for applicants, and allows licensed brokers and agents to obtain a property manager license without further examination or education. Furthermore, the legislation addresses trust account management, allowing exceptions for property managers with security bonds and providing parameters for property manager activity. Finally, the proposed changes include technical adjustments and conforming amendments to existing code sections.



DIRECTOR'S MESSAGE - CONTINUED

House Bill 419 Real Estate Revisions

- The bill modifies the division's investigative powers, including document retention and acquisition. It clarifies disciplinary action guidelines and factors for the Real Estate Commission and division, including those that affect case prioritization, and defines advertising terms. Further, it addresses agency relationships, particularly regarding principal brokers and buyer interactions. The legislation also introduces record-keeping requirements for brokerages and adjusts timeframes for commencing disciplinary actions. Finally, the bill updates and enacts several sections of the Utah Code related to real estate licensure and conduct.

Senate Bill 17 Services for Department of Defense Civilian Employees

- This bill, specifically Section 24, addresses exemptions from real estate licensure. It allows certain individuals to engage in real estate practices without a license, subject to specific circumstances and limitations. The exemptions apply to:
 - Individuals already licensed in another occupation or profession in Utah, while practicing within the scope of that license.
 - Members of the U.S. Armed Forces, U.S. Public Health Service, U.S. Department of Veterans Affairs, or other federal agencies, when performing activities regulated under this title as part of their federal employment and if they hold a valid license from another recognized state or jurisdiction.
 - Spouses of U.S. Armed Forces members or DOD civilians stationed in Utah, provided they hold a valid, current real estate license in good standing from another state or jurisdiction recognized by the department.

The bill defines "DOD civilian" as it is defined in [Utah Code Section 53B-8-102](#).

We understand that legislative changes can create both challenges and opportunities. We are committed to keeping you informed and providing resources to help you navigate these changes.

Where to Find More Information:

To stay informed about specific bills and their outcomes, we encourage you to:

- Visit the official Utah State Legislature website (le.utah.gov) for detailed information, including bill summaries and voting records.
- Check the websites of relevant state agencies for information on how new laws will be implemented.
- Look at Governor Cox's website (governor.utah.gov) for updates, and for further information about the Governor's "Utah Home" initiative.



RULE DEVELOPMENTS SINCE JANUARY 1, 2025

To view and comment on any proposed or amended rules during the public comment period, please visit the Utah State Bulletin at <http://www.rules.utah.gov/publications/bulletin.htm>

Appraisal Management Company Rules

On January 17, 2025, the Appraisal Management Company Rule was reviewed and continued for another five-year period. The authority and requirement for this rule is provided for in the Appraisal Management Company Registration and Regulation Act.

Appraisal

The Real Estate Appraiser Licensing and Certification Administrative Rule was amended February 26, 2025. The primary focus of the amendment is the requirement that an appraiser complete the Valuation Bias and Fair Housing Laws and Regulations Course as required by the Appraisal Foundation. The amendment provides that trainees, licensees, and certified appraisers complete the seven-hour course, plus a one-hour exam. Following completion of the course for the first time, each appraiser and trainee must complete a similar four-hour course every two years in order to retain trainee status or an appraiser credential.

In addition to the Valuation Bias and Fair Housing Laws and Regulations Course, the rule amendment adopts by reference the updated January 1, 2024 version of USPAP and increases the maximum valuation of a complex one-to-four-unit residential property that a licensed appraiser may appraise from \$250,000 to \$400,000.

Mortgage

On January 17, 2025, the Utah Residential Mortgage Practicing and Licensing Rule was reviewed and continued for another five-year period. The authority and requirement for this rule is provided for in the Utah Residential Mortgage Practices and Licensing Act.

Real Estate

The Commercial Real Estate Committee continues to meet to address rules related to co-brokering between licensed brokers and other issues. This committee has met several times and is working to draft a proposed rule amendment for possible recommendation to the Real Estate Commission.

On February 5, 2025, the Real Estate Licensing and Practices Rule was reviewed and continued for another five-year period. The authority and requirement for this rule is provided for in the Real Estate Licensing and Practices Act.

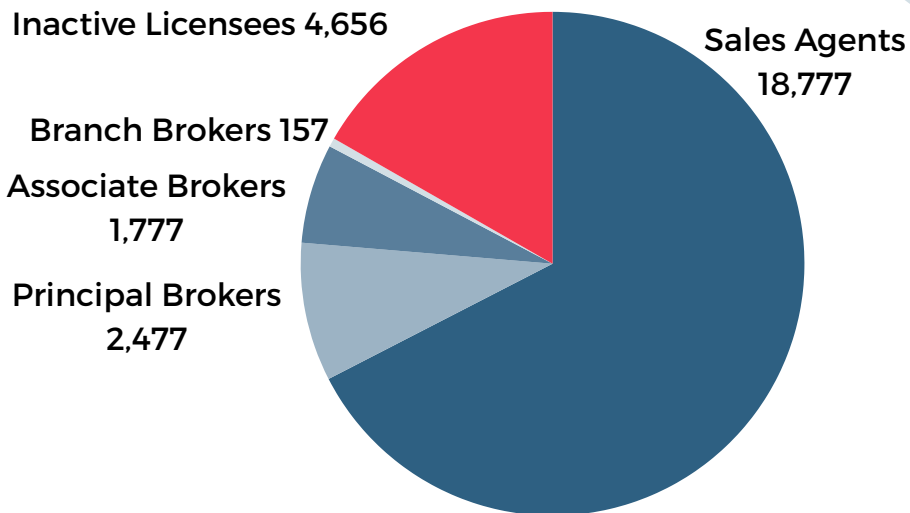
Timeshare and Camp Resort

On January 17, 2025, the Timeshare and Camp Resort Rule was reviewed and continued for another five-year period. The authority and requirement for this rule is provided for in the Timeshare and Camp Resort Act.

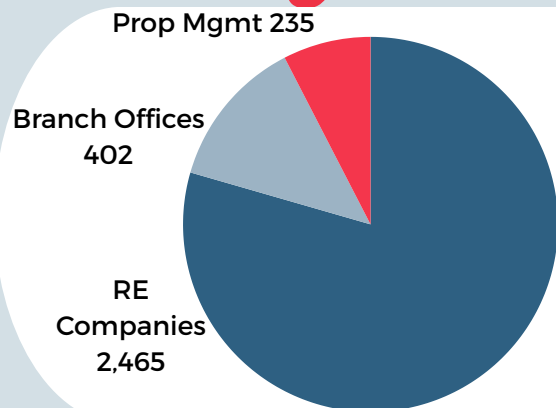
Utah Housing Opportunity Restricted Account

On February 12, 2025, the Utah Housing Opportunity Restricted Account Rule was reviewed and continued for another five-year period. The authority for this rule is provided for in Utah Code Section 61-2-204, Utah Housing Opportunity Restricted Account.

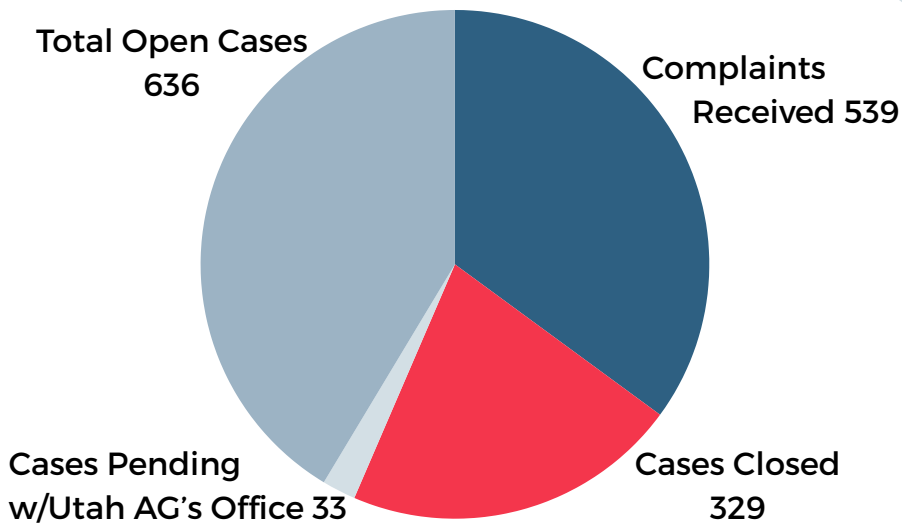
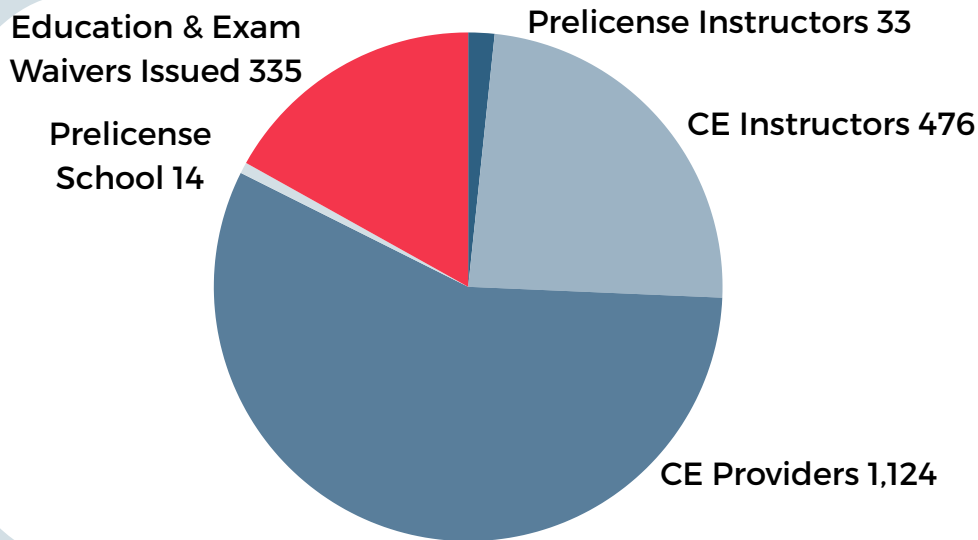
LICENSING STATS - Year End Numbers for 2024



Real Estate Licensing

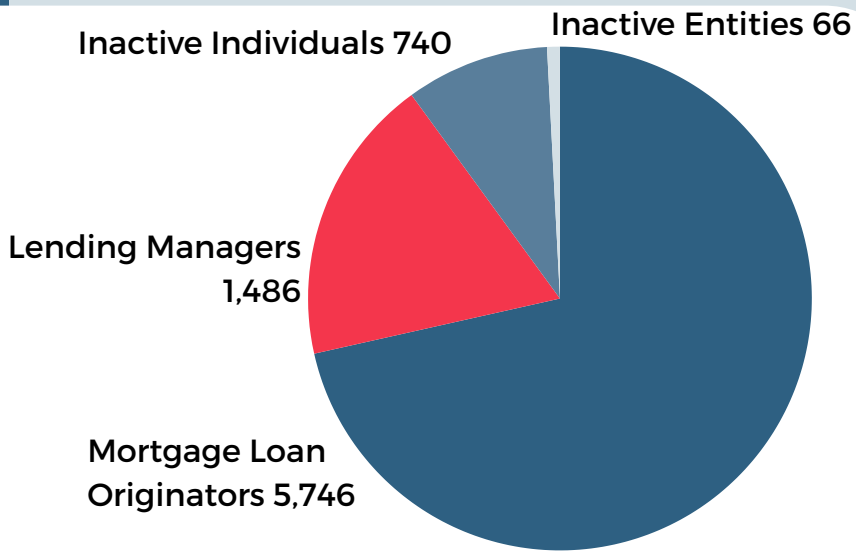


Real Estate Education



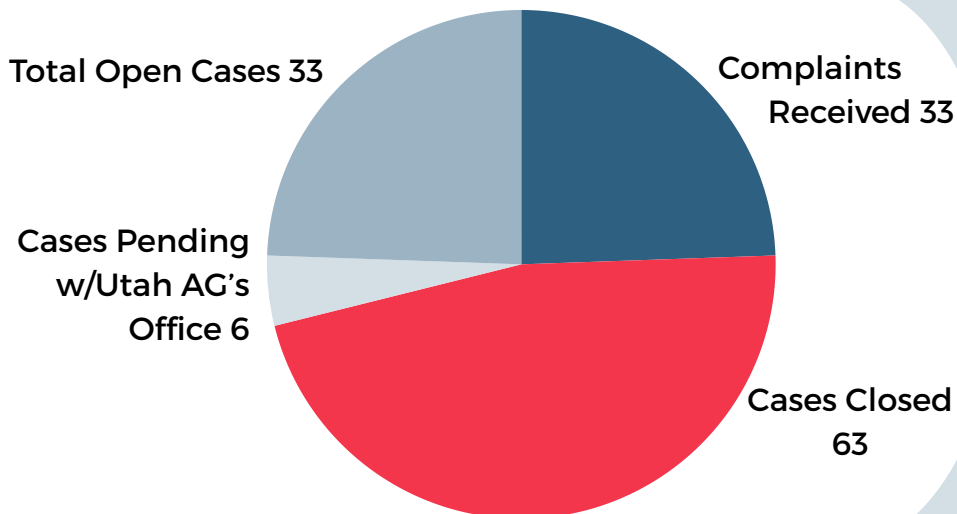
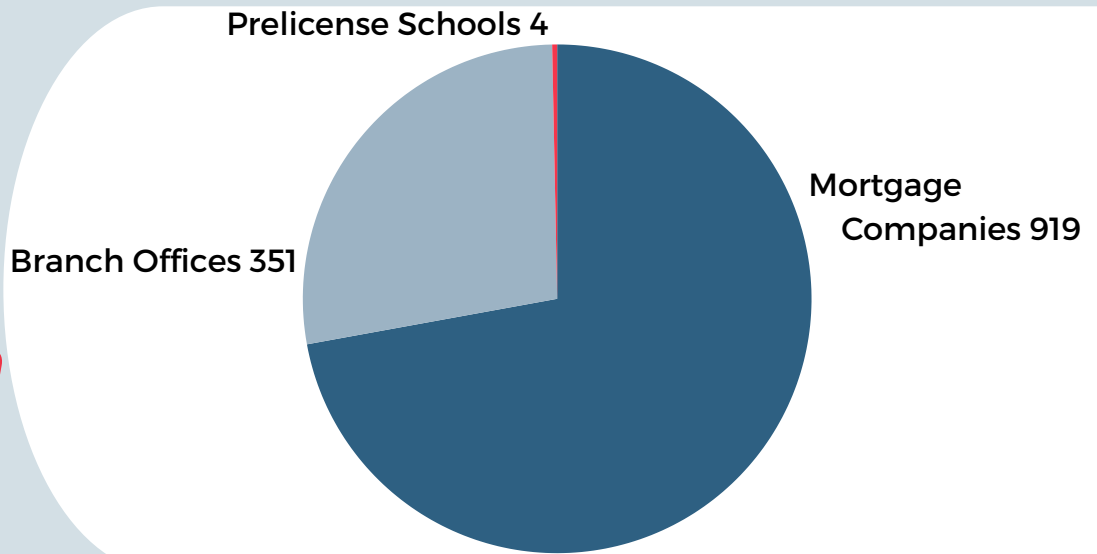
Real Estate Enforcement

LICENSING STATS - CONTINUED



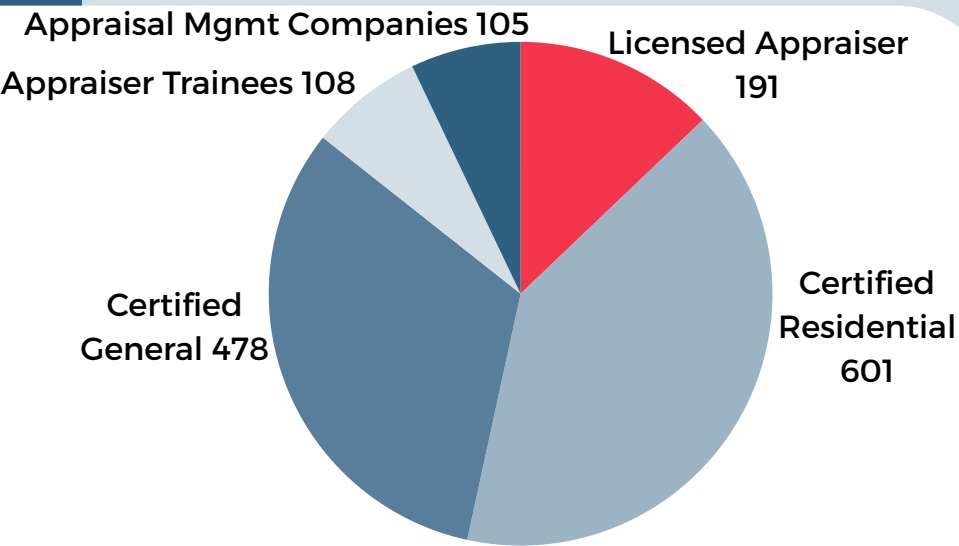
Mortgage Licensing

Mortgage Companies & Education



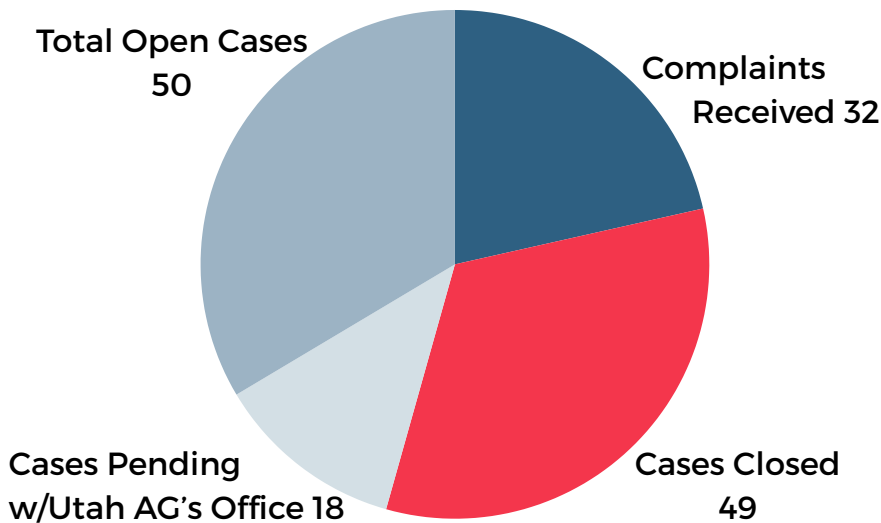
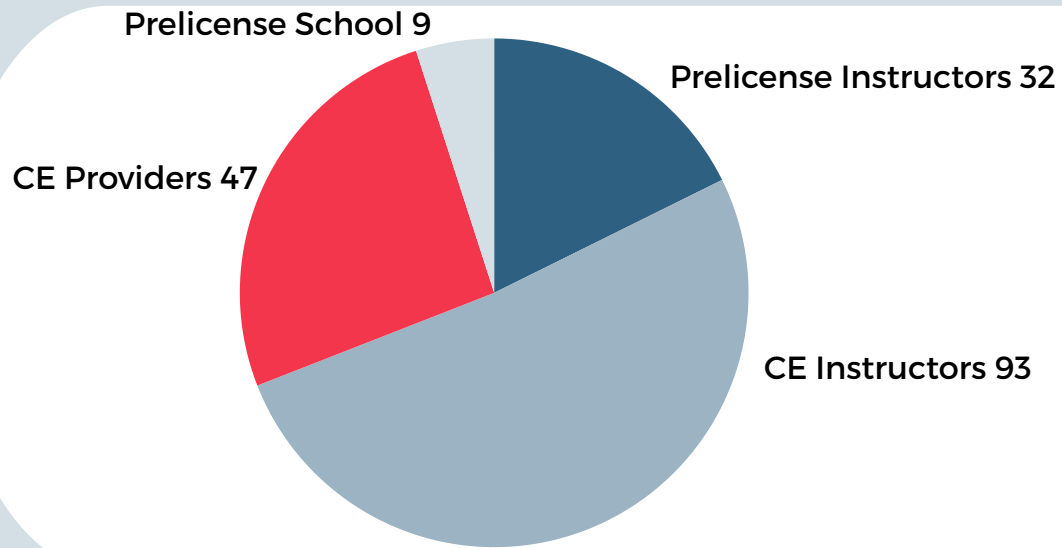
Mortgage Enforcement

LICENSING STATS - CONTINUED



Appraisal Licensing

Appraisal Education



Appraisal Enforcement

BROKERS: How to Manage your Roster in MyLicenseOne

Written By: Sarah Thaler

These steps and tips will empower brokers to efficiently manage their company roster within our new online system, MyLicense One.

Upon successfully logging into MyLicense One (<https://utahdoc.mylicenseone.com>), please confirm that your personal, company, and branch licenses are all visible within the “**Existing License/Registration Holders**” section of the dashboard. If your company or branch licenses are not displayed, please reach out to realestate@utah.gov via email to request the necessary registration codes.

Removing or Accepting Outgoing Agent Requests

If the company or branch license is listed, you can select the 3 dots next to the specific office and select the option to “**Manage Roster.**” From there, you can view all agents associated with that office and remove licensees or accept pending requests.

Accepting Requests for Agents Joining Your Brokerage

On the MyLicense One dashboard, in the “**Activity**” section, agent affiliation requests are displayed as “**Started Real Estate Affiliation Change Form.**” Click the request to complete the required steps.

If there are multiple pending requests or you are unsure of the agent that has submitted a change, you can click on the 3 dots next to your Principal or Branch Broker License and select the option for: “**View Pending Changes.**” A new document will display all the agents who are still currently waiting for acknowledgment to leave the brokerage.

For Affiliation Changes, agents will submit the request through their online account by including the new company license number. Once submitted, the **INCOMING Broker** will need to first acknowledge the request in the “**Activity**” Section. Then the **OUTGOING Broker** will have the option to complete the request by clicking on “**Manage Roster.**”

After a request has been completed by all parties, MyLicense One will typically update within 1-2 business days. Licensees can use the “**Verify License**” feature on our website to confirm the changes: <https://secure.utah.gov/rer/relv/search.html>



Find the most up-to-date information and resources to navigate this change seamlessly on our website!

HELPFUL TIPS

APPRAISER MENTORSHIP PROGRAM

Written By : Bryn Kaelin

Breaking the Cycle: A New Approach to Appraisal Excellence

The appraisal world has a problem: repeated violations persist despite traditional education and penalties. Issuing fines and corrective education does not prevent some appraisers from repeating the same mistakes.

Why This Matters

- Continuous violations damage public trust
- Repeated mistakes indicate a deeper learning gap
- The industry deserves better

Enter the Appraiser Mentorship Program

Our Innovative Solution

The Appraiser Mentorship Program isn't punishment – it's professional transformation. We're replacing online click-through corrective education with personalized, hands-on guidance.

Key Program Features:

- One-on-one expert mentorship
- Tailored case-specific help
- Real-world guidance
- Performance monitoring

The Goal: Elevate, Not Eliminate

Our mission is straightforward: Provide a genuine growth solution to help non-compliant appraisers through one-on-one education, ultimately creating exceptional professionals. We're investing in people, not just punishing mistakes.

What's Next

The Division is working hard to prepare this program for launch. We are diligently working with our communications department and are excited to begin accepting mentorship applications soon.

Stay Tuned for Updates!

The Appraiser Mentorship Program is about growth, accountability, and raising the bar for enforcement and the entire appraisal community.

The mentorship program is supported by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council under Grant No. SSG2024UT02. Opinions or points of view expressed in this document are those of the authors and do not necessarily reflect the official position of or a position that is endorsed by the Appraisal Subcommittee.

LEAD-BASED PAINT DISCLOSURE: Compliance and Risk Management

Disclosure, acknowledgment, and retention are common issues surrounding lead-based paint violations. Recent headlines involving lead-based paint violations:

[“EPA cites Salt Lake City building owner for not providing lead paint hazard notice”](#)

[“Moorhead, Minnesota, Real Estate Company Sentenced for Failing to Provide Lead-Based Paint Disclosure”](#)

[American Heritage Property Management, LLC Stipulated Penalty](#)



These materials address the legal requirements for disclosing lead-based paint hazards in pre-1978 residential properties. Real estate agents and property managers must provide disclosures, pamphlets, and addenda to buyers or renters. Failure to comply with these regulations can result in significant fines and legal repercussions. Utah utilizes state-approved forms for lead-based paint disclosure and addenda, which must be retained by the brokerage:

The Pamphlet

<https://www.epa.gov/sites/default/files/2020-04/documents/lead-in-your-home-portrait-color-2020-508.pdf>

The Disclosure

<https://realestate.utah.gov/wp-content/uploads/2023/03/lead-disclosure-and-acknowledgement.pdf>

The Addendum

<https://realestate.utah.gov/wp-content/uploads/2023/03/lead-based-paint-addendum.pdf>

LEAD-BASED PAINT DISCLOSURE: Compliance and Risk Management - *Continued*

Other articles and resources:

The Lead Disclosure Rule

https://www.hud.gov/program_offices/healthy_homes/enforcement/disclosure

Realtor Sentenced for Violating Lead-Based Paint Disclosure Rule

<https://www.justice.gov/usao-wdny/pr/realtor-sentenced-violating-lead-based-paint-disclosure-rules>

U.S. EPA Reaches Settlements with Century 21 and Coldwell Banker for Failures to Disclose Lead-Based Paint Information in Hawaii

<https://www.epa.gov/newsreleases/us-epa-reaches-settlements-century-21-and-coldwell-banker-failures-disclose-lead-based>

Property Manager, Leasing Agent Fined Over Lead Paint Disclosure Rules

https://american-apartment-owners-association.org/property-management/latest-news/property-manager-leasing-agent-fined-over-lead-paint-disclosure-rules/?srsltid=AfmBOoqqri0GLifo1lhGVAXMQpY7pUZ_-EOctfcl7tc01IPN0gQYKLN_



Test your knowledge! *APPRAISAL Edition*

1. At what point can you start earning experience hours with a supervisor as a trainee?
 - a. When the trainee registration paperwork is signed
 - b. When the trainee receives approval from the Division to work with a supervisor
 - c. When the supervisor has completed the supervisor/trainee course
 - d. When the ASC has approved a supervisor license

2. What is the minimum amount of education hours required to become a Certified General Appraiser?

- a. 100
- b. 250
- c. 275
- d. 304

3. How many different pathways are there to satisfy the Certified Residential Appraiser higher education requirement?

- a. 6
- b. 4
- c. 10
- d. 3

4. How many experience hours are required to apply to be a Licensed Appraiser?

- a. 500
- b. 750
- c. 900
- d. 1000

5. How much experience can you submit from desk reviews to upgrade your license?

- a. 10%
- b. 25%
- c. 30%
- d. 50%

Answers posted at the bottom of the credits page

OPEN HOUSES AND WRITTEN AGREEMENTS

The division has noted a significant increase in inquiries from real estate licensees concerning the necessity of obtaining written agreements from individuals attending open houses. This indicates a prevalent uncertainty within the industry, and we want to provide clarity on this matter.

Simply attending an open house does not automatically create an agency relationship (typically established through a written agreement such as a Buyer Broker Agreement). While written buyer agency agreements are essential for establishing formal representation, they are typically not required for casual open house attendees.

In a typical open house scenario, the listing agent's primary and fiduciary duty is to the seller. Therefore, a listing agent does not need a formal buyer agency agreement to show the property to potential, unrepresented buyers attending the open house or who request a guided tour during the open house.

Clarifying Recent Changes:

Recent changes in real estate practices for National Association of REALTORS members, especially concerning written agreements, have caused some confusion. It is very important to understand the difference between a person just attending an open house, and a person who wants to create a formal buyer/agent relationship. To support both member licensees and consumers, REALTOR organizations provide valuable resources. Explore these helpful links:

- [Window to the Law: How Open Houses are Affected by the NAR Settlement](#)
- [Consumer Guide: Open Houses and Written Agreements](#)
- [Consumer Guide to Written Buyer Agreements](#)



Importance of Disclosure:

Regardless of whether a written agreement is required, it's always best practice for licensees to clearly disclose who they represent. Transparency is crucial in preventing misunderstandings. Utah Admin. Code R162-2f-401a(6)(c) and (9) identifies when and under what circumstances a licensee must disclose agency relationships:

"An individual licensee shall:

...

(6) before the execution of a binding purchase or lease agreement, disclose in writing to clients, agents for other parties, and unrepresented parties:

...

(c) the licensee's agency relationships; and

...

(9) upon initial contact with another agent in a transaction, disclose the agency relationship between the licensee and the client;"

OPEN HOUSES AND WRITTEN AGREEMENTS - CONTINUED

Open Houses and Subagency:

Occasionally, agents from outside the listing brokerage may request to hold an open house at a property. This presents a dual opportunity: enhanced exposure for the seller's listing and valuable lead generation for the hosting agent. In this case, [Utah Admin. Code R162-2f-401a\(12\)](#) requires the establishment of a sub-agency relationship:

“An individual licensee shall:

...

(12) if the licensee desires to act as a sub-agent for showing property owned by a seller who is under contract with another brokerage, before showing the seller's property:

- (a) notify the listing brokerage that sub-agency is requested; and
- (b) enter into a written agreement with the listing brokerage with which the seller has contracted:
 - (i) consenting to the sub-agency; and
 - (ii) defining the scope of the agency;
- (c) obtain from the listing brokerage any available information about the property; and
- (d) uphold the same fiduciary duties outlined in Subsection (1);”

It is imperative that both the listing and hosting agents prioritize and maintain their fiduciary obligations to the seller throughout the open house process. By adhering to these guidelines and prioritizing clear communication, licensees can navigate open house scenarios effectively while upholding ethical standards and protecting all parties involved.

In Summary

In summary, to resolve the confusion surrounding open house attendees, remember: no written buyer agency agreement is needed for casual attendees; the listing agent's duty is to the seller.



KAGIE'S KORNER

Written By: Van Kagie



What is a Fiduciary Duty?

A fiduciary duty is a legally enforceable ethical obligation requiring a party (the fiduciary) to act in the best interests of another party (the principal) with the utmost good faith, loyalty, and prudence. It encompasses duties of care, obedience, disclosure, and confidentiality, demanding the fiduciary prioritize the principal's interests above their own and avoid conflicts of interest. This duty transcends mere contractual obligations, establishing a relationship of **trust and confidence**.

Fiduciary Duties in Statute and in Rule

Utah Code § 61-2f-401(15)

The following acts are unlawful and grounds for disciplinary action for a person licensed or required to be licensed under this chapter:

...

(15) breaching a fiduciary duty owed by a licensee to the licensee's principal in a real estate transaction;

Utah Admin. Code R162-2f-401a(1)

An individual licensee shall:

(1) uphold the following fiduciary duties in the course of representing a principal:

- (a) loyalty, which obligates the agent to place the best interests of the principal above any other interest, including the agent's own;
- (b) obedience, which obligates the agent to obey any lawful instructions from the principal;
- (c) full disclosure, which obligates the agent to inform the principal of any material fact the agent learns about:
 - (i) the other party; or
 - (ii) the transaction;
- (d) confidentiality, which prohibits the agent from disclosing, without permission, any information given to the agent by the principal that would likely weaken the principal's bargaining position if it were known, but excepting any known material fact concerning:
 - (i) a defect in the property; or
 - (ii) the client's ability to perform on the contract;
- (e) reasonable care and diligence;
- (f) holding safe and accounting for any money or property entrusted to the agent; and
- (g) any additional duties created by the agency agreement;

Utah Admin. Code R162-2f-401a(4)(b)

An individual licensee shall:

...

(4) when acting under a limited agency agreement:

...

- (b) uphold the following fiduciary duties to both parties:
 - (i) obedience, which obligates the limited agent to obey any lawful instructions from the parties, consistent with the agent's duty of neutrality;
 - (ii) reasonable care and diligence;
 - (iii) holding safe any money or property entrusted to the limited agent; and
 - (iv) any additional duties created by the agency agreement;

KAGIE'S KORNER - CONTINUED

Real World Examples

The following examples demonstrate scenarios that real estate licensees may encounter while fulfilling their fiduciary duties.

1. Loyalty (Placing the Principal's Interests First)

- Example:
 - A listing agent receives two offers, one slightly higher but with less favorable terms for the seller (e.g., longer closing period, more contingencies). The agent recommends the offer that best aligns with the seller's overall goals, even if it means a slightly smaller commission.

2. Obedience (Following Lawful Instructions)

- Example:
 - A seller instructs their listing agent not to show the property on Sundays due to religious reasons. The agent must comply with this instruction, provided it's lawful.
 - A buyer instructs their agent to only submit offers below a certain price point. The agent must adhere to this instruction, even if they believe a higher offer would be more competitive.
 - The Division has encountered instances where agents fail to include client-requested contingencies, such as those allowing for the purchase of alternate properties, in contracts or addenda. In some cases, agents have actively discouraged clients from pursuing these contingencies. This conduct is inconsistent with the duty of obedience.

3. Full Disclosure (Sharing Material Facts)

- Example:
 - A listing agent learns that the neighboring property is slated for the development of a commercial facility that could significantly impact property values. They must disclose this information to potential buyers.
 - A buyer's agent discovers that the seller is facing foreclosure proceedings. They must disclose this information to their client, as it could affect the seller's ability to close.
 - A listing agent must disclose any known defects in the property, such as a leaky roof or foundation issues.

4. Confidentiality (Protecting Client Information)

- Example:
 - A seller discloses to their agent that they are under pressure to sell quickly due to a job relocation. The agent cannot reveal this information to potential buyers, as it would weaken the seller's bargaining position.
 - A buyer discloses to their agent their maximum budget. The agent cannot reveal this information to the seller or their agent.

KAGIE'S KORNER - CONTINUED

Real World Examples

- An agent must disclose a known material defect in the property even if the seller wishes it to remain confidential.
- An agent must disclose if they have knowledge that their client may not be able to obtain the needed funds to close the deal.

5. Reasonable Care and Diligence (Acting Competently)

- Example:
 - A listing agent thoroughly researches comparable properties to determine a fair market value for their client's home.
 - An agent makes sure that all paperwork is filled out correctly by the agent, and that all deadlines are met.
- *See below for a self-assessment for this particular duty*

6. Holding Safe and Accounting for Money or Property (Handling Funds Responsibly)

- Example:
 - An agent promptly deposits earnest money according to the terms of the contract.
 - An agent must never co-mingle personal funds with client funds.

7. Additional Duties Created by the Agency Agreement (Following Specific Agreements)

- Example:
 - If the agency agreement specifies that the agent will provide weekly market updates to the client, the agent must fulfill this obligation.
 - If the agreement states that the agent will schedule and attend all inspections on behalf of the client, the agent must do so.
 - If the agreement states that the agent will provide professional photography of the property, then the agent is obligated to do so.



KAGIE'S KORNER - CONTINUED

Reasonable Care and Diligence Self-Assessment

In essence, reasonable care and diligence means acting as a competent and responsible professional who takes their fiduciary duties seriously. It's about protecting the client's interests, ensuring they have all the necessary information to make informed decisions, and guiding them through the complexities of a real estate transaction with skill and expertise. Do you demonstrate the following as you practice?

1. Property Research and Valuation:

- When I'm acting as a listing agent, I don't just rely on the seller's opinion of value. I conduct thorough market research, analyze comparable sales (comps), and consider factors like location, condition, and recent market trends to determine a fair and accurate listing price.

2. Document Review and Verification:

- When I act as a buyer's agent, I carefully review the contract terms and help facilitate the transaction so that all terms are met.
- I don't just skim documents; I look for potential red flags, inconsistencies, or areas that need further clarification to protect my client's interests.

3. Communication and Responsiveness:

- I promptly respond to client inquiries, inform them about important deadlines and developments, and proactively communicate with other parties involved in the transaction (e.g., the lender, the escrow company, the other agent, etc.).
- I don't leave my clients in the dark or miss critical deadlines.

4. Market Knowledge and Expertise:

- I stay up-to-date on local market conditions, zoning regulations, and relevant legal or regulatory changes that could impact my clients.
- I don't rely on outdated information or make assumptions.
- I continually educate myself to provide the best possible advice.

5. Negotiation and Advocacy:

- I skillfully negotiate on behalf of my client, whether it's to get a better price, more favorable terms, or necessary repairs.
- I don't shy away from advocating for my client's best interests, even if it means pushing back against the other party.

6. Attention to Detail and Accuracy:

- I meticulously review all contracts and documents for accuracy and completeness before presenting them to my client.
- I don't rush through the paperwork or overlook important details that could have significant consequences.

7. Ethical Conduct and Professionalism:

- I always act with honesty and integrity, putting my client's interests first.
- I adhere to the regulations applicable to me, even when faced with challenging situations or temptations to cut corners.

2025 MORTGAGE UPDATE

Written By: Mike Page



Welcome to 2025!

The mortgage license renewal/reinstatement period has now come to an end and the renewal season is finally over. We implemented an auto-renewal setup again this year through the NMLS. A big thank you to everyone who renewed on time and completed their requirements ahead of schedule. Here are the final numbers: **there were 9,157 licenses eligible for renewal last year. Of that total, 8,012 renewed, for an 87% renewal rate. That leaves 13% or 1,145 licensees who failed to renew and whose license status has now changed to Terminated/Expired.** They will now have to request a new license through the NMLS if they wish to have an active license. Please be aware that next year's renewal will require a new Background Check & Credit Report for all individuals licensed with the State of Utah. This will be processed and completed through the NMLS, with more information to follow later in the year. Please watch for license items placed by the NMLS.

There's some big news for this first quarter of 2025 which we think will be a big relief, not only for new MLOs who become licensed with the State, but to the Division as well. After much discussion with NMLS Education & Testing personnel, Division management, with the concurrence of the Mortgage Commission, **The Utah DRE will be removing the "Utah 5-Hour Post License Course" requirement for all future MLOs wishing to become licensed with the state.** This will also affect those individuals whose license has expired and wish to become licensed again. If they completed the course prior to their license expiring, they will not have to retake the 5-hour course as part of their late CE. We feel this will both streamline the license application process and alleviate delays and possible denials in the renewal process going forward. However, please note that regular CE is still required each year.

Secondly, for Mortgage Entities and DBA Renewals, the Division will also be removing the **"Certificate of Existence"** requirement needed each year. So long as they are currently registered with the Utah Division of Corporations and are up to date, there will be no need to upload a new certificate each year. ***Please note that new companies and DBAs will still be required to obtain and upload to the NMLS an initial Certificate of Existence to become licensed with the State.** Again, we feel this will alleviate bottlenecks and delays in the licensing and renewal process.

Lastly, the Division will no longer be emailing license copies. This was done primarily as a courtesy only. The DRE has never required a paper license be displayed or kept on file. Since the creation of the NMLS back in 2009/2010, all relevant information regarding a license status or agent, whether company, branch, or individual can be found through the **NMLS Consumer Access Portal**. This information is freely available to lenders, brokers, agents, and the general public. They only need to enter the Name, Company, City, State, Zip Code, NMLS ID number, and/or License #.

<https://www.nmlsconsumeraccess.org/>



FORECLOSURE RESCUE: Understanding Deceptive Practices

Foreclosure rescue efforts present a double-edged sword: while legitimate programs can offer vital assistance to homeowners facing foreclosure, predatory practices abound, exploiting the desperation and vulnerability of individuals in dire financial straits. These deceptive schemes often masquerade as lifelines, promising to save homes from foreclosure, but ultimately lead to further financial ruin and emotional distress.

What is Foreclosure Rescue? A Legal Definition and its Implications

[Utah Code § 61-2f-102\(12\)](#) provides a clear legal definition of "foreclosure rescue," which is crucial for understanding the scope of regulated activities:

- **Definition:**
 - "Foreclosure rescue" involves engaging in or offering acts that are represented as assisting a borrower in preventing foreclosure, in exchange for compensation or valuable consideration.
 - This applies to transactions involving the transfer of title to residential real property.
 - It also includes soliciting or negotiating these acts as an employee or agent of another person.
- **Significance:**
 - This definition highlights that any activity aimed at preventing foreclosure, especially those involving property title transfers, falls under the purview of foreclosure rescue regulations.
 - It underscores the importance of scrutinizing any offer of assistance, particularly those involving fees or property transfers.

Unlawful Conduct: Recognizing the Red Flags

[Utah Code § 61-2f-401\(22\)\(b\)-\(d\)](#) outlines specific unlawful acts, serving as crucial indicators of potential scams:

- **Lack of Written Agreement:**
 - It's illegal to engage in foreclosure rescue without a detailed written agreement specifying the services to be provided.
 - **Why this matters:** A written agreement provides transparency and legal protection, outlining the terms of the arrangement.
- **False Representations:**
 - Inducing a homeowner by falsely claiming a special relationship with their lender, loan servicer, or government agency is prohibited.
 - **Why this matters:** Bad actors often use these tactics to gain trust and credibility. It is also illegal to falsely represent or advertise that they are acting on behalf of a non-profit or charitable institution.
- **Harmful Recommendations:**
 - Recommending or participating in a rescue that requires:
 - Transferring property title to the rescuer or a related third party.
 - Making mortgage payments to anyone other than the loan servicer.
 - Restricting communication with the lender, loan servicer, attorney, credit counselor, or housing counselor.
 - **Why this matters:** These actions isolate homeowners, facilitating exploitation and hindering access to legitimate assistance.



FORECLOSURE – CONTINUED

Common Deceptive Practices and their Dangers

- **Equity Stripping:** Bad actors convince homeowners to transfer their property, promising to help them avoid foreclosure. They then extract the home's equity, leaving the homeowner with nothing.
- **Lease Buyback Schemes:** Bad actors tell homeowners they can lease their property and eventually buy it back. However, the terms are often such that it is impossible to repurchase the property, leading to eviction.
- **False Loan Modification Assistance:** Bad actors charge upfront fees for loan modification services that they never deliver. They may provide false hope while the homeowner falls further behind on their mortgage.
- **Phantom Help:** Bad actors promise to handle all negotiations with the bank but never do anything and the home goes into foreclosure.

Risks to the Public: The Devastating Consequences

- **Loss of Property:** Homeowners can lose their homes through fraudulent title transfers.
- **Financial Ruin:** Equity stripping and excessive fees can lead to significant financial losses and increased debt.
- **Emotional Trauma:** Being a victim of foreclosure rescue scams causes severe emotional distress, including anxiety, depression, and loss of trust.

Increased Debt: Instead of resolving the debt, the scams often increase the debt owed.

The Crucial Role of Real Estate Professionals

Real estate licensees are often the first point of contact for homeowners facing foreclosure. Their professional expertise and ethical obligations place them in a prime position to recognize and report suspicious activity. Due to their daily involvement in real estate transactions, real estate professionals are far more likely to observe red flags that could indicate a foreclosure rescue scam.

By being vigilant and informed, real estate licensees act as strong advocates for homeowners, helping them navigate the complex world of real estate transactions and avoid potentially devastating scams.

Conclusion

Navigating the complexities of foreclosure can be daunting, but understanding the red flags of deceptive foreclosure rescue practices is critical for homeowners. By being aware of the legal definitions, unlawful conduct, and common scams, real estate professionals can play a vital role in identifying and reporting suspicious activities, acting as advocates and safeguards for vulnerable homeowners. Vigilance and education are the strongest defenses against these predatory schemes, ensuring that those facing foreclosure can seek legitimate assistance without falling victim to further exploitation.

WHAT IS THE APPRAISAL REVIEW COMMITTEE?

Written By: Karissa Lewis

The Division of Real Estate established the Appraisal Experience Review Committee to assess whether an applicant meets the qualifications to take the national licensing exam. The Appraiser Qualifications Board requires qualified individuals to ensure applicants comply with the Uniform Standards of Professional Appraisal Practice (USPAP) standards during their experience verification. While DRE's licensing specialists manage licensure applications by verifying education and experience, they may not have expertise in report writing and work file requirements. Thus, the creation of the Appraisal Experience Review Committee.

The Appraisal Experience Review Committee consists of Certified Residential and Certified General Appraisers who possess extensive experience in the appraisal field. They specialize in various areas, including residential, agricultural land, mining, etc. While most members are fee appraisers, several can do Ad Valorem (MASS) reviews. Many of these appraisers have previously served as supervisors and are familiar with reports that may differ from their personal style.

The members of this committee volunteer their time to review the samples; they do not receive compensation and fit this work into their schedules. As a result, the review process can take several weeks.

We appreciate the commitment of all members of the Experience Review Committee and are always seeking additional volunteers!

If you are interested in becoming a reviewer on the Experience Review Committee, please email your resume to mgenco@utah.gov or karissalewis@utah.gov.

Reminder

Spring Caravan is Here!

The Utah Division of Real Estate is excited to remind licensees about the upcoming 2025 Spring Caravan, a series of FREE CORE continuing education courses designed for real estate, appraiser, and mortgage licensees. This is a unique opportunity to gain valuable insights from Division Director Leigh Veillette, Chief Investigator Kadee Wright, and Licensing and Education Manager Laurel North.

Join us as we delve into current issues and hot topics impacting the real estate, mortgage, and appraisal industries. This interactive forum provides a platform to have your questions answered and address any industry-related concerns you may have directly with Division leadership. (cont'd on next page)

2025 CARAVAN REMINDER!

UPCOMING LOCATIONS & DATES:

- Moab – Apr 8
- Richfield – Apr 9
- Spanish Fork – Apr 24 **CURRENTLY FULL**
- Cedar City – Apr 29 **CURRENTLY FULL**
- St. George – Apr 30 **CURRENTLY FULL**
- Vernal – May 8
- Logan – May 15 **CURRENTLY FULL**
- Salt Lake City – May 27 (AM)
- Salt Lake City – May 27 (PM)



Key Highlights:

- **Expert Insights:** Learn directly from Division Director Leigh Veillette, Chief Investigator Kadee Wright, and Licensing and Education Manager Laurel North.
- **Q&A Session:** Get your specific questions answered.
- **Limited Seating:** Secure your spot through our first-come, first-served electronic reservation system.
- **Real Estate Licensees:** Receive three hours of FREE core credit for attending the full course to fulfill your state-specific CE requirement.
- **Appraiser Licensees:** Receive two hours of FREE credit for attending the full course to fulfill your state-specific CE requirement.
- **Mortgage Licensees:** Receive one hour of FREE credit for attending the full course to fulfill your state-specific CE requirement.
- **Registration Reminder:** Registration reminders will be sent out via email prior to the event you have registered for and will include venue location, confirmation of date and time, parking information, and anything else you need to know!

Important Note: While walk-ins may be accommodated if space permits, registration is highly recommended as these events fill up quickly.

Don't miss this opportunity to stay informed and connected!

Click Here to Register: <https://db.realestate.utah.gov/caravan/registration.html>

For any questions, please email sbargas@utah.gov



Reminder emails containing important information (parking, time, location, etc.) will be sent out a few days prior to the event that you have registered for.

STAY COMPLIANT: Easily Check Your Real Estate CE Credits

Written By: Sandra Bargas

As a licensed real estate professional in Utah, maintaining your Continuing Education (CE) credits is crucial for license renewal. Here's a quick guide on how to check your current CE status and understand the requirements:



How to Check Your CE Credits:

1. **Log in to the Online License Management System:** Access the Utah Division of Real Estate's online license management system [here](#).
2. **Select Your License:** Click on the specific license number of the account you want to view.
3. **View Your CE Credits:** A new page will open to display your current CE credit status.

Understanding CE Requirements:

- **First-Time Renewal (New Agents):**
 - 12-hour New Agent Course
 - 3-hour Mandatory Course
 - 3 hours of Elective or Core Credits
- **All Other Renewals:**
 - 6 hours of Core Credits
 - 3-hour Mandatory Course
 - 9 hours of Elective or Core Credits

Where to Access Approved CE Courses:

- [12-hour New Agent Course](#)
- [3-hour Mandatory Course](#)
- [Elective Courses](#)
- [Core Courses](#)

DON'T FORGET!

- Ensure you complete your CE requirements before the 15th of the month in which your license expires to ensure proper banking by your education provider.
- Keep records of your completed CE courses, including the 3-hour ethics course needed for your NAR affiliate requirement, for your own documentation.

By staying on top of your CE credits, you can ensure a smooth license renewal process and maintain your professional standing.

FROM PRACTITIONER TO EDUCATOR: Becoming a Real Estate Continuing Education Instructor

Written By: Sandra Bargas



For seasoned real estate professionals, sharing expertise and shaping the future of the industry can be incredibly rewarding. One compelling option is to become a continuing education (CE) instructor. This role allows you to impart valuable knowledge, influence professional development, and enhance the overall competency of real estate practitioners. Becoming a certified CE instructor requires not only industry experience but also adherence to specific guidelines and a commitment to professional conduct.

Understanding the Regulatory Landscape

Rules, such as [Utah Admin. Code R162-2f-401e](#), govern instructor conduct to ensure quality education and maintain the profession's integrity. Here are key aspects you should be aware of:

1. Meeting the Qualifications:

- **Experience and Expertise:** You need a significant track record in real estate, demonstrating in-depth knowledge and practical experience. This may involve years of transaction work, specialized certifications, or a proven history of success.
- **Educational Background:** A certain level of formal education, such as a bachelor's degree or specific teaching or curriculum development certifications, is usually required. However, extensive experience and expertise may substitute for these educational requirements.
- **Application and Approval Process:** You must submit an instructor application and documentation of your qualifications to the Division for review.

2. Adhering to Instructor Conduct (Based on [Utah Admin. Code R162-2f-401e](#)):

- **Affirmative Duties:**
 - **Following the Approved Outline (R162-2f-401e(1)(a)):** You must adhere to the pre-approved curriculum submitted to the Division for any course you teach. This ensures you meet essential learning objectives and maintain consistency across courses.
 - **Responding to Information Requests (R162-2f-401e(1)(b)):** You must respond promptly within the stipulated timeframe (e.g., ten business days) when the Division requests information.
 - **Maintaining Professional Demeanor (R162-2f-401e(1)(c)):** You must treat all students with respect and professionalism. Your conduct reflects on the industry and the educational institution.
- **Prohibited Conduct:**
 - **Teaching with an Expired Certification (R162-2f-401e(2)(a)):** You must ensure your instructor certification remains valid. Failure to renew it will prohibit you from teaching.
 - **Teaching an Expired Course (R162-2f-401e(2)(b)):** Courses have expiration dates as well. You must verify that the course you intend to teach is active and has been approved, ensuring that the material is current and relevant.

FROM PRACTITIONER TO EDUCATOR: CONTINUED

3. Staying Current with Industry Trends:

- **Continuous Learning:** You must stay updated on legal changes, market trends, and technological advancements due to the dynamic nature of the real estate industry.
- **Networking:** You should connect with other professionals and instructors to share insights and best practices.
- **Professional Organizations:** You should join industry associations to access resources and stay informed.

Steps to Becoming a Real Estate CE Instructor:

- **Review the application and requirements:** Visit the Division's website and access the [Education Providers and Instructors page](#) to learn more about the specific qualifications and application process.
- **Gather your credentials:** Compile your experience, education, and relevant certifications.
- **Develop or obtain approved course materials:** To become an active instructor, you must have a course to teach. You can either submit a course application alongside your instructor application or obtain approval from an Education Provider to teach an already approved course.
- **Apply for instructor certification:** Submit your application and supporting documents to the Division, along with any applicable application fees.
- **Maintain your certifications:** Regularly renew your instructor and course certifications to remain compliant.

Becoming a real estate CE instructor is a rewarding path that allows you to contribute significantly to the industry. By adhering to regulatory guidelines, developing practical teaching skills, and staying current with industry trends, you can empower the next generation of real estate professionals. For additional information on becoming an instructor, please email [Sandra Bargas](#).



DISCIPLINARY ACTIONS

Please note that Utah law allows 30 days for appeal of an order. Some of the actions below might be subject to this appeal right or are currently under appeal.

Please also be aware that [House Bill 419](#), going into effect on May 7, 2025, will introduce changes to this newsletter section. Please review the full legislation for complete details.

To view a copy of an order referenced in this article please visit the Utah Division of Real Estate Website under the Enforcement Menu, Disciplinary Actions

<https://realestate.utah.gov/realestate/index.html>

NAME	EFFECTIVE DATE	ALLEGATIONS / VIOLATIONS	DISCIPLINE / SETTLEMENT
HOLTBY, DAVID P, Certified General Appraiser Holladay, Utah Docket # AP-24-7 DRE Case # AP-21-124086	December 2024	Mr. Holtby admits that in an appraisal report, he made inconsistent statements about a subject property's listing history, unsupported statements and calculations in his determination of value, and that he failed to reconcile the substantial difference between his opinions of value under the Sales Comparison and Income approaches to value. Mr. Holtby admits that these acts, practices, and omissions are violations of Utah law, Utah administrative rules, and the Uniform Standards of Professional Appraisal Practice.	\$3,000 civil penalty 8 hours of continuing education on topics of Missing Explanations, Sales Comparison and Income Approaches. These hours will not count toward the continuing education hours required for Mr. Holtby's license renewal.
JABLONSKY, RAYMOND Sales Agent Orem, Utah Docket # DREC-24-6 DRE Case # RE-22-136396	December 2024	Mr. Jablonsky admits that: a) he made a substantial misrepresentation; b) he acted for more than one party in a transaction without the informed written consent of the parties; c) he acted incompetently as a sales agent to safeguard the interests of the public; and d) he breached a fiduciary duty owed to his principal in a real estate sales transaction. These actions are violations of Utah law and administrative rules.	\$8,000 civil penalty 6 hours of continuing education in addition to required continuing education for next license renewal.

NAME	EFFECTIVE DATE	ALLEGATIONS / VIOLATIONS	DISCIPLINE / SETTLEMENT
SCHUTZ, JESSICA Principal Broker Dual Broker (Inactive) Huntington Beach, California Docket # DREC-24-2 DRE case # RE-21-131632	December 2024	Ms. Schutz admits that she was the dual broker for a franchised property management company. The franchise owner was not licensed in Utah to engage in the business of real estate. He managed the day-to-day operations of the company and worked under the supervision of Ms. Schutz. The property management company was previously licensed with the Division but that license expired on January 31, 2021, when the company failed to file for renewal. The property management company did not manage the property on behalf of the owner after November 2021. After the property management company discontinued managing the property, the unlicensed franchise owner continued to manage it. Checks were received and issued by the franchise owner. However, despite requests from a tenant for maintenance items to be addressed, no maintenance was performed on the property. Deductions and withdrawals were made from the property owner's accounts after the property management company no longer managed the property. Ms. Schutz admits that her conduct violates a number of Utah statutes and administrative rules, including the failure to remit money that belongs to another and the failure to exercise active and reasonable supervision of licensed and unlicensed staff.	\$2,829.95 reimbursement to the property owner. \$10,000 civil penalty to the division. 6 hours of continuing education in addition to the continuing education required for next license renewal. Ms. Schultz's principal broker's license is revoked and she is granted a sales agent license. The sales agent license is placed on probation for 24 months.
RICHMOND, REGAN T. Principal Broker Blanding, Utah Docket # RE-24-5064 DRE Case # RE-20-123280	January 2025	Mr. Richmond admits that he engaged in a foreclosure rescue without entering into a written agreement specifying what acts of foreclosure rescue he would complete and that the foreclosure rescue required a person to transfer title to the real estate to a company in which Mr. Richmond has a financial interest and is the registered agent. These acts violate Utah law and administrative rules. As an aggravating factor, Mr. Richmond's license was previously sanctioned by the Division for another incident in which he participated in a foreclosure rescue plan where violations occurred.	\$100,000 civil penalty with a provision that the penalty will be reduced to an overall penalty of \$80,000 if he pays \$75,000 to the party whose property was transferred pursuant to the foreclosure rescue plan \$5,000 civil penalty to the division Mr. Richmond's principal broker license has been placed on probation for two years.

C R E D I T S

1ST QUARTER 2025

NEWSLETTER

Credits

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TRIVIA ANSWERS

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