



OKLAHOMA REAL ESTATE APPRAISER BOARD

3625 NW 56TH STREET, SUITE 100, OKLAHOMA CITY, OK 73112

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Issue #35 August, 2013



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Shelley Pruitt, Layperson		2017
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Stephen C. Walton, Appraiser Member		2016
P. Lane Wheeler, Appraiser Member		2015
Betty J. Cagle, Appraiser Member		2014

Board Staff:

Christine McEntire, Director
 Rebecca Keesee, Legal Secretary
 Eric Schoen, Administrative Officer

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“AMANDA” Online Licensing Program

At its July 10, 2013 regular session, the Board voted to implement a state-sponsored online licensing program known as “AMANDA.” The opportunities available to both the appraiser community and the Board’s administrative staff via AMANDA are exciting. Hopefully, by this time next year, you will be able to check your continuing education hours online, upload your course completion certificates, generate your renewal or annual fee pay statement, change your address and even apply for an upgrade.

BOARD BUSINESS

PLEASE WELCOME **James R. Artman** who was appointed to the Real Estate Appraiser Board by Governor Fallin effective July 1st! Mr. Artman replaced Patti Fisher as one of the appraiser members of the Board. Ms. Fisher held this chair between 2003 and 2013 and was an asset to the Board. She will be missed!

Congratulations to **Becki Keesee**, the Board's Legal Secretary, who attended Level 1 State Investigator Training in Denver between June 27 and June 29th. State investigator training is sponsored by The Appraisal Foundation and is an invitation-only event available to state employees and others involved in the regulation and enforcement of the appraiser industry. Becki successfully completed 17.5 hours of training.



Patti Fisher at the June 5, 2013 Board Meeting.

July 1, 2013 AQB Criteria Changes

Given the July 1, 2013 AQB Criteria changes effecting non-AQB State Licensed Appraisers, Board staff has fielded many phone calls regarding the term "Federally Related Transaction." On pages 4 and 5 of our newsletter you will find a detailed explanation of the term "Federally Related Transaction".

If you are a non-AQB compliant State Licensed appraiser it is not too late to become compliant. You can accomplish this in one of two ways:

- 1) You can apply for upgrade to Certified Residential or Certified General;
- or 2) You can apply for upgrade to AQB Compliant.

If you would like an information packet mailed to you with regard to upgrading, please contact Board staff at reabadmin@oid.ok.gov.

ATTENTION EDUCATION PROVIDERS

Please note that the provider forms are occasionally updated. Please be sure to double check that you are using the current version. We still receive course completion certificates with the old Shepherd Mall address, or P.O. Box, neither of which has been in effect for more than a few years. Forms may be downloaded from our website, at www.oid.ok.gov under Education Provider Information. Additionally, please be aware of the following:

Board Rule OAC 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.

Failure to comply with the above could result in cancellation and/or disapproval of the course, or refusal of continuing education credits to attending participants. Please plan accordingly when scheduling your classes.

Please also be sure to complete the course completion certificates correctly and completely. It is not uncommon to receive course completion certificates with the wrong course number, the wrong course date and sometimes even without the appraiser's name on the form.

HAVE YOU MOVED?

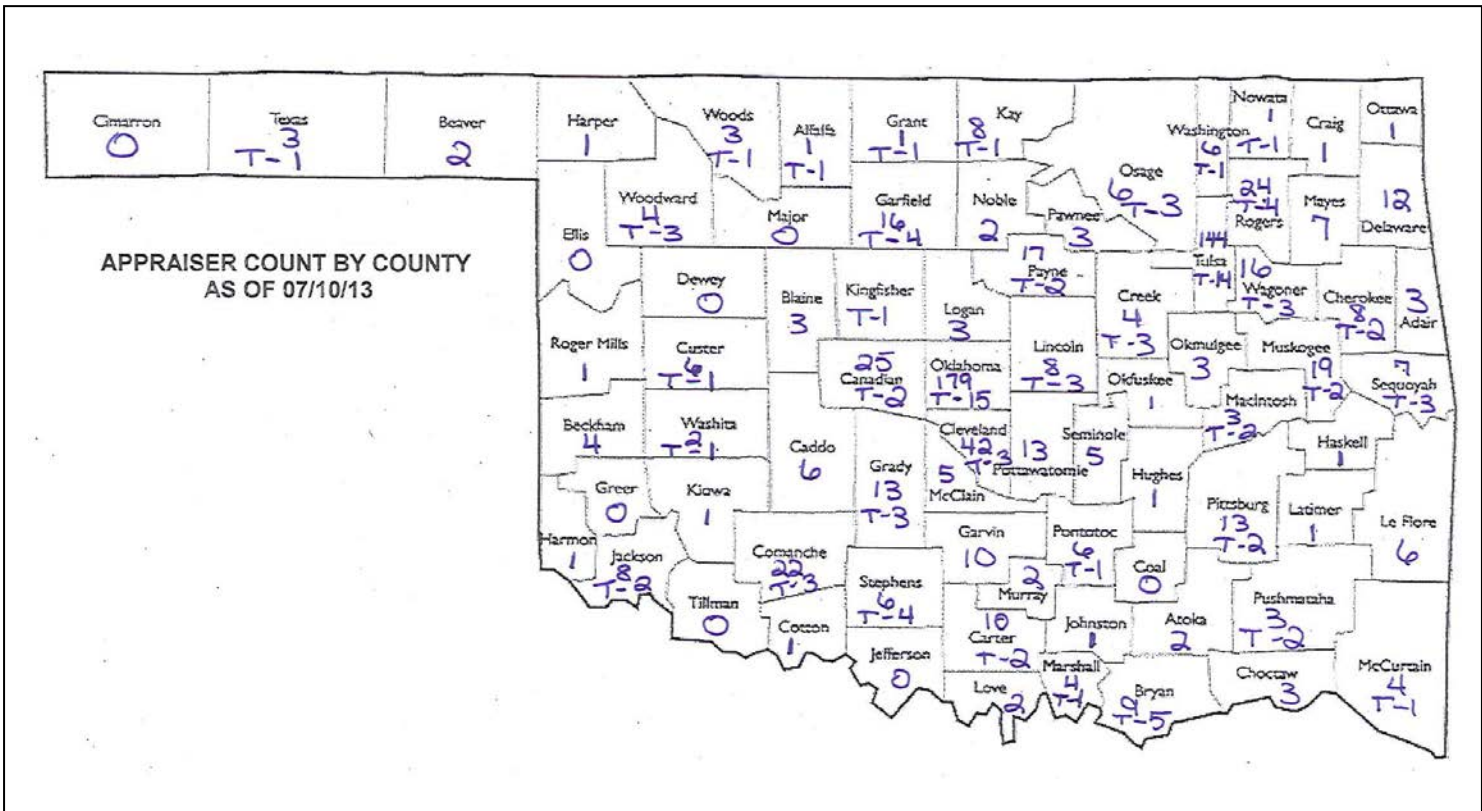
Board Rule OAC 600:10-1-9 requires that: each applicant notify the Board of a change of business address, residence address, or mailing address. Written change of address notification shall be made, in writing, by mail, fax or e-mail, within ten (10) days of the change of address. You can locate a Change of Address form on our website at www.oid.ok.gov/reab under forms if you prefer. Board staff receives a lot of returned mail each month, some of which are annual fee pay and renewal statements.

**ATTENTION: TRAINEES LICENSED BETWEEN JULY 14, 2007 AND APRIL 3, 2013
AND THEIR SUPERVISORS**

As you may be aware, **Board Rule 600:10-1-16 (j) - Supervision of Trainee Appraisers** was effective July 14, 2007 and states: *“Trainee appraisers must successfully complete a Board-sponsored course for trainees and supervisors; provided, however, that trainee appraisers credentialed as of the effective date of this rule must successfully complete this course within the (1) year following the effective date of this rule.”*

At its April 3, 2013 meeting, the Board voted to adopt the Supervisor/Trainee Course currently being offered online through the Appraisal Institute, in order for current Trainees and Supervisors to satisfy the Board’s requirements to take such a course. The Appraisal Institute is offering an online webinar entitled “Supervising Appraisal Trainees”. This is a four-hour course for which you will receive four hours of continuing education credit. The course is offered approximately every two weeks. You can locate additional information or register for this course at www.appraisalinstitute.org. Alternatively, you may take NAIFA’s live course “Supervising Beginning Appraisers: Plan for Success”. This is a seven-hour course for which you will receive seven hours of continuing education credit. Additional information can be found at www.naifa.com or you can contact Glinda Cordell at (405) 787-2721. Pursuant to Board Rule, your deadline to complete this mandatory course will be **April 3, 2014**.

For any new trainees and their supervisors (who are not currently supervising and have received a one-year time frame in which to complete this course), it will be necessary for both the trainee applicant and the supervisor to complete this course **PRIOR** to applying for a trainee credential. This one year deadline does not apply to new applicants.



Appraisal Management Companies

Current AMC Population: 131

In response to Board staff’s most frequent question regarding appraisal management companies:

§ 858-821 Requirement of Appraisal Management Company’s Payment to Appraiser

Each AMC shall, except in bona fide cases of breach of contract or substandard performance of services, make payment to an appraiser for the completion of an appraisal or valuation assignment within sixty (60) days of the date on which the appraiser transmits or otherwise provides the completed appraisal or valuation study to the AMC or its assignee unless a mutually agreed upon alternate arrangement has been previously established.

Real Estate and Federally Related Transactions - Explained

To begin, the Oklahoma Certified Real Estate Appraiser's Act provides and defines the following:

§ 858-701. Legislative Intent - Purpose of Act.

It is the intent of the Legislature to develop a real estate appraiser certification process which meets the federal guidelines set forth in the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. The purpose of the Oklahoma Certified Real Estate Appraisers Act is to provide appraisers within the state a process for certification which will allow them to participate in a federally related transaction and real estate-related financial transactions of the agencies, instrumentalities and federally recognized entities as defined and recognized in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. It is not the intent of this legislation to prevent any person who is currently conducting business as an appraiser from continuing such action unless such action involves a federally related transaction or a real estate-related financial transaction as defined in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

§ 858-702. Application of Act.

A. This act shall only apply to:

1. Any appraisal or appraiser involving the following:

- a. a federally related transaction,
- b. real estate-related financial transactions of the agencies, instrumentalities, and federally recognized entities covered by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and
- c. any real estate-related transactions where an appraisal report was made under a written agreement that the appraisal report would follow the Uniform Standards of Professional Appraisal Practice guidelines or where a written appraisal states that it is in compliance with the Uniform Standards of Professional Appraisal Practice; and

Title XI [12 U.S.C. 3350(5)] defines a **real estate related transaction** as "any transaction involving:

1. the sale, lease, purchase, investment in or exchange of real property, including interests in property, or the financing thereof;
2. the refinancing of real property or interests in real property; and
3. the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities."

Therefore, in determining whether an assignment is a **federally related transaction**, an appraiser must ask himself two questions:

1. Does the appraisal involve the transfer of an interest in real property, the financing or refinancing of a transfer of an interest in real property, or the use of an interest in real property as security for a loan or for mortgage-backed securities?
2. Does the financial transaction for which the appraisal assignment is to be performed involve a federal financial regulatory agency or one of the agencies specifically named in Title XI that require the services of a licensed or certified appraiser?

Federal Financial Regulatory Agencies

Title XI identifies the following agencies as *federal financial regulatory agencies*:

- (A) the Board of Governors of the Federal Reserve System (In addition to the 12 member banks, the Federal Reserve has regulatory authority over state-chartered banks and bank holding companies);
- (B) Federal Deposit Insurance Corporation (FDIC) (In addition to insuring the accounts of depositors in member banks, the FDIC regulates savings banks and state-chartered banks that are not members of the Federal Reserve System);
- (C) Office of the Comptroller of the Currency (OCC) (The OCC regulates more than 2,500 national banks all across the U. S.);
- (D) Office of Thrift Supervision (OTS) (The OTS regulates the nation's savings and loan or thrift institutions); and
- (E) National Credit Union Administration (NCUA) (The NCUA insures the accounts of depositors in federally chartered credit union and regulates those institutions).

Other Affected Financial Institutions

In addition, Title XI specifically requires appraisals by licensed or certified appraisers for financial transactions for the Federal National Mortgage Association (Fannie Mae); the Federal Home Loan Mortgage Corporation (Freddie Mac); or the Resolution Trust Corporation (RTC), the agency created by the Congress to liquidate the assets of the nation's failed savings and loan institutions. Although not specifically mentioned in Title XI, loans insured by the Federal Housing Administration (FHA) and loans guaranteed by the Veterans Administration (VA) are also considered federally related financial transactions.

Requiring the Services of an Appraiser

The final consideration in determining whether an assignment involves a *federally related transaction* is whether the transaction requires the services of an appraiser. Title XI [12 U.S.C. 3341(b)] provides that each *federal financial regulatory agency* can establish a threshold below which a licensed or certified appraiser is not required for performing an appraisal in connection with a *real estate related financial transaction*. In 1992 the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Reserve Board, and the Office of Thrift Supervision individually adopted appraisal guidelines that included a threshold transaction amount below which an appraisal would be required. Two years later, those agencies formally and jointly adopted a threshold of \$250,000, commonly referred to as the "*de minimus*."

Therefore, in theory a *real estate related financial transaction* having a value of \$250,000 or less is not a *federally related transaction*. However, the *federal financial regulatory agencies* and those they regulate may require appraisals by licensed or certified appraisers for *real estate related financial transactions* with values at or below the *de minimus*, effectively making those transactions *federally related*. Alternately, in lieu of an appraisal, they can order an evaluation of the property containing an opinion of value. According to the appraisal guidelines adopted by the federal regulatory agencies, evaluations do not require the services of licensed or certified appraisers and do not have to conform to USPAP.

<u>Course Provider</u>	<u>Course Title</u>	<u>QE/CE</u>	<u>CRS</u>	<u>SEPTEMBER</u>	<u>Location</u>
NAIFA	Gen. App. Sales Comp. Approach	30QE/28CE	632/759	5-10	OKC
Appraisal Institute	Gen. App. Report Writing	30QE	634	9-12	Springfield, MO
Tulsa Technology	15-Hour National USPAP	15QE	600	14-15	Tulsa
	Basic Appraisal Principles	30QE	601	21-29	Tulsa
	Residential Site Valuation	15QE	612	7-8	Tulsa
	Lead Education	3CE	703	19	Tulsa
	Res. Reporting: Hitting the Bases	7CE	719	11	Tulsa

<u>Course Provider</u>	<u>Course Title</u>	<u>QE/CE</u>	<u>CRS</u>	<u>OCTOBER</u>	<u>Location</u>
Appraisal Institute	Advanced Res. Applications	15QE	622	23-34	Tulsa
	Advanced Res. Report Writing	30QE	652	25-29	Tulsa

Contacts:

NAIFA	Glinda Cordell	(405) 787-2721
Tulsa Tech	Beverly Rousey	(918) 828-5414
Appraisal Institute	Susan Lamkin	(918) 832-9008

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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.

OKLAHOMA REAL ESTATE APPRAISER BOARD

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