

NEWSLETTER

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



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DIRECTOR'S MESSAGE

Partnering for Progress: Introducing the GRIT Initiative and Your Voice in Innovation

Dear Valued Licensees,

It truly is a privilege to serve as your Division Director, working alongside the dedicated professionals in Utah's real estate, mortgage, and appraisal industries. It's with this sense of partnership in mind that I'm excited to share an initiative I believe holds great promise for all of us: Governor Cox's GRIT (Government Reform, Innovation, and Transparency) initiative.

At its core, GRIT is about enhancing how state government serves you and the public. It's about finding smarter, more efficient ways to operate and deliver our services.

Here at the Division of Real Estate, we are embracing the GRIT challenge wholeheartedly. We recognize that your daily experiences navigating the real estate, mortgage, and appraisal landscapes provide invaluable insights into areas where we can improve, innovate, and streamline our processes. Perhaps you've encountered a cumbersome form, a regulation that could be clarified, or an idea for how technology could make your interactions with us smoother – these are the very things we want to hear about.

To make it easy for you to share these valuable insights, we've created a simple way for you to contribute directly: [our "Your Voice in Innovation Form."](#) We encourage you to use this form to submit any suggestions you have, big or small.

Your feedback through this form is crucial as we strive to better support your work – work that is vital to our state's economy and communities. While we may explore additional feedback channels in the future, this form is your direct line to collaborate with us on the GRIT initiative.

Let's work together to make a real difference. I'm optimistic about what we can achieve when we combine our efforts and expertise.

Sincerely,
Leigh



RULE DEVELOPMENTS SINCE MARCH 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

There are no proposed rule amendments under consideration for the AMC Administrative Rule at this time.

Appraisal

There are no proposed rule amendments under consideration for the Real Estate Appraiser Licensing and Certification Administrative Rule at this time.

Mortgage

There are no proposed rule amendments under consideration for the Utah Residential Mortgage Practicing and Licensing Rule at this time.

Real Estate

The Real Estate Rules Committee will be meeting to discuss the Real Estate Licensing and Practices Rule addressing rules related to co-brokering between licensed brokers practicing in both the commercial and residential real estate industries and changes that will result from the recent legislative amendments affecting the property management industry.

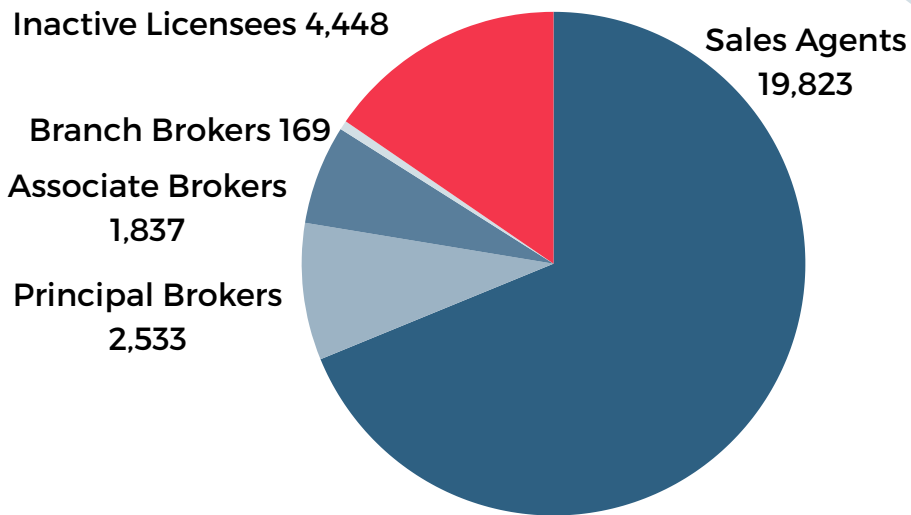
On February 5, 2025, the Real Estate Licensing and Practices Rule was reviewed and continued for another five-year period. The authority and requirement for this rule is provided for in the Real Estate Licensing and Practices Act.

Timeshare and Camp Resort

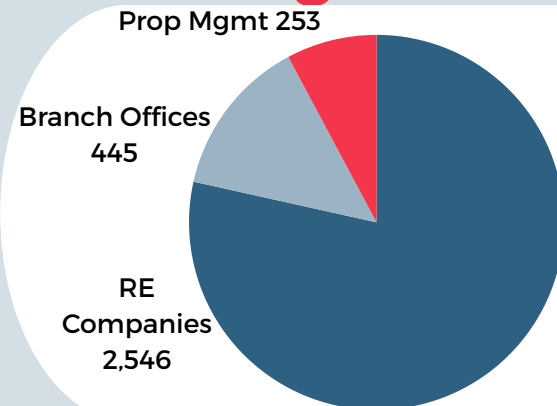
There are no proposed rule amendments under consideration for the Timeshare and Camp Resort Rule at this time.



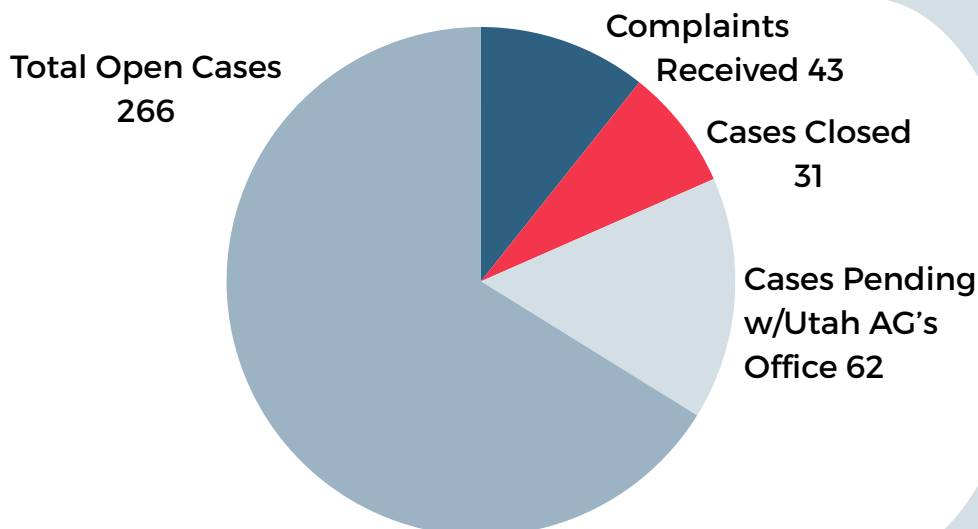
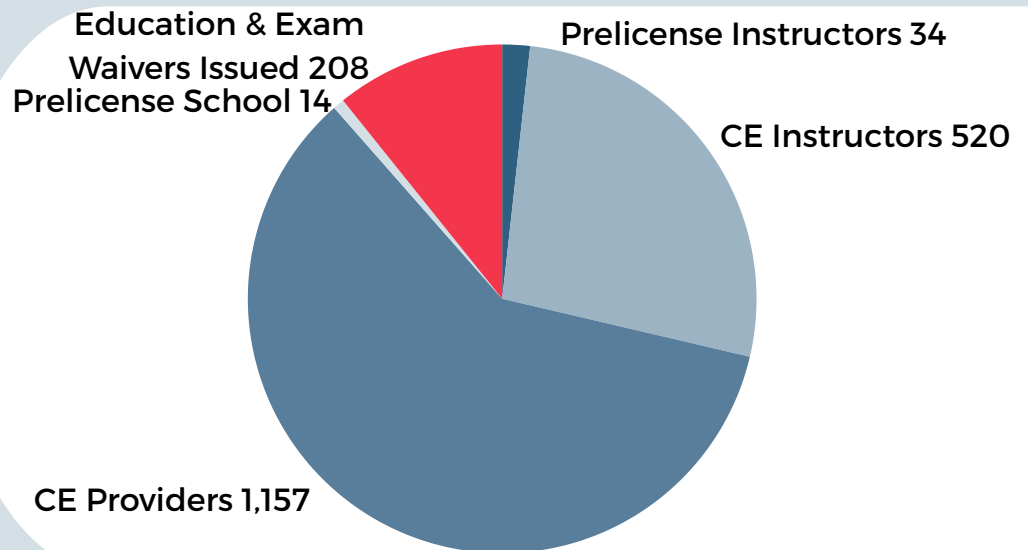
LICENSING STATS: January - June 2025



Real Estate Licensing

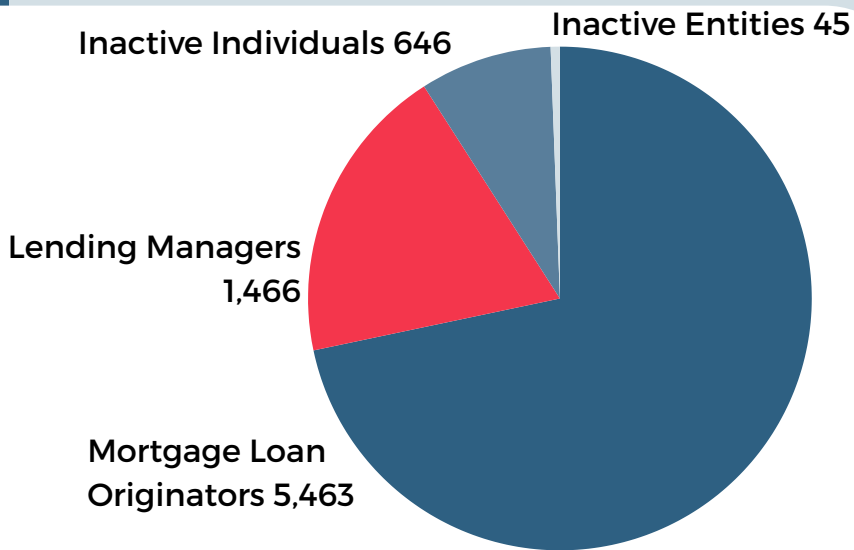


Real Estate Education

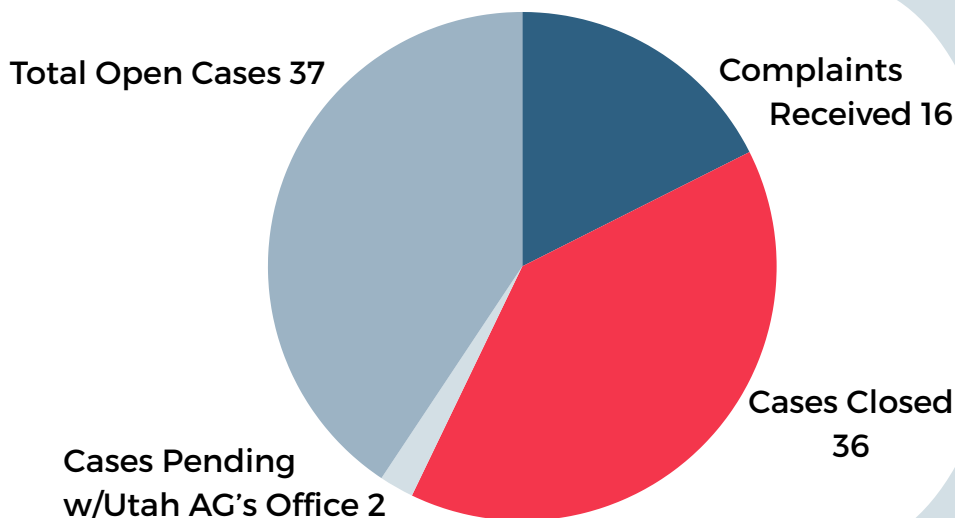
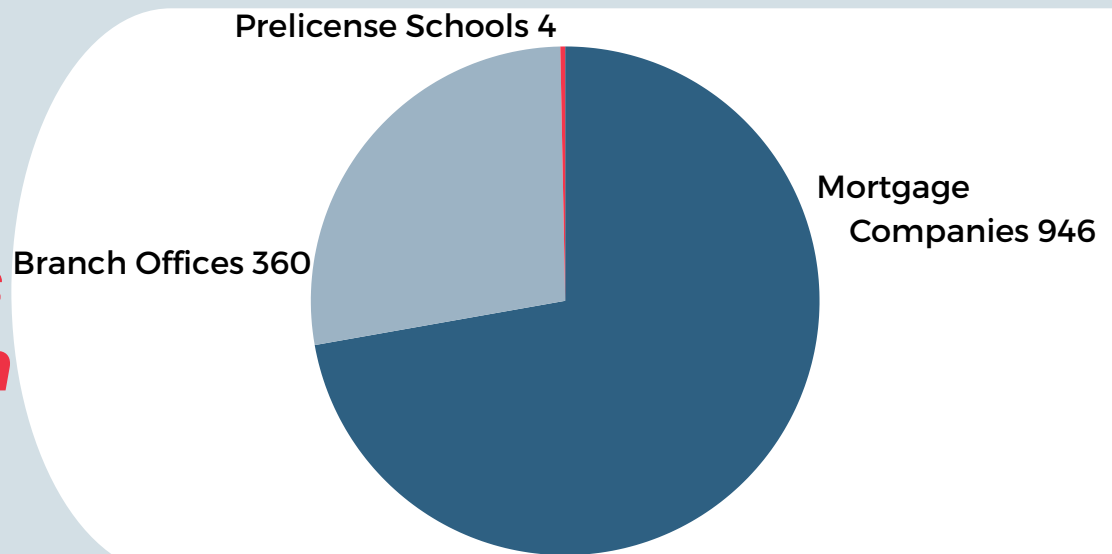


Real Estate Enforcement

LICENSING STATS - CONTINUED

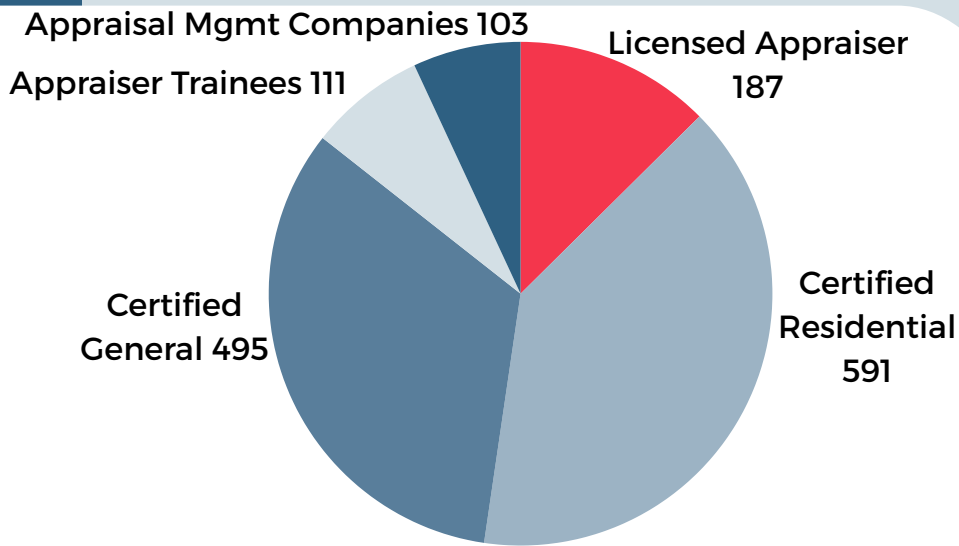


Mortgage Companies & Education



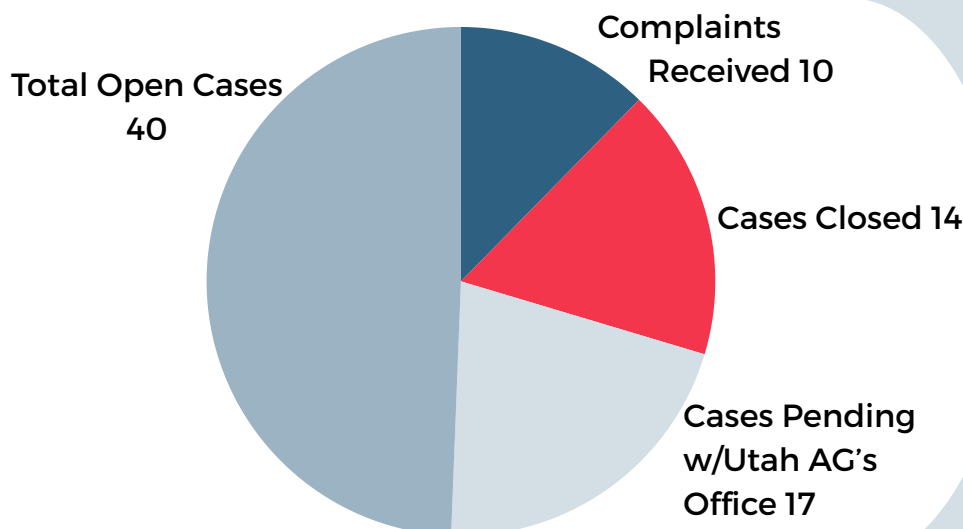
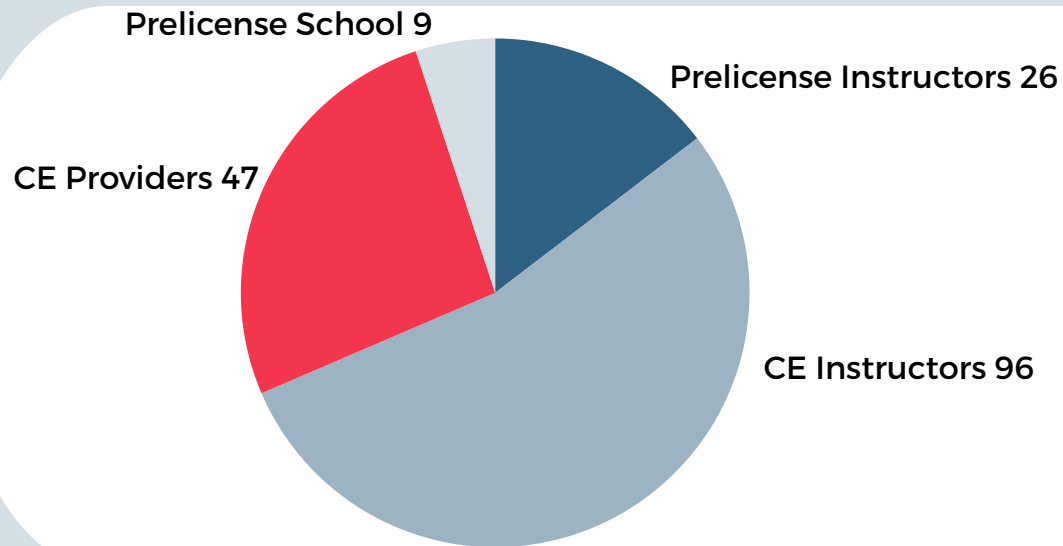
Mortgage Enforcement

LICENSING STATS - CONTINUED



Appraisal Licensing

Appraisal Education



Appraisal Enforcement

BUSINESS PURPOSE LOANS (1-4 FAMILY UNITS): A Comprehensive Overview

Written By: Mike Page and Marv Everett

Understanding the nuances of loans secured by residential properties containing one to four family units in Utah requires a detailed examination of applicable statutes, administrative rules, and market practices. This article aims to provide a comprehensive overview of such loans, often categorized as Business Purpose Loans (BPL).

Defining "Dwelling" Under Utah Law

Utah Code Section [61-2c-102\(1\)\(v\)](#) offers a precise definition of a "Dwelling" in this context. It refers to a residential structure that is permanently attached to real property and is designed to house one to four family units. This definition is crucial, as it forms the foundation for determining which types of loans fall under the purview of specific regulations. Specifically, the term "Dwelling" encompasses:

- A Condominium Unit: Individual ownership within a larger residential complex.
- A Cooperative Unit: Ownership through a share in a corporation that owns the entire property.
- A Manufactured Home: A prefabricated home built in a factory and transported to the site.
- A House: A traditional single-family residence.



Business Purpose Loans (BPLs) vs. Traditional Residential Loans

Loans utilized to purchase residential properties classified as "one to four family units" for investment purposes are sometimes designated as Business Purpose Loans (BPL). This terminology aims to differentiate them from standard residential loans, implying that they are commercial loans intended for investment activities.

Misconceptions Regarding BPL Classification

While some individuals or entities may attempt to classify BPLs as purely commercial loans, this categorization is inaccurate. The fundamental characteristic of a BPL is that it is secured by residential property. This critical distinction places them within a regulatory framework different from that of traditional commercial loans, which are typically secured by business assets or commercial real estate.

Regulatory Oversight by the Utah Division of Real Estate (DRE)

BPLs secured by 1-4 family unit residential properties fall directly under the jurisdiction and regulatory authority of the Utah Division of Real Estate (DRE). This regulatory oversight applies regardless of the intended use of the property, whether for occupancy, a second home, or purely for investment purposes. Any individual or entity engaged in originating these investment loans must obtain a mortgage license from the DRE before engaging in such activities.

BUSINESS PURPOSE LOANS - *Continued*

Scope of DRE Regulation

The Utah DRE primarily regulates residential first position closed-ended loans. This encompasses both forward loans, which involve the borrower receiving funds, and reverse loans, where the lender makes payments to the borrower. The DRE's regulation of mortgages is guided by specific statutes and rules designed to protect consumers and ensure the integrity of the real estate lending market.

Conclusion

In summary, Business Purpose Loans (BPLs) in Utah, when secured by 1-4 family unit residential properties, are subject to regulation by the Utah DRE. While often referred to as "business purpose," these loans are, in fact, secured by residential real estate, thus distinguishing them from traditional commercial loans. A clear understanding of these distinctions and regulatory requirements is essential for anyone involved in originating or participating in these types of loans in Utah.

Test your knowledge! *MORTGAGE Edition*



1. A new background check/credit report is required for mortgage renewals this year.
- a. True
 - b. False

2. Utah is the only state in the country that requires a Lending Manager license.

- a. True
- b. False

3. How many hours of continuing education are required for the State of Utah?

- a. 4
- b. 2
- c. 1
- d. 5

4. For mortgage entities, how many Other Trade Name licenses are allowed with the State of Utah?

- a. 4
- b. 6
- c. 1
- d. 10

5. Can an MLO be sponsored by more than one licensed Utah company at a time?

- a. yes
- b. no

DEATH OF A BROKER

Written By : Laurel North

The Critical Need for Brokerage Succession Planning

The unexpected death or incapacitation of a principal broker can throw a real estate brokerage into immediate disarray, jeopardizing ongoing transactions and the livelihoods of affiliated agents. Recent events have highlighted the critical importance of proactive planning to ensure the smooth continuation of business operations during such challenging times.

Lessons Learned from Unforeseen Circumstances

Utah Administrative Code [R162-2f-202e](#), "Procedure to Designate an Acting Principal Broker," (content included at the end of the article) became effective on August 16, 2023. While the rule provides a framework, its real-world implications became starkly clear in the fall of 2024. The Division of Real Estate received notification of a principal broker's sudden death in an accident, with no prior arrangements for managing his brokerage.

This unfortunate event brought forth a host of urgent questions:

- **Can a current broker manage two brokerages simultaneously to help during the transition?** No, not unless explicitly appointed by the Real Estate Commission.
- **Can a family member, such as a sales agent sibling from another brokerage, take over the business?** Not without a formal appointment by the Real Estate Commission.
- **Can an office manager finalize pending transactions?** Not unless specifically authorized and appointed by the Real Estate Commission.

In this specific case, the Division faced significant challenges determining brokerage ownership, identifying heirs to the broker's assets, and understanding the family's wishes. The lack of a clear plan meant that all brokerage operations—including closings, rent collection, disbursements, and commission payments—came to an immediate halt. This cessation of activity can have severe financial consequences for clients, agents, and the brokerage itself. Furthermore, any sales agents affiliated with the brokerage would be unaffiliated, potentially leaving them with pending transactions in limbo.

The Real Estate Commission typically meets monthly but can convene on an emergency basis for situations like this. In the aforementioned case, the Real Estate Commission met within a matter of days and appointed the deceased broker's sales agent sibling solely to close out pending transactions. The appointment of an acting principal broker in this case was a remarkably swift process, concluding within three weeks of the broker's death.

Since last fall, the Division has encountered numerous similar situations involving principal brokers experiencing strokes, incarceration, or other untimely deaths. Alarming, none of these brokers had a "written instrument for succession" in place.

DEATH OF A BROKER - *Continued*

The Importance of a Written Instrument for Succession

We strongly urge all principal brokers to prepare a written instrument for succession. This vital document outlines who will manage your brokerage and how operations will proceed in the event of your unexpected inability to perform your duties.

Sales agents, it is in your best interest to discuss this with your principal broker. Emphasize the importance of having this written instrument to safeguard your ongoing business and client relationships.

While the Division cannot provide specific legal advice on what to include in your written instrument due to the varied nature of each situation, we can offer general guidance:

- **Simplicity or Complexity:** Your instructions can be as simple or as comprehensive as needed.
- **Authorship:** The instrument can be drafted by brokers themselves or by an attorney.
- **Accessibility:** Most importantly, the document must be signed and should be stored in a secure, accessible location where it can be easily found and acted upon if necessary.

For instance, if your brokerage includes an Associate Broker, you might designate them as the successor. To ensure a seamless transition, consider including them on your trust and operating accounts for ease of access and use.

**Consider the following question:
Who can be designated as an acting principal broker before the death or incapacitation of a principal broker?**

- (a) Any associate broker
- (b) Individual identified in a written instrument signed by brokerage owners
- (c) Only a licensed attorney
- (d) The division director

Answer to the question: (b) Individual identified in a written instrument signed by brokerage owners

Review Key Provisions of Utah Administrative Code R162-2f-202e:

- How long can a brokerage remain open upon the death or incapacitation of a broker? In section 1 of the rule, the division may inactivate the brokerage if they fail to replace the principal broker within 14 days.
- Who can the Real Estate Commission appoint as a successor broker? In section 5 of the rule (a) a licensee currently affiliated with the real estate brokerage, (b) a licensee from another registered real estate brokerage, (c) an attorney representing the real estate brokerage, or (d) any other person designated by the commission.

We, at the Division, implore you to execute your brokerage plan of succession as soon as possible. This proactive measure is essential to ensure the smooth and uninterrupted operation of your business, protecting your clients, your agents, and your legacy.

DECODING YOUR CE: Mandatory, New Agent, and the Code of Ethics – What Every Licensee Needs to Know

Written By : Sandra Bargas

Staying on top of your continuing education (CE) requirements is crucial for all active real estate licensees. With various courses and guidelines, it can sometimes feel like navigating a maze. This article aims to clarify the distinctions between the Mandatory Course, the 12-Hour New Agent Course, and the Code of Ethics Course, ensuring you fulfill your obligations and maintain your professional standing.

Continuing Education Requirements: The Big Picture

For licensees with an active license status, a total of 18 hours of approved continuing education must be completed every renewal cycle. Of these 18 credits, a minimum of 9 CORE topic course hours are required. And of those 9 CORE hours, 3 hours MUST be a DIVISION APPROVED 3-HOUR MANDATORY COURSE.

It's vital to remember that active licensees in their first renewal cycle must include the 12-Hour New Agent Course as part of these 18 hours..

Important Note: Licensees who plan to renew and either remain or switch to inactive status are not required to complete continuing education.

The Mandatory Course: A Cycle-by-Cycle Staple

The Mandatory Course is precisely what its name implies: a 3-hour course that every active licensee is required to take once every renewal cycle. It is designed to keep licensees updated on critical industry topics and regulatory changes.

You have a choice of four different Mandatory Courses to best suit your area of practice:

- Mandatory Residential Course
- Mandatory Commercial Course
- Mandatory Property Management Course - Commercial
- Mandatory Property Management Course - Residential

Choosing the course that aligns with your primary real estate activities ensures the content is most relevant to your day-to-day work.

The 12-Hour New Agent Course: Your Foundation for Success

The 12-Hour New Agent Course is a foundational requirement specifically for all newly licensed sales agents. This comprehensive course must be completed within their first renewal cycle.

This 12-hour program covers a wide array of essential topics designed to equip new real estate professionals for success, including:

- Agency
- Ethics
- Professionalism
- Forms and Contracts
- State Laws
- Important Federal Laws

These topics provide a crucial understanding of the legal, ethical, and practical aspects of the real estate profession, helping new agents navigate their early careers effectively.

DECODING YOUR CE - *Continued*

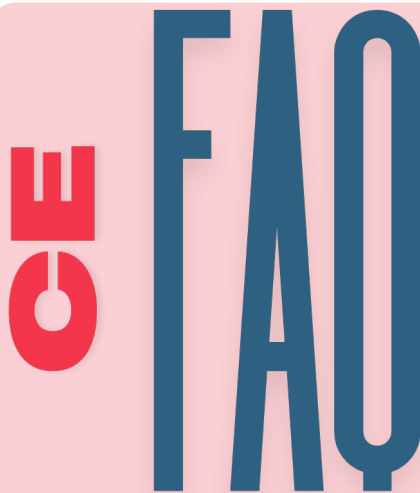
The Code of Ethics: Professional Standards and Board Membership

The Code of Ethics Course outlines the standards of conduct for real estate professionals, focusing on the principles and implementation of honesty, fairness, integrity, and competence.

While the Code of Ethics course is approved as a core class and can count toward your core CE requirement to renew your license, it is not required by the Division of Real Estate to renew.

However, this course may be a requirement to be a member of the Board of Realtors. If you are a member of a local Board of Realtors, it is always a good idea to contact them directly to determine what requirements they have to remain an active member in good standing. Membership organizations often have their own continuing education standards that go beyond state licensing requirements.

By understanding these distinct CE components, you can efficiently plan your continuing education and ensure you meet all necessary requirements to maintain your active real estate license and professional standing.



I'm an active, newly licensed sales agent. What CE do I need to take to renew my license?

- 12-Hour New Agent Course
- 3-Hour Mandatory Course
- 3 hours of elective or core credits

I'm an active, newly licensed broker. Do I need to take the 12-Hour New Agent Course?

- No! This course is only required for newly licensed sales agents and does not apply to newly licensed brokers.

I'm an active licensee who has been licensed for several years. What CE do I need to take to renew my license?

- 3-Hour Mandatory Course
- 6 hours of core credits
- 9 hours of either elective or core credits

I'm a licensee, but my license has been inactive for years, or I'm considering renewing on inactive status. What CE do I need to take to renew my license?

- None! If you are maintaining inactive status or switching from active to inactive status, no CE is required!

How do I know the class I've registered for is approved through the Division?

- All current and approved CE courses are on the Division website [here](#).

Do I really need to complete all of my CE by the 15th of the month?

- Although not required, the Division strongly encourages licensees to complete CE for renewal by the 15th of the month in which the license renews. CE Providers have up to ten days to upload course completion credit, and completing courses by the 15th ensures that credit will be in your account on time to avoid a late renewal.

What do I do if the credit for a course I took is not showing up in my account?

- If you have taken a course and it has been longer than the ten-day banking window, please contact the provider of the course you took to check if there was an error, such as a misspelling of your name or an incorrect entry of your license number. You may also reach out to the Division and provide a copy of your Course Completion Certificate that you should have received upon finishing the course, so that credit can then be manually added. Mistakes don't happen often, but when they do, this is why we recommend keeping your course completion certificates.

NAVIGATING AGREEMENTS: How Explaining Contracts Protects Your Clients and Your License

Written By: Cristina Silva

We, at the Division of Real Estate, often see situations where misunderstandings regarding real estate agreements and contracts lead to difficult cases. Many of these could potentially be prevented with clear communication upfront. As licensed real estate professionals, understanding and explaining these crucial documents isn't just a best practice; it's rooted in the rules governing licensee conduct.

Your Duty to Inform and Disclose

The affirmative duties required of licensed individuals include to inform and disclose. In essence; the fiduciary duty of full disclosure. This duty obligates you to inform your principal of any material fact you learn about the other party or the transaction. Agreements and contracts inherently contain material facts of the transaction, detailing the rights, obligations, and terms that directly impact your client.

Ensuring they understand these terms is a fundamental part of this disclosure obligation. [\(R162-2f-401a. Affirmative Duties Required of Licensed Individuals.\)](#)



Furthermore, when navigating specific relationships, the requirement to explain becomes even more explicit. If you act as a limited agent, representing both principals in the same transaction, you must obtain prior informed consent. This isn't a passive requirement; it mandates you clearly explain in writing to both parties that they each could have separate representation, what information will be kept confidential, what information will be disclosed, and the scenarios where withholding information constitutes material misrepresentation. This is a direct rule requiring you to explain the nature and implications of the agency agreement within that transaction. [\(R162-2f-401a\(3\)\)](#)

The Real Estate Licensing and Practices Act also places specific duties on principal brokers subject to exclusive brokerage agreements. Such a broker shall assist the client in developing, communicating, and presenting offers, counteroffers, and notices. Crucially, the broker shall answer any question the client has concerning: an offer; a counteroffer; a notice; or a contingency. While this statutory duty is placed on the principal broker under an exclusive agreement, it underscores the regulatory expectation that clients receive assistance and have their questions answered about key transaction documents like offers and counteroffers. As an agent affiliated with a principal broker, assisting your clients in understanding these documents falls under the umbrella of providing competent service under your broker's supervision. [\(61-2f-308 Brokerage Agreements.\)](#)

Beyond explaining the contents, you also have a duty to ensure clients have a copy of the documents themselves. You must provide copies of a lease or purchase agreement, properly signed by each party, to the party for whom you act as an agent. This practical step facilitates client understanding and review. Failing to voluntarily furnish a copy of a document before and after execution is grounds for disciplinary action. [\(61-2f-401 Grounds for Disciplinary Action\)](#)

GUIDING THE NEXT GENERATION: Key Considerations for Appraisal Supervisors

Written By: Michael Genco

As a Certified Residential or Certified General Appraiser, taking on the role of a supervisor is a significant responsibility and a vital contribution to the future of the appraisal industry. The traditional path to becoming a licensed appraiser in Utah begins with the Appraiser Trainee role, and as a supervisor, you are the cornerstone of their practical education. Understanding the Utah Division of Real Estate's (DRE) requirements is paramount to ensuring a smooth and compliant journey for both you and your trainee.

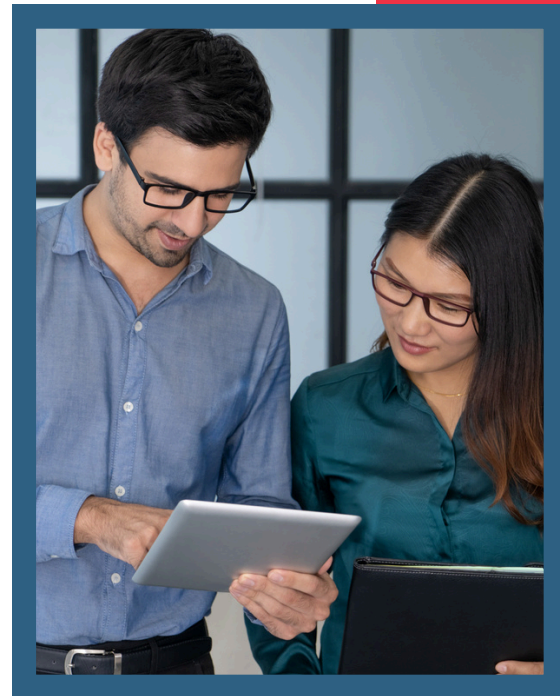
To initiate the supervisory relationship, prospective trainees must first meet specific educational prerequisites. Prospective trainees are required to complete 75 hours of qualifying appraisal education, in addition to the mandatory 4-hour Supervisor and Trainee Course. This foundational knowledge is essential to begin their practical experience under your guidance.

A critical best practice and mandatory requirement is to ensure your prospective trainee submits their application to the DRE and receives official approval before they begin logging any experience hours. This prior approval is crucial for the protection of all parties involved – the trainee, you as the supervisor, and the public. There have been unfortunate instances where a trainee began working with a supervisor who, for various reasons, was not eligible, or where the supervisor had not completed the mandatory Supervisor and Trainee Course. These situations can lead to wasted time and effort for the trainee, as unapproved experience hours will not count towards their licensure. Furthermore, it is equally important that once registered, trainees notify the DRE of any changes to their supervisory appraiser.

As a potential supervisor, you must meet specific criteria set by the DRE. You must be state-certified and in good standing with DRE for at least three years prior to being eligible to supervise a trainee. Furthermore, you may not act as a supervisory appraiser if you have been subject to a disciplinary action in any jurisdiction within the three-year period preceding the date you propose to act as a supervisor. If you have been subject to such an action, you will be considered in good standing three years after the successful completion or termination of the sanction imposed against you.

It's also important to be aware of the limitations on supervision. While a trainee is permitted to have more than one supervisory appraiser, a supervisory appraiser may not supervise more than three trainees at one time. This ensures you can provide adequate guidance and oversight to each individual under your tutelage.

By adhering to these rules and requirements before your trainee begins logging hours, you will set them up for a compliant and efficient path to becoming a licensed appraiser in Utah. Should you or your trainee have any questions, always reach out to the Division of Real Estate for clarification. Your commitment to these guidelines is crucial in shaping competent and ethical appraisers for the future.



LICENSE CHANGES IN MYLICENSE ONE: Sales Agents

Written By: Sarah Thaler

The Division of Real Estate has transitioned to a new licensing system: [MyLicense One](#). While the process to make license changes is similar to the old RELMS System, there are a few key steps you should be aware of to ensure your license is managed efficiently.

Affiliation Changes

Once an agent is logged into their MyLicense One Account (<https://utahdoc.mylicenseone.com>), locate the three dots next to the real estate license and choose the option for Affiliation Change. Follow each section and enter the new company license number. Once the agent submits the request, the **NEW brokerage** will need to acknowledge the request **BEFORE** the agent's OLD brokerage can release the agent from the roster. If these steps are followed correctly, an agent can show with the new brokerage within a matter of minutes.

Activation

Log in to MyLicense One: <https://utahdoc.mylicenseone.com>

Locate the three dots next to the real estate license and choose the option for Activation. Complete each section, and you will be directed to the Activation Form. This form will need to be completely filled out and include the New Company License Information and Broker's Signature. Once the form is uploaded through the activation portal, it will prompt for a \$15 Activation Fee. This will be submitted to the Division for processing within 1-2 business days and email confirmation will be sent to the licensee once processed.

Keep in mind

- Sales Agents within the first 2 years of initial licensure; No continuing education (CE) is needed for activation.
- Sales Agents past the first 2 years of initial licensure: Please ensure that you have completed any required Continuing Education for activation.

Inactivation:

Log in to MyLicense One: <https://utahdoc.mylicenseone.com>

Locate the 3 dots listed next to the real estate license and choose the option for Inactivate License. Complete each section. Once the agent submits the Inactivation, the current broker will need to acknowledge the request. If the broker is non-responsive, the agent will have the option to choose a Final Attempt Dissociation by clicking on the aforementioned 3 dots. The agent can then choose either the 10-day removal option or send a certified letter through USPS and upload the documents for an immediate removal.

APPRAISAL MENTORSHIP PROGRAM UPDATE

Mark Your Calendars: Appraiser Mentor Applications Opening Soon!

The wait is almost over! The Division of Real Estate's highly anticipated Appraiser Mentorship Program is nearing completion. We're putting the finishing touches on what promises to be a valuable resource for the real estate appraiser community.

If you're an experienced professional passionate about guiding others, get ready! We're planning to open applications for Mentors by August 2025. This is a fantastic opportunity to share your wisdom and elevate the profession.

Stay tuned for more announcements - we'll soon share all the details on how you can join this impactful program!



RETIREMENT ANNOUNCEMENT!

After many years of dedicated service, Marv Everett will be retiring from the Division of Real Estate. Marv joined us 24 years ago as a Mortgage Investigator, bringing with him a wealth of experience from various roles in the finance and mortgage industries, including teller, mortgage officer, loan originator, loan supervisor, and construction loan administrator.

Prior to joining the DRE, Marv also worked as a financial planner and personal banker in Arizona. During his time with us, Marv has truly embraced the challenges of investigations. He's known as our "puzzle master", enjoying the process of discovery, sorting, and piecing together cases. He's also been a wonderful colleague—easygoing, funny, and a bit of a prankster, always ready to lighten the mood with a good-natured hoax.

Our memories with Marv also include running and biking exercise sessions. Marv is truly a fine person. Marv, we will miss our daily interactions with you.

Marv has consistently found great satisfaction in helping licensees understand administrative rules and state statutes, and in protecting the public from those who would take advantage of others.

Outside of work, Marv enjoys spending time with his wife and their four children. He loves making homemade ice cream, with burnt almond fudge being his favorite, and watching old black and white movies. Marv is also an accomplished author.

Please join us in wishing Marv all the best in his retirement. He will be greatly missed!



BEYOND "TRUST ME": The New Era of Appraisal Transparency and Evidence

Written By: Bryn Kaelin

For years, the appraisal profession has relied heavily on the accumulated knowledge and professional judgment of individual appraisers. Many valuation conclusions rested on little more than an unspoken 'trust me, I know the market.' This often left little room for questioning and an understanding of the analysis or support for the appraisal results. However, a seismic shift is underway, driven by industry participants Fannie Mae and Freddie Mac, and echoed by the fundamental principles of USPAP (Uniform Standards of Professional Appraisal Practice). The days of simply stating a conclusion are over; the new mandate is: "Show Me Your Work."

This isn't just a minor tweak to appraisals; it's a fundamental recalibration of expectations. Gone is the primary focus on identifying "biased words" within a report. While language clarity remains important, the spotlight has decisively moved to the substance behind the numbers – the complete story of how an appraiser arrived at their conclusions.

The "Complete Story" Mandate: More Than Just a Number

The shift towards "Show Me Your Work" directly translates to the concept of the "complete story." It demands that every opinion and conclusion within an appraisal assignment be thoroughly documented and logically supported. This isn't about what an appraiser has learned over their career or their vast experience in the market; it's about what was developed during that specific assignment.

Consider the critical area of market conditions analysis. As Freddie Mac's Chief Appraiser emphatically states, "Appraisers should perform a market conditions analysis every time, in every market." This isn't a suggestion for tricky markets; it's a foundational requirement for every single appraisal. This analysis, too, must be clearly presented, demonstrating the appraiser's understanding of the specific market dynamics impacting the subject property.

Adjustments: Experience is Valuable, But Not Enough

Perhaps no area highlights this new paradigm more acutely than appraisal adjustments. While experience is undoubtedly invaluable in recognizing market trends and identifying comparable properties, it can no longer serve as the sole justification for adjustments.

The ASB (Appraisal Standards Board) recently released a Q&A specifically addressing this very point, underscoring that relying solely on an appraiser's experience for adjustments is simply not acceptable. This reinforces a core tenet of USPAP: credible appraisal results must be built upon a solid foundation of relevant evidence and a logical reasoning process, proportionate to the intended use of the appraisal.



BEYOND "TRUST ME" - *Continued*

Simply put: every adjustment made must be thoroughly supported by concrete evidence and a clear, logical explanation. This isn't a best practice; it's a fundamental requirement for a credible appraisal.

The Imperative of Objectivity and Verifiable Evidence

Relying on subjective judgment, even when backed by years of experience, falls short of the current standards. While experience provides invaluable insights and helps guide an appraiser's analytical process, it cannot replace the need for objective, documented support.

This evolving landscape in appraisal is not merely about regulations; it's about elevating the integrity of the profession and providing truly reliable, transparent, and defensible valuations for clients. The message is clear: in the new era of appraisal, "trust me" is out, and "show me your work" is the undeniable path forward.



UPGRADING APPRAISER LICENSE NOTICE

Upgrading your appraisal license?

Make sure your new license is issued before January 1, 2026! If you don't, you'll need to take the 8-hour QE version of the Valuation Bias & Fair Housing Course before you are able to upgrade.

Thinking about boosting your credentials down the line? Opt for the QE version now, and be sure to include the 1-hour exam. This smart move can help you avoid the need to retake courses in the future.

NEW DIVISION ENFORCEMENT SUPERVISOR

Introducing Cristina Silva!

We are thrilled to announce the promotion of Cristina Silva as our new Division Enforcement Supervisor! Cristina was an investigator for a short period of time but brings an unparalleled depth of experience, a profound understanding of the real estate landscape, and an unwavering commitment to upholding the highest standards of our industry. Many of you may know Cristina Silva for her vital advocacy for compliance in the industry. With Cristina at the helm of real estate enforcement, we are set to achieve new benchmarks in industry integrity. As Cristina aptly puts it, "I speak real estate. I am real estate."

Cristina's journey into real estate began not with traditional aspirations, but with a unique and early passion. "I shadowed a friend who was a real estate broker and I thought it was the coolest job." This early fascination blossomed into a remarkable career dedicated to serving clients, agents, and the broader real estate community.

A Career Dedicated to Clients and Community

Cristina has an extensive background in serving clients through every phase of their homeownership journey. From guiding first-time home buyers to becoming a trusted multi-generational family real estate professional, and assisting those who wish to age in place. Her extensive experience also includes helping clients build investment portfolios, overseeing renovations, and managing property flips, truly encompassing every aspect of residential real estate.

A Leader in Investigations, Brokerage, Training, and Professional Standards

Cristina brings over a decade of investigations experience with the government, including auditing, negotiations, and regulation. Additionally, she has spent more than 10 years as a broker, holding roles as both a branch and principal broker, profoundly influencing countless real estate professionals. She has served many agents as their broker and as a dedicated trainer/educator, guiding both new and seasoned sales agents/brokers through the intricacies of the industry. Cristina emphasizes that while change is constant in real estate, "upholding the law, the license that allows you to do the job, needs to always be at the forefront." This deep understanding of real estate practice, coupled with her ability to teach others how to navigate and or pivot in the industry when change occurs, underscores her commitment to foundational compliance.

Cristina's dedication to the REALTOR® community is equally impressive. She has volunteered countless hours, serving on the Grievance Committee and Professional Standards through her local association, and as an Ombudsman. These roles, focused on dispute resolution and ethical conduct, have profoundly shaped her perspective. "I understand real estate. I understand the behaviors and when practicing in these roles it has given me the knowledge to hold licensees at a high standard, which in return is what the public holds in trust," she states. Highlighting these experiences have uniquely prepared her in leading the Division's real estate enforcement team, under the direction of Chief of Enforcement, Kadee Wright. Her extensive network of relationships within the community is a testament to her commitment and impact.



NEW DIVISION ENFORCEMENT SUPERVISOR – Continued

Business Acumen and Industry Expertise

Cristina's comprehensive understanding of business, entrepreneurship, and operations is rooted in the most prestigious education she's received in Business. As an industry expert in residential real estate, she has received numerous prestigious designations and certifications, including SFR, ABR, SRS, SRES, PSA, and RENE. These credentials further resonate with other licensees who have obtained similar designations. Her expertise and dedication to the industry reflect professionalism.

Having served clients, agents, brokers, and the REALTOR® community as a whole, Cristina is poised to serve the industry in this crucial capacity at the Division. Her focus on compliance, combined with her practical experience and deep knowledge of real estate, makes her an invaluable asset to our team.

"I am so grateful to be able to serve in this capacity and among so many years of experience here at the Division. Collectively the Division has more than **100 years** of experience in the business. I hope to bring my value to the Division and leave a legacy in the industry with education, enforcement, and regulation." - Cristina Silva

Please join us in congratulating Cristina Silva on her promotion to Enforcement Supervisor!



ATTENTION! PLEASE!

2025 Instructor Development Workshop

We are excited to announce that plans are currently underway for this years Instructor Development Workshop!

Attendance at IDW is **REQUIRED** once every two years for all real estate, mortgage, and appraiser pre-licensing instructors and real estate continuing education (CE) instructors who teach any of the Mandatory Courses.

Mortgage and appraisal CE instructors are invited to attend this workshop, but please keep in mind that CE credit **CANNOT** be given; **ONLY** Real Estate instructors (pre-license and continuing education) and attending real estate licensees will be eligible to receive core continuing education credit for attendance at this outstanding training event. Please keep in mind that CE credits are only awarded in full-day segments.

Be sure to check your inbox next week with specific event details and registration information - looking forward to seeing everyone in October!



2025 AARO RECAP

Written By: Bryn Kaelin

The Future of Appraising: What We Learned at the AARO Spring Conference

Three members of Utah's Division of Real Estate recently attended the Spring 2025 Association of Appraiser Regulatory Officials (AARO) Conference, gaining crucial insights into the evolving world of appraisal. The conference highlighted key changes on the horizon for appraisers and the public they serve, focusing on how the industry is adapting to new technologies, addressing historical biases, and refining training.

Here's a look at the most impactful takeaways:

The conference kicked off with a strong message from The Appraisal Foundation (TAF), the core authority for appraisal standards. They emphasized their dedication to independence, impartiality, and objectivity in setting appraisal guidelines.

A key highlight was the unveiling of **Vision 2030**, TAF's ambitious plan to significantly enhance public trust and recognition of the appraisal profession. This forward-thinking initiative aims to achieve its goals by:

- **Setting standards of excellence**
- **Developing professional-level qualification criteria**
- **Operating in an open and transparent manner**
- **Committing to collaborative partnerships**

The Appraisal Standards Board (ASB) tackled a hot topic: generative AI. They've begun a vital conversation about how to integrate this technology into appraisal practices while protecting public trust. The ASB is actively seeking input from appraisers to guide this responsible adoption.

Meanwhile, the Appraiser Qualifications Board (AQB) discussed expanding experience options for aspiring appraisers and provided important updates on Valuation Bias and Fair Housing Laws.

Starting January 1, 2026, all appraisers, new and experienced, will be required to complete a new Valuation Bias and Fair Housing course. This ensures appraisers understand how to identify and avoid bias, fostering public trust in the profession.

For Existing Appraisers:

- Complete a 7-hour continuing education (CE) version of the course during their first CE cycle after January 1, 2026 (i.e., by December 31, 2027).
- This 7-hour course does not include an exam.
- After the initial course, a 4-hour refresher course will be required every two years.



2025 AARO RECAP – Continued



For New or Upgrading Appraisers:

- Complete an 8-hour qualifying education (QE) version, which includes 7 hours of content plus a 1-hour exam.
- This 8-hour course is now part of the Required Core Curriculum for their credential.
- If an appraiser has already completed the 7-hour CE version and later decides to upgrade their credential, they only need to take the additional 1-hour exam from the same course provider to fulfill the QE requirement.

All bias and fair housing courses must strictly adhere to the AQB's required course outline for consistency.

The day concluded with an insightful historical overview of real estate appraisal regulation from Jim Park, President of Collateral Risk Network, highlighting both the benefits and challenges of the current system.

On day two, the new education requirements for combating bias and promoting fairness in housing were reiterated. The course will protect the public and uphold the appraisal profession's integrity by covering crucial federal laws like the Fair Housing Act and the Civil Rights Act, emphasizing protected classes, bias recognition and mitigation, and ethical compliance.

A key point from Byron E. Miller's discussion on "upzoning" (changes in zoning that allow for more intensive development) was clear: appraisers must always have the competency to accurately value properties affected by these changes.

Additionally, a crucial piece of feedback emerged regarding prior experience: no "cheat sheets" for adjustments! Appraisers must genuinely understand and apply adjustments relevant to each unique assignment.

The final day of the conference focused on the evolving landscape of appraiser experience requirements. The AQB is actively reevaluating education, experience, and examination standards, considering a shift from the current hours-based model to a skills-based approach. This potential change could include a "capstone" requirement of USPAP-compliant reports to demonstrate proficiency.

Discussions are ongoing about how to best verify skills, the role of supervisors, and potential alternative experience pathways. The AQB is actively seeking feedback from regulators and stakeholders to shape future proposals.

Finally, the formation of the State Harmonization Task Force was announced. This group aims to help states remove unnecessary regulatory barriers that hinder entry into the appraisal profession, particularly in areas like mass appraisal, while upholding high standards of competency.

The Spring 2025 AARO Conference offered invaluable insights into the dynamic future of the appraisal profession. From integrating AI responsibly to reforming education and experience, the overriding message was a strong commitment to public trust, fairness, and the ongoing competency of appraisers.

Stay tuned as these important initiatives continue to unfold!



THAT'S A WRAP: CARAVAN 2025!

We thoroughly enjoyed our recent Caravan 2025 tour, where we had the privilege of visiting eight cities this spring. It was wonderful to connect with so many of you and share the latest updates on legislative bills, enforcement cases, and our Kahoot knowledge bank, which featured current concerns from our desks.

Each city brought its unique energy, and we were fascinated by the diverse questions and concerns raised by each group. From quiet and contemplative audiences to those who enthusiastically peppered us with questions, every interaction was valuable. We especially appreciated those of you who stayed after the presentations, allowing us to get to know you beyond just a license number. Thank you for your hospitality and for graciously welcoming the Division of Real Estate into your communities.

Meet Our Presenters:

- Leigh Veillette, Division Director, provided insightful coverage of recent bill changes and industry-related issues impacting real estate, appraisal, and mortgage licensees. Her presentations aimed to ensure you're well-informed on conducting your business professionally and compliantly.
- Kadee Wright, Chief of Enforcement, delved into the compelling details of our most recent enforcement cases—always a crowd favorite!
- Laurel North, Licensing and Education Manager, expertly navigated and emceed our Division Kahoot Game. The questions, thoughtfully crafted from current issues, statutes, and rules, challenged and engaged everyone.



We also received many compliments on our slightly less formal attire this year, featuring jeans paired with division-branded vests and shirts. We genuinely enjoy spending time with all of you and thank you for being excellent representatives of the real estate, appraisal, and mortgage industries!



Our Amazing Team

This entire tour wouldn't have been possible without the dedication and hard work of our incredible team at the Division of Real Estate. A special thank you goes out to:

- **Sandra Bargas, Education Coordinator**
- **Sarah Thaler, Real Estate Licensing Specialist**
- **Michael Genco, Appraisal & Education Licensing Specialist**
- **Regina Duncan, Real Estate Licensing Specialist**
- **Mike Page, Mortgage Licensing Specialist**

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 currently under appeal.

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>

APPRAISAL/AMC

NAME	EFFECTIVE DATE	ALLEGATIONS / VIOLATIONS	DISCIPLINE / SETTLEMENT
ASCRIBE, LLC, TRIDENT SERVICES, LLC, DBA TRISERVE APPRAISAL MANAGEMENT SOLUTIONS and JOHN JACOB NICE Appraisal Management Company Roswell, Georgia Docket # RE-25-5079 DRE Case # AP-22-133372	May 2025	Ascribe admits that it failed to timely pay for two appraisal assignments within 45 days of the completion of the assignments, and failed to properly register a DBA with the Division.	\$3,975 civil penalty. Cease and desist from operating under a DBA not properly registered in Utah.
FREE, TYLER Certified General Appraiser Draper, Utah Docket # RE-2025-007 DRE Case # 158643	May 2025	Mr. Free acknowledged that he was offered an appraisal assignment to appraise proposed new townhouse pads in Murray, Utah. His appraisal report contains numerous errors and inconsistencies, including the description of the property, the highest and best-use analysis, the presence of extraordinary assumptions and hypothetical conditions, the use of comparable sales that do not appropriately bracket the subject property, and use of the sales comparison approach that was unreliable. These acts and practices constitute violations of USPAP and Utah law and Administrative rules.	\$2,500 civil penalty. 3 hours of continuing education in addition to required continuing education for next license renewal.

NAME	EFFECTIVE DATE	ALLEGATIONS / VIOLATIONS	DISCIPLINE / SETTLEMENT
LAWLEY, DAVID W. Certified Residential Appraiser Cedar City, Utah Docket # AP-24-5075 DRE Case #AP-22-132963	April 2025	Mr. Lawley admits a number of USPAP violations related to an appraisal assignment, including the Ethics Rule, Scope of Work Rule, General Development Requirements, Problem identification, Approaches to Value, Reconciliation, General Reporting Requirements, and Content of a Real Property Appraisal Report.	\$3,000 civil penalty. 4 hours of continuing education on the subject of Sales Comparison Approach Reconciliation, in addition to the continuing education required for next license renewal.
STOCK, ANTHONY KIPP Certified Residential Appraiser Centerville, Utah Docket # RE-2025-042 DRE Case # 155530	May 2025	Mr. Stock admits that he was engaged to perform an appraisal two days after completing an appraisal of the same property, but for a different AMC. The appraisal assignment included a reinspection of the property. Applicant took a new street view photo of the property but no one answered the door to allow him to complete an interior inspection. The appraisal report certified that Mr. Stock had made an interior inspection of the property. In addition, Mr. Stock failed to retain in his workfile earlier versions of both appraisal reports. Mr. Stock admits that his actions violate USPAP and Utah law.	\$3,000 civil penalty. 4 hours of continuing education on the subject of Sales Comparison Approach Reconciliation, in addition to the continuing education required for his next license renewal.

MORTGAGE

NAME	EFFECTIVE DATE	ALLEGATIONS / VIOLATIONS	DISCIPLINE / SETTLEMENT
LORENZO, IDA ANN Mortgage Loan Originator Washington, Utah Docket # RE-23-5038 DRE Case #MG-20-117520	April 2025	Ms. Lorenzo voluntarily surrendered her Utah mortgage loan originator license. In a stipulated order dated April 2, 2025, Ms. Lorenzo admits that she added borrowers to her personal credit card account in order to increase their credit score in an attempt to qualify them for a mortgage loan. During an investigation of the matter, Ms. Lorenzo initially denied adding any borrower to her personal credit accounts. The Division determined that her actions violated Utah law which prohibits a mortgage licensee from transacting the business of residential mortgage loans in a way that constitutes dishonesty, fraud, or misrepresentation.	Ms. Lorenzo's residual rights in her Mortgage Loan Originator license are revoked and she may not reapply for licensure for at least five years.

NAME	EFFECTIVE DATE	ALLEGATIONS / VIOLATIONS	DISCIPLINE / SETTLEMENT
URESK, WADE Lending Manager Herriman, Utah Docket #RE-25-5080 DRE Case #MG-22-137925	April 2025	Mr. Uresk admits that he affiliated with a Utah residential mortgage company but failed to provide specific written policies, exercise reasonable supervision, establish or maintain a quality control plan, or perform pre-closing and post-closing audits of 10% of all loan files. His failure to complete these required duties violates Utah law.	\$5,000 civil penalty. Lending manager license will be placed on probation through next licensing cycle.
WOLLESEN, JENNIFER Lending Manager Grantsville, Utah Docket # RE-25-5084 DRE Case # MG-22-135318	April 2025	Ms. Wollesen admits that she had altered a document to make it appear that the financial statement of a mortgage loan originator affiliated with her company was the financial statement of a borrower. This conduct is a violation of Utah law, including making a false representation, causing false documents to be generated, knowingly permit false information to be submitted by any party, and engaging in an act that constitutes dishonesty, fraud, or misrepresentation.	\$2,500 civil penalty. Ms. Wollesen's license has already expired and she will not apply for a mortgage loan originator license in Utah for at least eight years. Her MU-4 form will be updated within ten business days.

REAL ESTATE

In accordance with recent legislation, the Division is revising its reporting of real estate disciplinary actions for the Second Quarter Newsletter. We anticipate future publications of the Newsletter will again include summaries of real estate disciplinary actions.

TIMESHARE

There were no disciplinary actions in the Timeshare industry for the second quarter.

DIVISION CALENDAR

Please note that calendar dates are subject to change

DATE	EVENT	TIME	NOTES
02 July, Wednesday	Mortgage Commission Meeting	9am to 1pm	Meeting Information
04 July, Friday	Independence Day	Division Offices Closed	
16 July, Wednesday	Real Estate Commission Meeting	9am to 1pm	Meeting Information
24 July, Thursday	Pioneer Day	Division Offices Closed	
30 July, Wednesday	Appraiser Board Meeting	9am to 1pm	Meeting Information
31 July, Thursday	Last day to renew license to avoid late fees		
19 Aug, Tuesday	Real Estate Commission Formal Enforcement Hearing (Day 1)	9am to 5pm	Meeting Information
20 Aug, Wednesday	Real Estate Commission Meeting; Formal Enforcement Hearing (Day 2)	9am to 5pm	Meeting Information
21 Aug, Thursday	Real Estate Commission Formal Enforcement Hearing (Day 3)	9am to 5pm	Meeting Information
27 Aug, Wednesday	Appraiser Board Meeting	9am to 1pm	Meeting Information
31 August, Sunday	Last day to renew license to avoid late fees		
1 Sept, Monday	Labor Day	Division Offices Closed	
17 Sept, Wednesday	Real Estate Commission Meeting	9am to 1pm	Meeting Information
24 Sept, Wednesday	Appraiser Board Meeting	9am to 1pm	Meeting Information
30 Sept, Tuesday	Last day to renew license to avoid late fees		

CREDITS

2ND QUARTER 2025

NEWSLETTER

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2025 Published by
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Kelle Smart

**We'd love your
feedback!**



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TRIVIA ANSWERS

1.a 2.a 3.c 4.b 5.b