



# OKLAHOMA REAL ESTATE APPRAISER BOARD

## Newsletter

July 2017  
Volume 48



Eric Schoen, REAB Administrative Officer, is pictured with Betty Cagle, Oklahoma REAB board member, and Vanessa Beauchamp, Director of the Missouri REAB.

### BOARD MEMBERS

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|---|------|
| Commissioner John D. Doak, Chairperson    |      |
| Stephen C. Walton, Appraiser Member, Vice | 2021 |
| Shelley Pruitt, Layperson                 | 2022 |
| Patricia G. Broome, Banking Member        | 2022 |
| Becky Zarecki, Real Estate Member         | 2021 |
| Ted Smith, Appraiser Member               | 2020 |
| Betty J. Cagle, Appraiser Member          | 2019 |
| James R. Artman, Appraiser Member         | 2018 |

### Board Staff:

Christine McEntire, Director  
Eric Schoen, Administrative Officer  
Sherry Ainsworth, Legal Secretary

## Spring Conference of the Association of Appraiser Regulatory Officials

REAB Administrative Officer, Eric Schoen recently attended the spring conference of the Association of Appraiser Regulatory Officials in Tampa, FL. REAB board members Steve Walton and Betty Cagle along with the Board's prosecutor, Steve McCaleb, also went to the conference. The organization is a membership of all appraiser jurisdictions (states) and promotes information sharing and continuing education on appraiser regulatory structure and changes. At each conference the Board hears from speakers of the various federal oversight agencies about upcoming changes to the industry.

This year updates were given by the Appraisal Subcommittee and the various Boards of The Appraisal Foundation. Sessions included "Developing the Next Generation of Appraisers," "The Future of Regulatory Boards," "Accepting Mass Experience for Credit," "Modernizing Appraisals" and "Best Practices for the Regulatory Supervision of Appraisal Management Companies."

### USPAP FAQ

*The below USPAP FAQ was published on the Appraisal Foundation website on June 5, 2017. This is a question that board staff has encountered frequently, and I think it is worthy of noting.*

**Q: Lender A transferred an appraisal to Lender B. Now Lender B is requesting a revision. How can this be completed?** Lender A (The Client) was delivered a completed appraisal report through an AMC. Lender A transferred the appraisal to Lender B (no readdress of the appraisal). Lender B has requested a revision to the report. The revision is minor and would not appear to have any effect on the assignment results. To comply with USPAP and not violate would the appraiser need written permission from Lender A (The Client) to complete this revision?

**A:** Although Lender A transferred an appraisal report to Lender B, that does not make Lender B the appraiser's client. Lender B and the appraiser have no appraiser-client relationship; therefore, the appraiser has no basis for making any changes (regardless of how minor) at the request of Lender B. If Lender B wishes the appraisal report to be revised, they may engage the appraiser in a new assignment.

Also, technically speaking, Lender A's transfer of the appraisal report also does not "automatically" mean the appraiser has been given permission to disclose *assignment results* or *confidential information* (both as defined in USPAP). The appraiser should specifically obtain permission prior to any such communications.

### Board Business

Congratulations to Patricia G. Broome who has been appointed by Gov. Mary Fallin to the Real Estate Appraiser Board! Broome replaced John Smithson as the commercial banking member effective July 2. Broome is the Vice President and Real Estate Lending Manager in Oklahoma for Landmark Bank. Many thanks also go out to Smithson for his service to the Board over the past five years.

Congratulations also go out to Shelley Pruitt who was recently reappointed to the Real Estate Appraiser Board by Gov. Mary Fallin. Pruitt's second term as the board's layperson will expire on July 1, 2022.

### Committee Service

Below is an article originally published in October of 2012 and written by then board member Lee Caesar, Jr. If you missed it in 2012, Lee's article gives a good overview of the volunteer system of the board's three committees as well as their importance to both the Board and the appraisers the Board regulates.

The Board currently has three vacancies on its Standards and Disciplinary Procedures Committee. The members of this committee serve as hearing panel officers during disciplinary hearings and are the pool from which the Probable Cause Committee is chosen. This committee is vital to the enforcement process, and its members are heavily relied upon.

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As you know, in 1989 the Federal Government passed major legislation that impacted all of our lives. The language within FIRREA required States to implement licensing and certification programs for participation in Federally Related Transactions or Real Estate Related Financial Transactions. Large groups of appraisers from all over the State of Oklahoma came together to help develop what was eventually to become the Oklahoma Certified Real Estate Appraiser Act.

The key component to the development of this language was **volunteerism**. Those appraisers cared enough about this industry to develop a system that relied on our peers to be the watchdog of the industry. After all, who knows more about appraisal practice than the appraisers participating in the industry? From the beginning, the licensing and certification process, as well as the disciplinary process, has relied on untold numbers of volunteer hours to accomplish the goals set forth in the statute.

The Board itself is actually comprised of seven volunteer members that are appointed by the Governor and one ex-officio chairperson who is the elected Insurance Commissioner. The volunteer Board members include four appraisers, one banker, one real estate professional and one lay person. Those founding volunteers knew that the task at hand was larger than seven volunteer Board members could handle. They provided statutory language that allowed the Board to promulgate rules and regulations to implement the provisions of the Oklahoma Certified Real Estate Appraisers Act.

From that simple language the volunteer system as we know it was born. In 1992 language was codified under OAC Title 600 Chapter 20 that provided the Board the opportunity to develop Committees. The language allows that the Board may establish committees for the purpose of advising and assisting the Board in its duties and function. The committees serve the Board in an ongoing capacity and include The Education, Experience and Testing Committee, Legislation and Rules Committee and Standards and Disciplinary Procedures Committee

Each Board member nominates two people to serve on the Education Experience and Testing Committee and Legislation and Rules Committee as well as three people to serve on the Standards and Disciplinary Procedures Committee. Committee members serve from January 1 through December 31 of each calendar year. The Board approves all persons appointed to a committee at its last regularly scheduled meeting during the calendar year.

Unfortunately, in recent years, the reliance on volunteers has created some problems associated with both the disciplinary process, as well as the upgrade process, as more and more of our volunteers forget how important their role is. Many times upgrade reviews were held for long periods of time because the volunteer reviewer was too busy with paying jobs to perform the necessary review. These long delays impacted the ability for someone to upgrade their license. Because the volunteer system for upgrades was becoming increasingly ineffective, the legislature took a look at our upgrade process based on complaints raised by their constituents. They felt that our system of volunteerism was not processing applications for upgrade in a timely matter. They worked with members of the Board to develop a new system that would allow the upgrade reviewers to be compensated for their time in an effort to expedite the process. In doing this, however, they placed strict time constraints on how long we have to process applications for appraisers.

The Board in turn developed a contract with members of the EET committee that would allow the provisions of the statute to be carried out. As of the writing of this article only one of the twenty-one members of the EET committee have executed the contract and returned it to the Board.

In the disciplinary procedures process, we rely on members of the Standards and Disciplinary procedures committee to serve as hearing panel members as well as serve on the Probable Cause Committee. Unfortunately, many times we hear responses from committee members that they are too busy right now to help out. As was the case with the EET committee, the legislature may see a need to upgrade our disciplinary procedures process if we fail to accomplish the tasks via the volunteer system. This system of volunteerism has served us well over the past 20 years; however, it becomes increasingly important for others to step up to the plate like those appraisers from the past that came together to develop the original licensing language.

If you currently serve on one of the Boards Committees I want to personally **thank you** for your continued service. If you have never served on one of the Boards Committees and would like the opportunity to serve, and help maintain our peer review system, I would encourage you to apply to the Board for an appointment. To do that, simply e-mail your resume to [christine.mcentire@oid.ok.gov](mailto:christine.mcentire@oid.ok.gov) and advise what committee you might be interested in serving on.

*Lee R. Caesar, Jr.*

### Course Announcements – 2017

#### Appraisal Institute – Live Education

|   |                 |             |             |          |
|---|-----------------|-------------|-------------|----------|
| Introduction to Green Buildings             | August 7        | 8:00 – 5:00 | Course #853 | 7 Hours  |
| Case Studies in Green Residential Buildings | August 8        | 8:00 – 5:00 | Course #852 | 7 Hours  |
| Advanced Concepts & Case Studies            | September 11-16 | 8:00 - 5:00 | Course #671 | 40 Hours |
| Review Case Studies – Residential           | September 25-26 | 8:00 – 5:00 | Course #878 | 15 Hours |
| General Market Analysis & HBU               | October 2-6     | 8:00 – 5:00 | Course #631 | 30 Hours |

\*Please contact Susan Lamkin at (918) 832-9008 for more information or to register.