



OKLAHOMA REAL ESTATE APPRAISER BOARD

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Four Keys to Great Appraiser Customer Service – by Dustin Harris

We work in an interesting industry where, unless you do a majority of non-lender work, most of our human interactions do not occur with our actual clients. Instead, we communicate with the AMC and lenders through email and web-portals. Most appraisers spend a majority of their work time either in front of a computer, traveling, or inspecting homes. Typically, the only portion of that formula which includes human connection is with the home owner(s). There may be a temptation to relax our professionalism and customer service skills around home owners because they are not writing our paychecks, but this is a grave mistake. No matter what your industry (appraisal not excluded), you are in the sales and marketing business. First of all, if you think that borrowers do not talk to their loan officers and report back as to how the appraiser performed, you are blind to the truth. This report can affect your ability to work for that lender in the future. Secondly, the borrower of today is potentially the client of tomorrow. Making a great impression can do wonders for possible return business for non-lender appraisal work down the road. (Continued on page 5.)

Appraiser Qualification Criteria Effective January 1, 2015

	Educational Prerequisites (Note 1 and 3)	Experience Prerequisites	Scope of Practice (Note 2)
Trainee Appraiser	75 hours of qualifying courses approved by the Board including 15 hour National USPAP course.	None.	Appraisal of those properties within the authorized scope of practice of the supervisory appraiser.
State Licensed	150 hours of qualifying courses approved by the Board including 15 hour National USPAP course; plus 30 semester credit hours of college-level education from an accredited college, junior college, community college, or university OR an Associate's degree or higher (in any field).	2,000 hours obtained during no fewer than 12 months.	Complex 1-4 residential units up to \$250,000 & non-complex 1-4 res. units transaction value up to \$1,000,000. *See AQB Guide Note 3
Certified Residential	200 hours of qualifying courses approved by the Board including 15 hour National USPAP course; plus a Bachelor's degree or higher (in any field) from an accredited college or university.	2,500 hours obtained during no fewer than 24 months.	1-4 residential units without regard to transaction value or complexity. *See AQB Guide Note 3
Certified General	300 hours of qualifying courses approved by the Board including 15 hour National USPAP course; plus a Bachelor's degree or higher (in any field) from an accredited college or university.	3,000 hours, obtained during no fewer than 30 months, including a minimum 1,500 hours non-residential.	All types of real property with any transaction value.
<p>Note 1 For Educational Prerequisites, qualifying courses must be those courses identified on the Core Curriculum set forth by the Appraiser Qualification Criteria promulgated by the Appraiser Qualifications Board of The Appraisal Foundation. With respect to Trainee appraiser applicants, all qualifying education must be completed within the five (5) year period prior to the date of submission of an application for a Trainee Appraiser Credential.</p>			
<p>Note 2 For Scope of Practice considerations: A complex residential property is defined as a property consisting of one to four residential units that exhibits one or more atypical factors such as size, design characteristics, locational characteristics, physical condition characteristics, or ownership; or exhibits non-conforming zoning, landmark or historical place designation, lack of appraisal data, or other similar unusual or atypical factors. (OAC 600:10-1-15)</p>			
<p>Note 3 Credit towards qualifying education requirements may be obtained via the completion of a degree program in Real Estate from an accredited degree-granting college or university provided the college or university has had its curriculum reviewed and approved by the AQB.</p>			
Continuing Education:	<p>42 hours of courses approved by the Board for continuing education taken during each three-year renewal period. Appraisers licensed by reciprocity must furnish an Original Letter of Good Standing from resident state in lieu of education. NOTE: Appraisers must successfully complete the 7 hour National USPAP Update Course or its equivalent biennially between January 1 of odd numbered years and December 31 of even numbered years. Appraisers may not receive credit for completion of the same continuing education course offering within the appraiser's continuing education cycle.</p>		

AQB Guide Note 3 "... because federally related transactions less than \$250,000 fall below the regulatory de minimus established by the Federal Financial Institution Regulatory Agencies, the scope of practice restrictions placed on individuals below that threshold for financial institutions are few, if any." The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria. Page 22.

Form REA-9 (1309)

January 1, 2015 Appraiser Qualification Criteria Changes: Upgrades – What you need to Know

As you should be aware by now, the Appraiser Qualification Criteria will change effective January 1, 2015. Be aware that two of these criteria changes may impact your ability to upgrade.

- Applicants for the Certified Residential and Certified General classifications will have to possess a Bachelor's degree or higher from an accredited college or university; the in lieu of opportunity will no longer be accepted.
- Applicants for the State Licensed classification will have to successfully complete 30 semester hours of college-level education from an accredited college or have an Associate's degree or higher.

If you wish to upgrade your credential, and you do not or cannot timely meet the above requirements, you **MUST** upgrade your credential prior to December 31, 2014. Successful completion includes an administratively approved application, passing a peer review of your work product, receiving a test card, passing the test, submitting your pass card and receiving a new credential prior to close of business on December 31, 2014. If any of these things do not occur, you **will** be required to reapply under the new criteria. Please understand that the administrative approval and peer review could take approximately 90 days. Taking everything into consideration, if this applies to you, please consider making application no later than August 1st.

BOARD BUSINESS

2013 Enforcement: By the Numbers



Eric Schoen, the Board's Administrative Officer, served as Santa Claus during the Insurance Department's Christmas party. Santa Eric poses with *Commissioner John D. Doak*, following lunch.

Staff Reminders

Attention Supervisors and Trainees: If you have not taken the mandatory supervisor/trainee course, your deadline to do so is April 3, 2014. Please be aware that if you do not take the course in the time permitted, further action may be taken. Detailed information can be located on our website under the announcement section on our main page. Detailed information can also be located in the official notifications mailed to you during 2013.

All Appraisers: A course completion certificate should be filed with the office of Board staff for the **7-Hour USPAP Update** no later than close of business on December 31, 2014. The deadline is the same for all appraisers, regardless of your renewal date. If the course is not taken in the time permitted, further action will be taken. Enforcement action could include a \$150.00 fine and possible suspension of your credential until the course is completed. Please check the course announcements on our website for class offerings. Online courses are not posted, but may be taken from several different online education providers.

You will now find a link to a special edition of USPAP Q & A which is intended to address questions associated with the **2014-2015 USPAP**, effective January 1, 2014 through December 31, 2015, available on our website.

Grievance Forms:

Grievances Filed Against Appraisers	28
Grievances Filed Against AMC's	6
Grievances Dismissed by PCC	11
Grievances Forwarded to Prosecution	7
Letters of Warning Issued by PCC	5
Non-Disciplinary Letters of Concern Issued by PCC	3
2013 Grievances Pending PCC Review	2

Imposed Discipline:

Total Disciplinary Orders Issued	18
Fines	10
Corrective Education	7
Payment of Costs	4
Revocation	3
Probation	3
Suspension	2
Prohibition against Supervising	2
Voluntary Surrender in Lieu of Discipline	1
Limitations against Credential	1
Limitations on Experience Hours Permitted for Upgrade	1

2013 Licensing - By the Numbers

<u>Total Appraiser Population:</u>	1128
Trainees	129
State Licensed	136
Certified Residential	439
Certified General	424
<u>Applications for Upgrade:</u>	45
State Licensed	5
State Licensed – AQB Compliant	24
Certified Residential	11
Certified General	5
Upgrade Applications Approved	37
Upgrade Applications Denied	7
Upgrade Applications Pending	1
Pass Approval Percentage	84%

Education Providers

600:10-1-8. Course Approval Requirements:

(d) Course providers shall provide written notice of date, time, place, and title of courses to be presented **not less than seven (7) days in advance of the beginning date of the course**. Courses presented shall be subject to unannounced compliance inspection by a representative of the Board.

(i) At the completion of each course, the provider shall provide to the Board a list of all licensees and those attending qualifying courses who completed the course on a Course Completion Form approved by the Board.

If you are not regularly complying with these two board rules, please take steps to ensure that compliance occurs. Continuing education credit could be withheld from your students, should these provisions not be timely met.

Course Announcements

<u>Course Provider</u>	<u>Course Title</u>	<u>QE/CE</u>	<u>CRS</u>	<u>February</u>	<u>Location</u>
Tulsa Technology	Res. Market Analysis and H & B Use	15 QE	611	8-9	Tulsa
<u>Course Provider</u>	<u>Course Title</u>	<u>QE/CE</u>	<u>CRS</u>	<u>March</u>	<u>Location</u>
Tulsa Technology	Res. Site Valuation & Cost Approach	15 QE	612	8-9	Tulsa
	2014-2015 USPAP Update	7 CE	700	12	Tulsa
	Lead Education for the RE Professional	3 CE	703	4	Tulsa

Contacts:

Karen Gutenkauf Tulsa Technology (918) 828-5452

2014 Board Chair and Committee Appointments

At its December 4, 2013 meeting, the Board voted to appoint Lee R. Caesar, Jr., to serve as its Vice-Chairman for the calendar year 2014. Co-chair appointments were voted on for each of the three committees that serve the Board. Betty J. Cagle and Stephen C. Walton will remain as co-chairs of the Education, Experience & Testing Committee; Shelley Pruitt and John P. Smithson will serve as co-chairs of the Legislation and Rules Committee and P. Lane Wheeler and James R. Artman will serve as co-chairs of the Standards and Disciplinary Procedures Committee. If you would like to review the entire roster for each committee, you will find it posted to the REAB website under Standing Committees.

AMC Information:

AMCs in Oklahoma: 127

Appraisers: § 858-820 Prohibited Acts by Appraisal Management Companies Against Appraiser: An AMC shall not perform or attempt to perform any one or more of the following acts: #4. Prohibit or inhibit legal or other allowable communication between the appraiser and the a) lender; b) real estate licensee; and c) any other person from whom the appraiser believes information would be relevant.

AMCs: 600:30-1-7. Change of Information: Please be reminded that Board Rules require notification of all changes of address, ownership, telephone numbers, designated officers, controlling persons, including any changes to percentage of ownership, be made in writing and provided to the administrative office of the Oklahoma Real Estate Appraiser Board within ten days of the effective date of said change.

Four Keys to Great Appraiser Customer Service – by Dustin Harris

(Continued from cover page)

Finally (and most importantly), living the Golden Rule is simply the right thing to do. I treat every home owner as if they were my customer and here are a few suggestions to consider when you interact with owners, tenants, or other contacts at the homes you inspect.

Be on Time and Communicate If You Won't Be

Show up when you say you will be there. Most home owners do not typically sit around all day doing nothing. They normally rearrange their lives (including taking time off work) to be there for you. If you say you will be there between 9:00 and 10:00 AM, do not show up at 10:04 AM. It just is not nice. I realize that in the real world 'stuff' happens. If it does, just be sure to communicate. I work a rural area and there are times when weather, for example, just makes my travel time slow (or even non-existent). As soon as I know I will be late (or unable to come at all), I make a diligent effort to get ahold of the individual meeting me and explain the situation. Most home owners are pretty understanding as long as you keep the lines of communication open with them.

Remember Whose Home You Are In

As an appraiser, you walk through a great many homes. Because you know what you are doing, the inspection can become routine. Do not let your work become so monotonous, however, that you forget whose home you are in. Our homes are our castles and it is a disconcerting thing to have a stranger walk through them. Think for a moment about how you would feel if the roles were reversed. If you were opening up the private places of your home (even closets) for a stranger to view, how would you like them to act? Respect their sanctuary. With few exceptions (you know what I mean), take off your shoes when you enter the home. I do this even if the home owner insists it is not necessary. Do not spend excess time in areas that, though interesting, may not affect your data-gathering process. Clean up after yourself. If you must do a head-and-shoulders inspection of an attic and some insulation falls to the ground, try to leave it better than you found it. If there is clutter on the floors, do your best to step over rather than on items. I always announce my presence in various parts of the house. Simply saying, "I'm going downstairs now," will let the home owner know where I am so there are no startling or embarrassing encounters. If there is a closed interior door, I will knock before I enter (even if I think there is no one home). Of course, there is almost never a reason to touch or pick up personal items. Just do what you came to do and disturb the home as little as possible.

Educate

With few exceptions, home owners are not knowledgeable about the local market or the appraisal process. Use the opportunity of the inspection to share your expertise and knowledge with them. Let them know what is going on with the local real estate economy. Explain what an AMC is and why you cannot communicate with them about value once you have finished the appraisal. Talk about what you are doing and why as you move throughout the home. Tell them what you are doing (i.e. "I will be taking pictures of every room) before you do it. Ask them if they have questions and answer them to the best of your ability. As you educate, of course, be careful to not embellish or mislead in any way. It can be tempting to fabricate an answer in order to not look like you do not know your stuff. If the home owner asks you what the percentage of homes selling in their neighborhood are REO/foreclosures and you do not know, the correct answer is, "I do not know." You might even want to add, "... but I can find out and get back to you," if it applies. Much distrust and bad feelings can occur simply out of ignorance. You are an educated and intelligent professional. Be willing to share your wealth of knowledge with others and help squelch some of that mistrust.

Begin and End With a Great Impression

Studies show that impressions are made within milliseconds of meeting someone. Make your first impression a positive one. I practice the habit of smiling whenever the home owner answers the door. I introduce myself as the appraiser and extend my hand in greeting. I want to put their fears of a stranger in their home at ease before they become an issue. I will also usually look for some kind of common connection that I can begin a conversation with. "I see you have kids," might be a line I use to build on commonalities and also put their fears of a cluttered home to rest at the same time. Most of our communication as humans is non-verbal. Remember what you wear and how you conduct yourself is key in how the home owner perceives you. Dress the part. That part may mean something different in the various areas we work. In my neck of the woods, nice, clean, cowboy boots are the norm, so I wear them. I would never wear flip-flops to an appraisal inspection. My brother, on the other hand, works in Hawaii. Wearing flip-flops in his world is considered normal and professional. Before leaving a home, I always ask the home owner if there is anything else I might have missed or if they have any further questions. I do not want them to feel like I am rushing in, around, and out of their home without concern for them or their role in this process. Finally, I always leave a **pamphlet*** which gives more information about how the appraisal process works as well as a small gift as a token of my appreciation for allowing me to be in their home.

Conclusion

The best word I can use to describe what I am trying to get across here is 'PROFESSIONALISM.' I often hear from other appraisers about how they wish more people treated us and our profession with respect. Unfortunately, some of that reputation may be self-imposed. In all of our interaction (whether in person or over the Internet or phone lines), we should act as the white-collared professionals that we are. Now, go create some value!

Dustin Harris is a multi-business owner and residential real estate appraiser. He has been appraising for nearly two decades. He is the owner and President of Appraisal Precision and Consulting Group, Inc. He owns and operates [The Appraiser Coach](#) where he personally advises and mentors other appraisers. He is also the Founder and President of [Your Appraisal Office](#) which implements some of the systems he has developed to help lower costs and free up time. His principles and methodologies are also taught in an online, [Mastermind group](#). He and his wife reside in Idaho with their four children.

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The Board is now accepting online payments! You will find an "Online Bill Pay" button at the bottom of REAB's main menu on the OID website!

REMEMBER: You are still required to mail in any documentation with an original signature.

2014-2015 USPAP

Revisions to USPAP effective January 1, 2014:

- Revisions to the DEFINITIONS of "Assignment Results" and "Scope of Work"
- Revisions to the PREAMBLE
- Revisions to the Conduct section of the ETHICS RULE
- Revisions to the COMPETENCY RULE
- Revisions to Reporting Requirements, including the type and number of Report Options
- Revisions to Standards Rule 3-5
- Retirement of STANDARDS 4 and 5
- Revisions to Advisory Opinion 11 and 12

If you have not yet taken the USPAP update, please take the time to review these changes at your earliest convenience. Additional information can be found on the main page of our website under "2014-2015 USPAP Q & A". The deadline to take the USPAP update is **December 31, 2014**.

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