

# O K L A H O M A REAL ESTATE APPRAISER BOARD NEWSLETTER



ISSUE #22

P.O. BOX 53408, OKLAHOMA CITY, OK 73152-3408

November 2005

## Kim Holland, Chairperson

## MESSAGE FROM THE DIRECTOR

### Board Members:

	Term Expires
Lee R. Caesar Jr., Vice-Chair, Realtor, Oklahoma City	2006
Jim R. Burton, Appraiser Member, Tulsa	2006
Jana S. Barker, Layperson Member, Oklahoma City	2007
Harold J. Joey Snyder III, Banking Member, Oklahoma City	2007
Patti L. Fisher, Appraiser Member, Shawnee	2008
James W. Hoyt, Appraiser Member, Oklahoma City	2009
P. Lane Wheeler, Appraiser Member, Oklahoma City	2010

### Staff:

Rod Stirman, Director, Real Estate Appraiser Board  
Linda Churchill, Licensing Administrator, Real Estate Appraiser Board  
Joann Stevenson, Assistant Attorney General, Board Counsel

## LICENSING BREAKOUT

MONTH/YEAR	CGA	CRA	SLA	Total	TRA
5/1/98	427	376	418	1221	
6/1/00	424	385	661	1470	
8/1/01	390	370	750	1510	
4/1/02	394	360	649	1403	115
10/1/02	398	361	577	1336	213
2/1/03	394	371	558	1323	280
7/1/03	387	384	510	1281	360
1/1/04	387	399	473	1259	449
10/1/04	385	417	450	1252	494
1/1/05	387	419	442	1248	503
5/1/05	381	426	418	1225	468
9/1/05	379	432	401	1212	491
11/1/05	382	435	403	1220	491

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This newsletter is distributed for informational and educational purposes only and does not constitute an endorsement by the Oklahoma Insurance Department or the Real Estate Appraiser Board of any service, company or individual offering any product or service.

*"If you find your mind tempted and entangled in greed, you must suppress the temptation and control the greed." - Buddha (B.C. 568-488)*

This edition of the Oklahoma Real Estate Appraiser Board Newsletter, as was the case with the November 2004 edition, is the Board's means of providing notice to you that it has begun the process of making changes to its administrative rules. Changes are not as significant this year as last, but there are changes to all three chapters of Title 600, Real Estate Appraiser Board.

The reason that you receive notice of these changes, the request for your comments, and the notice of the public hearing is to allow you to make your voice heard. You will note in the pages that follow that there is a public comment period as well as a public hearing.

Comments are requested and public hearings are held for a variety of reasons. The Board is interested in hearing what you have to say about the changes that are being contemplated. Written comments may be mailed, faxed or emailed to this office. These comments are copied and furnished to each Board member for scrutiny ahead of the hearing. They become a part of the rule making record, and of the Board's consideration.

A year ago, there were changes to our rules that were substantial. Each appraiser, course provider, and a number of other interested parties received notices to total about 1850. Three comments were received. One was from an appraiser, one was from the Appraisal Subcommittee in Washington D.C., and I wrote the other because there was an item that I overlooked and needed to correct. Three appraisers attended the public hearing.

The changes took effect on July 14, and the reaction from you was as if no one had ever heard of them.

I would sincerely like to improve communication this time around. Please take a few minutes, read the changes, and if you wish to comment, please do. If you have a better idea, please share the idea with the Board.

Understand, of course, that the Board is compelled by higher authority to take certain courses of action in some instances. The Board is bound by the ASC's Policy Statements ([www.asc.gov](http://www.asc.gov)), by the Appraiser Qualification Criteria ([www.appraisalfoundation.org](http://www.appraisalfoundation.org)), and numerous other regulatory documents.

Please take the time to read the enclosed information, understand the changes, and offer any comments you may have.

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**TITLE 600. REAL ESTATE APPRAISER BOARD**  
**CHAPTER 10. LICENSURE AND CERTIFICATION REQUIREMENTS**

**RULEMAKING ACTION:**

Notice of proposed PERMANENT rulemaking

**PROPOSED RULES:**

- 600:10-1-5. Qualifying education prerequisites [AMENDED]
- 600:10-1-6. Experience prerequisite [AMENDED]
- 600:10-1-7. Continuing education [AMENDED]
- 600:10-1-8. Course approval requirements [AMENDED]
- 600:10-1-16. Supervision of trainee appraisers [AMENDED]

**SUMMARY:**

The proposed amendment to rule 600:10-1-5 removes language no longer necessary and brings the rule into compliance with Policy Statement 10 of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council regarding affidavits. The proposed amendment to rule 600:10-1-6 further defines the procedures for experience review. The proposed amendments to rule 600:10-1-7 remove unnecessary language regarding Trainee Appraisers and specifies required compliance with the Appraiser Qualification Criteria promulgated by the Appraiser Qualification Board regarding the USPAP Update course. The proposed amendments to rule 600:10-1-8 provide for limiting periods of approval for courses and instructors and provide a means of supervision of course providers. The proposed amendments to rule 600:10-1-16 provide for a means of approving trainee supervisors for supervision of more than three Trainee Appraisers in accordance with the Criteria.

**AUTHORITY:**

Real Estate Appraiser Board, 59 O.S. § 858-706(A).

**COMMENT PERIOD:**

Persons may submit written or oral comments to Rod Stirman at the offices of the Real Estate Appraiser Board, Oklahoma Insurance Department, 2401 NW 23rd Street, Suite 28, Oklahoma City, Oklahoma 73107 during the period December 1, 2005 to 1:00 p.m., January 4, 2006.

**PUBLIC HEARING:**

A public hearing will be held at 9:30 a.m. on January 6, 2006, in the offices of the Insurance Commissioner of Oklahoma, the Honorable Kim Holland, at 2401 NW 23<sup>rd</sup> Street, Suite 28, Oklahoma City, Oklahoma 73107.

**REQUESTS FOR COMMENTS FROM BUSINESS ENTITIES:**

Business entities affected by these proposed rules are requested to provide the Board with information, in dollar amounts if possible, about any increases in the level of direct costs expected to be incurred by the business entity due to compliance with the proposed rules. Business entities may submit this information in writing to Rod Stirman at the above address during the period during the period December 1, 2005 to 1:00 p.m., January 4, 2006.

**COPIES OF PROPOSED RULES:**

Copies of proposed rules are available at the Offices of the Real Estate Appraiser Board, Oklahoma Insurance Department, at 2401 NW 23rd Street, Suite 28, Oklahoma City, Oklahoma 73107. Copies of proposed rules may also be obtained by written request to the attention of Rod Stirman, Real Estate Appraiser Board, PO Box 53408, Oklahoma City, OK 73152.

**RULE IMPACT STATEMENT:**

Copies of the Rule Impact Statement may be obtained at the Offices of the Real Estate Appraiser Board, Oklahoma Insurance Department, at 2401 NW 23rd Street, Suite 28, Oklahoma City, Oklahoma 73107.

**CONTACT PERSON:**

Rod Stirman, Director, (405) 521-6636.

**CHAPTER 10. LICENSURE AND CERTIFICATION REQUIREMENTS**

**600:10-1-5. Qualifying education prerequisites**

Classroom hours shall be approved by the Board pursuant to the guidelines set forth in the Appraiser Qualification Criteria promulgated by the Appraiser Qualifications Board of the Appraisal Foundation. Copies of official transcripts of college records or certificates of course completion will be considered as satisfactory evidence for qualifying education requirements. ~~The Board may grant credit for past courses taken when the time elapsed since completion is such that records and proper documentation are not available. The applicant would describe such qualifying education in a letter and by affidavit subject to disciplinary action by the Board. The number of hours of credit for such courses will be the final decision of the Board.~~

**600:10-1-6. Experience prerequisite**

(d) Applicants for the State Licensed, State Certified Residential, or State Certified General classifications are required to submit, in addition to the approved application form, properly completed experience log forms according to the basic form approved by the Board. Additionally, applicants for either the State Licensed, State Certified Residential, or State Certified General classifications shall submit ~~the following:~~

- ~~(1) A~~ **a** letter of verification from a third party (or parties, i.e., employer, appraiser supervisor, etc.) stating and confirming direct knowledge that the applicant has achieved the stated hours of real estate appraisal experience, ~~and~~

~~(2) Copies of at least three actual written real estate appraisal reports that exemplify the type of appraisal work experience that credit is being applied for. Reports submitted must be self-contained or summary reports of appraisals. Applicants for Certified General Appraiser must submit reports of at least two non-residential appraisals.~~

(e) The individual assigned the task of reviewing the experience submission shall select three (3) appraisal reports from the appraisal log, advise the Board staff of the selection, and the Board staff shall advise the applicant to provide the samples for review. The applicant shall forward the sample work product to the staff, who shall then transmit it to the reviewer.

#### 600:10-1-7. Continuing education

(a) All Trainee, State Licensed, State Certified Residential and State Certified General Appraisers shall complete the minimum classroom hours set forth in the Appraiser Qualification promulgated by the Appraiser Qualifications Board of the Appraisal Foundation for the three (3) year period preceding renewal. ~~Trainee appraisers shall complete the minimum classroom hours set forth in the Appraiser Qualification Criteria promulgated by the Appraiser Qualifications Board of the Appraisal Foundation for the State Licensed Appraiser.~~ These hours may be obtained any time during the three year term which concludes on the expiration date printed on the certificate.

(b) Copies of official transcripts of college records or certificates of course completion will be considered as satisfactory evidence for continuing education requirements.

(c) Up to one-half the required hours of continuing education may be Board-approved courses offered by distance education as defined by the Appraiser Qualification Criteria of the Appraiser Qualifications Board of the Appraisal Foundation.

(d) As a part of the continuing education requirement, all Trainee, State Licensed, State Certified Residential and State Certified General Appraisers must successfully complete the seven (7) hour National USPAP Update Course, or an approved equivalent, every two calendar years, commencing on January 1, 2005.

#### 600:10-1-8. Course approval requirements

(b) Approval of courses and instructors shall be for a three year period. Courses and instructors may be renewed for an additional period on application to the Board.

(c) Course providers shall provide written notice of date, time, place, and title of courses to be presented not less than thirty 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.

#### 600:10-1-16. Supervision of trainee appraisers.

(a) Trainee Appraisers shall report to the Board, on a form prescribed by the Board, the identity of any supervisory appraiser. Trainee Appraisers may have more than one supervisory appraiser, but a supervisory appraiser may not supervise more than three (3) trainee appraisers at one time, **except as permitted in subparagraph h of this paragraph.** When a Trainee Appraiser has more than one supervisory appraiser, each shall be reported to the Board as indicated above.

(h) A supervisory appraiser may assume responsibility for more than three Trainee Appraisers under the following terms and conditions:

(1) The supervisor must apply for authority to supervise more than three Trainee Appraisers with the Board on forms approved by the Board for this purpose. This approval shall extend to the supervisor or supervisors, the facility and the training plan. Any approval issued hereunder shall specify a maximum number of trainees authorized.

(2) The supervisor must specify the location of the facility to be used for this purpose, which may not be a residence. The facility must have posted hours, approved by the Board, during which the facility will be open and the supervisor present. During the operating hours, the facility and all records specified herein shall be subject to unannounced compliance inspection by a representative of the Board.

(3) The supervisor must prepare a training plan, based on the Core Curriculum and the Real Property Appraiser Body of Knowledge promulgated by the Appraiser Qualification Board of The Appraisal Foundation, appropriate to the level of licensure to which the trainee aspires and for which the supervisor is qualified. This training plan should, as a minimum, include learning objectives for the experience to be gained, a planned time line for further qualifying and continuing education required to bring the trainee to a fully qualified status, and a checklist for monitoring progress by the trainee toward meeting these objectives.

(4) Records maintained in the training facility must include the training plan, an appraisal log, a workfile for each appraisal assignment, and a progress checklist, each maintained on a contemporaneous basis, for each Trainee Appraiser. In addition, appropriate reference materials should be on hand, which must include the current edition of the USPAP.

(5) Approval of any supervisor or supervisors under this paragraph may be conditioned upon an interview of such supervisors by a representative of the Board.

## USPAP Q&A

**Question:** When will the 2006 Edition of USPAP be available?

**Answer: (Edited by OKREAB)** The ASB held a public meeting on October 27, 2005 in Washington, D.C. At this meeting, the Board voted to adopt proposed modifications to USPAP as presented in the Exposure Draft released in July 2005.

These changes will be incorporated into the 2006 USPAP, which is planned for publication in late January 2006 with an effective date of July 1, 2006.

**Question:** Should appraisers start using the 2006 USPAP in January 2006?

**Answer:** No. The current 2005 edition of USPAP is effective until June 30, 2006.

Although the 2006 USPAP will be available for review in January 2006, the ASB recognizes that the marketplace will need time to adjust to the changes. The 2006 USPAP will become effective on July 1, 2006.

**TITLE 600. REAL ESTATE APPRAISER BOARD  
CHAPTER 15. DISCIPLINARY PROCEDURES**

**RULEMAKING ACTION:**

Notice of proposed PERMANENT rulemaking

**PROPOSED RULES:**

600:15-1-6. Notice of disciplinary proceedings [AMENDED]

**SUMMARY:**

The proposed amendment to rule 600:15-1-6 provides a method of resolving motions, objections and other matters encountered with respect to hearings.

**AUTHORITY:**

Real Estate Appraiser Board, 59 O.S. § 858-706(A).

**COMMENT PERIOD:**

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**CHAPTER 15. DISCIPLINARY PROCEDURES**

**600:15-1-6. Notice of disciplinary proceedings**

**(g) The Board or the Hearing Panel, or the Department, may utilize as a hearing officer counsel to the Board to hear prehearing matters specified by the Board. The duties assigned to Board counsel may include, but are not limited to, and of the following:**

- (1) to hear and rule on pretrial discovery disputes;**
- (2) to hear and rule on Motions in Limine;**
- (3) to review Motions to Dismiss in order to advise the Board or the Hearing Panel on questions of law arising therein;**
- (4) to hear and rule on Motions for Continuance of a hearing;**

- (5) to hear and rule on other preliminary motions;**
  - (6) to hear and rule on motions to have a panel member recused from a hearing;**
  - (7) to mark, identify, and admit or deny exhibits; and**
  - (8) to rule upon objections made during the hearing.**
- (h) Any pretrial motions, discovery motions, Motions to Dismiss, Motions for Continuance, must be submitted to the Director or to Board Counsel no less than ten (10) days before the date of any hearing in the proceeding is scheduled before a Hearing Panel or the Board.**

**USPAP Q&A**

**Question:** Why is the ASB changing the usual annual USPAP schedule?

**Answer:** Since the Appraisal Standards Board began the process of considering changes to the 2005 USPAP, it has moved cautiously because of the degree of change and number of proposed edits. The ASB believes that providing a five month period between the publication and effective date will allow appraisers, the users of appraisal services, and regulators an opportunity to study and understand the 2006 USPAP. This meant that the traditional schedule for USPAP had to be modified.

**Question:** How long will the 2006 USPAP be effective?

**Answer:** The 2006 USPAP will likely remain effective through the end of 2007 (i.e., for 18 months). The ASB anticipates converting to a two-year USPAP publication cycle in 2008.

TITLE 600. REAL ESTATE APPRAISER BOARD  
CHAPTER 20. COMMITTEES

**RULEMAKING ACTION:**

Notice of proposed PERMANENT rulemaking

**PROPOSED RULES:**

600:20-1-3 Appointment and Removal of Committee Members [AMENDED]

**SUMMARY:**

The proposed amendment to 600:20-1-3 enables the Board to organize committees as required by prevailing circumstances.

**AUTHORITY:**

Real Estate Appraiser Board, 59 O.S. § 858-706(A).

**COMMENT PERIOD:**

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**CONTACT PERSON:**

Rod Stirman, Director, (405) 521-6636.

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CHAPTER 20. COMMITTEES

**600:20-1-3. Appointment and removal of committee members**

(f) If circumstances warrant, the Board may provide for the appointment of additional persons to serve on ~~the Standards and~~

~~Disciplinary Procedures~~ any Committee. These additional persons shall be approved by the Board, and their terms shall expire on December 31 of the year in which they are appointed.

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USPAP Q&A

**Question:** How can I learn more about the 2006 USPAP?

**Answer:** Until ASB votes on the proposed changes at its October 28, 2005 public meeting, interested parties can refer to the concept papers and Exposure Draft materials posted on The Foundation website [www.appraisalfoundation.org](http://www.appraisalfoundation.org).

Before the end of the year, the ASB will make materials available to describe the adopted changes to USPAP. The ASB will publish a series of informational brochures that answer questions that are likely to be of interest to specific groups. The ASB is considering **For further information** brochures to address the specific concerns of such **regarding USPAP Q&A, please** groups as residential appraisers, commercial **contact:** appraisers, personal property appraisers, business appraisers, residential lenders, commercial lenders, and regulators. These materials are being developed as a supplement, and not a substitute, for a thorough examination of the 2006 USPAP.

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USPAP UPDATE COURSE

Everyone is aware by now that there is a continuing requirement that trainee, licensed and certified appraisers must take the National USPAP Update Course on a two year recurring basis. **The next deadline for the Update is December 31, 2006.** The fifteen hour National USPAP qualifying course *may not be taken as a substitute*.

At the end of the first two year cycle, December 31, 2004, 43 appraisers were revoked for failure to take the update course. That is clearly unacceptable, and we sincerely hope that we can get through December 31, 2006 without difficulties on such a scope.

Remember also, that there are significant changes to USPAP, as discussed in the Q&A in this newsletter, that you must be informed about, so you may wish to schedule the update based on the 7/1/06 version of the USPAP.

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**STATE OF OKLAHOMA**  
**Real Estate Appraiser Board**  
PO Box 53408  
Oklahoma City, OK 73152-4308

**HAVE YOU MOVED?**

YOU ARE REQUIRED BY LAW  
TO NOTIFY THE REAB IN  
WRITING WITHIN 10 DAYS OF  
CHANGING YOUR ADDRESS.

**IMPORTANT INFORMATION INSIDE**  
**NOTICE OF RULEMAKING INTENT**

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**CONTACT INFORMATION**

REAB TELEPHONE: (405) 521-6636  
REAB FAX: (405) 522-6909  
REAB EMAIL: [reab@insurance.state.ok.us](mailto:reab@insurance.state.ok.us)  
REAB WEBSITE: [www.oid.state.ok.us/reab.asp](http://www.oid.state.ok.us/reab.asp)  
MAIL ADDRESS: PO Box 53408  
Oklahoma City, OK 73152  
GROUND ADDRESS 2401 NW 23, Ste 28  
(UPS, FEDEX, Etc.) Oklahoma City, OK 73107

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