

**Superseded 5/10/2016**

**61-2e-307 Prohibited acts -- Exclusions.**

- (1) An appraisal management company required to be registered under this chapter and a controlling person, employee, or agent of the appraisal management company may not:
  - (a) engage in an act of coercion, extortion, intimidation, or bribery for any purpose related to an appraisal;
  - (b) compensate an appraiser in a manner that the person should reasonably know would result in the appraiser not conducting a real estate appraisal activity in a manner consistent with applicable appraisal standards;
  - (c) engage in the business of an appraisal management company under an assumed or fictitious name not properly registered in the state;
  - (d) accept a contingent fee for performing an appraisal management service if the fee is contingent on:
    - (i) the appraisal report having a predetermined analysis, opinion, or conclusion;
    - (ii) the analysis, opinion, conclusion, or valuation reached in an appraisal report; or
    - (iii) the consequences resulting from the appraisal assignment;
  - (e) require an appraiser to indemnify the appraisal management company against liability except liability for errors and omissions by the appraiser; or
  - (f) alter, modify, or otherwise change a completed appraisal report submitted by an appraiser.
- (2) An appraisal management company required to be registered under this chapter, or a controlling person, employee, or agent of the appraisal management company may not influence or attempt to influence the development, reporting, or review of an appraisal through:
  - (a) coercion;
  - (b) extortion;
  - (c) collusion;
  - (d) compensation;
  - (e) instruction;
  - (f) inducement;
  - (g) intimidation;
  - (h) bribery; or
  - (i) any other manner that would constitute undue influence.
- (3) A violation of Subsection (2) includes doing one or more of the following for a purpose listed in Subsection (2):
  - (a) withholding or threatening to withhold timely payment for an appraisal;
  - (b) withholding or threatening to withhold future business for an appraiser;
  - (c) taking adverse action or threatening to take adverse action against an appraiser regarding use of the appraiser for a real estate appraisal activity;
  - (d) expressly or by implication promising future business or increased compensation for an appraiser;
  - (e) conditioning one or more of the following on the opinion, conclusion, or valuation to be reached, or on a preliminary estimate or opinion requested from an appraiser:
    - (i) a request for a real estate appraisal activity; or
    - (ii) the payment of consideration;
  - (f) requesting that an appraiser provide at any time before the appraiser's completion of a real estate appraisal activity:
    - (i) an estimated, predetermined, or desired valuation in an appraisal report; or
    - (ii) an estimated value or comparable sale;
  - (g) except for a copy of a sales contract for a purchase transaction, providing to an appraiser:

- (i) an anticipated, estimated, encouraged, or desired value for a subject property; or
  - (ii) a proposed or target amount to be loaned to the borrower;
  - (h) providing to an appraiser, or an individual related to the appraiser, stock or other financial or non-financial benefits;
  - (i) allowing the removal of an appraiser from an appraiser panel, without prior written notice to the appraiser as required by Section 61-2e-306;
  - (j) obtaining, using, or paying for a subsequent appraisal or ordering an automated valuation model in connection with a mortgage financing transaction unless:
    - (i)
      - (A) there is a reasonable basis to believe that the initial appraisal does not meet applicable appraisal standards; and
      - (B) the reasonable basis is noted in the loan file; or
    - (ii) the subsequent appraisal or automated valuation model is done pursuant to a pre- or post-funding appraisal review or quality control process in accordance with applicable appraisal standards; or
  - (k) engaging in any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity, or impartiality.
- (4) This section may not be construed to prohibit an appraisal management company from requesting that an appraiser:
- (a) provide additional information about the basis for a valuation; or
  - (b) correct an objective factual error in an appraisal report.