

**BEFORE THE REAL ESTATE APPRAISER BOARD  
STATE OF OKLAHOMA**

In the Matter of JENNIFER RAHLF, )  
Respondent. ) **Complaint #23-004**

**CONSENT ORDER**

COME NOW the Oklahoma Real Estate Appraiser Board (“OREAB”), by and through the Prosecuting Attorney, Stephen McCaleb, and JENNIFER RAHLF, (“Respondent”), represented by Elizabeth A. Scott of Crowe & Dunlevy, and enter into this Consent Order, pursuant to Oklahoma Statutes Title 59 §858-700, *et seq.*, and Oklahoma Administrative Code 600:10-1-1, *et seq.* All sections of this Order are incorporated together.

**FINDINGS OF FACT**

1. In June of 2021, Respondent was hired to complete an appraisal (the “Appraisal”) for a property located at 57893 S 36500 Rd, Terlton, OK 74346 (the “Subject”). Respondent completed the Appraisal with an effective date of June 17, 2021, for a refinance transaction. The appraised value was \$400,000. The Appraisal was purportedly performed in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice.

2. **Competency Rule Finding:** An appraiser must be competent to perform the assignment, acquire the necessary competency to perform the assignment, or decline or withdraw from the assignment. In all cases, the appraiser must perform competently when completing the assignment. Board staff claimed there was not sufficient data, information, or documentation in the Respondent’s appraisal report or work file to support adjustments made in the sales grid. The order contains the owner’s estimation of value. The Board’s investigation could not find in the work file where the Respondent researched sales other than those in the report, which support the owner’s estimate of value. The sales selected are all superior in condition compared to the subject.

The 1004 form is designed to use "C" and "Q" ratings for condition and quality. The appraiser is to use these ratings and the explanations that go with each one. Effective age is considered in the condition adjustment. The board contends that there should not be a similar line item for effective age and the condition adjustment should go on the line that says "condition". The three sales selected have all been updated. The pictures of the subject's interior show the interior to be inferior compared to the MLS interior pictures of the comparables. This observation was noted by the appraiser in the addendum and Page 3 of the URAR.

11. **Scope of Work:** For each appraisal and appraisal review assignment, an appraiser must identify the problem to be solved, determine, and perform the scope of work necessary to develop credible assignment results, and disclose the scope of work in the report. An appraiser must properly identify the problem to be solved to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results. The board claims that Respondent's appraisal report and work file do not contain the data, information, or documentation necessary to support the sales grid and highest and best use. Respondent disputes this claim.

12. **Standard 1:** In developing a real property appraisal, an appraiser must be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.

In developing a real property appraisal, an appraiser must not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate, affects the credibility of those results. The board contends that Respondent's appraisal report contains a series of errors that could affect the credibility of the results.

When a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.. An important part of analyzing sales data is extracting market-derived adjustments.

When the value opinion to be developed is market value, an appraiser must, if such information is available to the appraiser in the normal course of business, analyze all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal. The subject property sold within three years of the effective date. The appraiser must analyze all sales of the subject property that occurred within the three years prior to the effective date of the appraisal. The subject apparently sold 12/1/2020 for \$110,000. The appraiser did not analyze the subject sale. The subject is appraised for \$400,000. There is no support for the increase of value for the subject property.

**13. Possible violation of Standards Rule 2 along with Standard 1**

- A. The market analysis in the work file contains all the areas in Creek County. Sapulpa and Mannford are larger metropolitan areas compared to the subject's market area of Terlton. There is no explanation for the differences in Sapulpa, Mannford and Terlton.
- B. The Respondent should have put on Page 1 under additional features where the information on the out-buildings can be found. The adjustments for shop buildings do not appear to be market derived. In the cost approach the out-buildings should be a line item above the site value. There should be (typically) physical and functional obsolescence for the out-buildings in the cost approach. The cost approach has to be able to be replicated by the reader. There is no summary of land sales in the report. The Respondent states the land value was derived using comparison, allocation or extraction. One method needs to be used and a summary of that method in the report – per instructions on the form. Extracted cost values based on new construction sales needs to be in the report if this is how the appraiser arrived

at the cost approach. Various sources cannot be used. There needs to be a specific source used.

- C. When necessary for credible assignment results in developing a market value opinion, an appraiser must develop an opinion of the highest and best use of the real estate. The Respondent's appraisal work file does not show any development of a highest and best use opinion. The Respondent's appraisal report checks the box for highest and best use is present use but provides no analyses of this opinion.
- E. There is limited support for the site adjustments on the sales.
- F. There is no support for the GRM in the appraisal.
- G. The quality of construction of the comparables, based on the MLS interior photos of the sales and the interior photos of the subject was questioned by the board...
- H. The adjusted values are \$475,500, \$390,800 and \$337,050, and the explanation why the appraiser chose \$400,000 is noted in the reconciliation section in the addenda with notations on which comparables were given the highest and lowest weighting.

#### CONCLUSIONS OF LAW

That Respondent has been accused of violating 59 O.S. § 858-7239(C)(6) through O.S. §858-726 as follows:

**1. Record Keeping Rule:**

An appraiser must prepare a work file for each appraisal or appraisal review assignment. A Work file must be in existence prior to the issuance of any report or other communication of assignment results. A written summary of an oral report must be added to the work file within a reasonable time after the issuance of the oral report. The work file must include: • the name of the client and the identity, by name or type, of any other intended users; • true copies of all written

reports, documented on any type of media. (A true copy is a replica of the report transmitted to the client. A photocopy or an electronic copy of the entire report transmitted to the client satisfies the requirement of a true copy.); • summaries of all oral reports or testimony, or a transcript of testimony, including the appraiser's signed and dated certification; and • all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other data, information, and documentation.

**2. Competency Rule of the Uniform Standards of Professional Appraisal Practice:**

An appraiser must: (1) be competent to perform the assignment; (2) acquire the necessary competency to perform the assignment; or (3) decline or withdraw from the assignment. In all cases, the appraiser must perform competently when completing the assignment.

**BEING COMPETENT.** An appraiser must determine, prior to agreeing to perform an assignment, that he or she can perform the assignment competently. Competency requires:

- A. the ability to properly identify the problem to be addressed;
- B. the knowledge and experience to complete the assignment competently; and
- C. recognition of, and compliance with, laws and regulations that apply to the appraiser or to the assignment.

**3. Scope of Work Rule:**

For each appraisal and appraisal review assignment, an appraiser must:

- a) identify the problem to be solved;
- b) determine and perform the scope of work necessary to develop credible assignment results; and

c) disclose the scope of work in the report. An appraiser must properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results.

**4. Standards Rule 1:**

In developing a real property appraisal, an appraiser must identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal.

**5. Standards Rule 1-1:**

In developing a real property appraisal, an appraiser must:

- (a) be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal;
- (c) not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results.

**6. Standards Rule 1-2:**

In developing a real property appraisal, an appraiser must:

- (h) determine the scope of work necessary to produce credible assignment results in accordance with the SCOPE OF WORK RULE.

**7. Standards Rule 1-3:**

When necessary for credible assignment results in developing a market value opinion, an appraiser must:

- (a) identify and analyze the effect on use and value of:

- (i) existing land use regulations;
  - (ii) reasonably probable modifications of such land use regulations;
  - (iii) economic supply and demand;
  - (iv) the physical adaptability of the real estate; and
  - (v) market area trends
- (b) develop an opinion of the highest and best use of the real estate.

**8. Standards Rule 1-4:**

In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

- (a) When a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

**9. Standards Rule 1-5:**

When the value opinion to be developed is market value, an appraiser must, if such information is available to the appraiser in the normal course of business,

- (a) analyze all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal;

**10. Standards Rule 2:**

In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.

**11. Standards Rule 2-1:**

Each written or oral real property appraisal report must:

- (a) clearly and accurately set forth the appraisal in a manner that will not be misleading;
- (b) contain sufficient information to enable the intended user(s) of the appraisal to understand the report properly;

**12. Standards Rule 2-2:**

Each written real property appraisal report must be prepared under one of the following options and prominently state which option is used: Appraisal Report or Restricted Appraisal Report.

(a) The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:

(viii) summarize the scope of work used to develop the appraisal; (vii) summarize the scope of work used to develop the appraisal;

(x) provide sufficient information to indicate that the appraiser complied with the requirements of STANDARD 1 by:

(1) summarizing the appraisal methods and techniques employed;

(2) stating the reasons for excluding the sales comparison, cost, or income approach(es) if any have not been developed;

(3) summarizing the results of analyzing the subject sales, agreements of sale, options, and listings in accordance with Standards Rule 1-5;35 Comment: If such information is unobtainable, a statement on the efforts undertaken by the appraiser to obtain the information is required. If such information is irrelevant, a statement acknowledging the existence of the information and citing its lack of relevance is required.

(4) stating the value opinion(s) and conclusion(s); and



(5) summarizing the information analyzed and the reasoning that supports the analyses, opinions, and conclusions, including reconciliation of the data and approaches;

12. That Respondent has been accused of violating 59 O.S. § 858-723(C)(7): "Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report or communicating an appraisal."

15. That Respondent has been accused of violating 59 O.S. § 858-723(C)(6): "Violation of any of the standards for the development or communication of real estate appraisals as provided in the Oklahoma Certified Real Estate Appraisers Act."

#### CONSENT AGREEMENT

The Respondent, by affixing her signatures hereto, acknowledges:

1. The Respondent has been advised to seek the advice of counsel prior to signing this document.

2. That Respondent possess the following rights among others:

- a) The right to a formal fact finding hearing before a disciplinary panel of the Board;
- b) The right to a reasonable notice of said hearing;
- c) The right to be represented by counsel;
- d) The right to compel the testimony of witnesses;
- e) The right to cross-examine witnesses against her; and
- f) The right to obtain judicial review of the final decision of the Board.

3. The Respondent stipulates the facts as set forth above and specifically waives her rights to contest these findings in any subsequent proceedings before the Board and her rights to appeal this matter to the District Court.

4. The Respondent acknowledges that the entry of this Order could affect her professional practice of real estate appraising in the State of Oklahoma.

5. The Respondent agrees and consents that this Consent Order shall not be used by her for purposes of defending any other action initiated by the Board, regardless of the date of the Appraisal. The Board agrees that this Consent Order shall not be used by it as admissions by Respondent or to support any claims for appraisals done by Respondent prior to the date of execution of this agreement.

6. All other original allegations in this matter are dismissed.

7. Respondent acknowledges this will be placed on the Board's agenda for its next monthly meeting, after receipt of the executed Order from Respondent, and notice for the Order's placement on that Agenda is accepted.<sup>1</sup>

8. This Consent Order may be executed in one or more counterparts, but all of such counterparts, taken together, shall constitute only one Consent Order. When delivered to the other parties, facsimile and visual digital reproductions of original signatures shall be as effective as if they were the originals.

9. This Consent Order shall be governed by the internal laws of the State of Oklahoma without regard to the conflict of law principles.

10. This Consent Order contains the entire agreement between the parties hereto and all provisions of this Consent Order are contractual and not a mere recital. The Parties acknowledge that no presentation or promise not expressly set forth in this Consent Order has been made by any of the Parties hereto or any of their agents, employees, representatives, or attorneys. No modification of, or amendment to, this Consent Order shall be valid unless it is in writing and signed by the Parties. In the event any portion of this Consent Order shall be declared illegal or unenforceable as a matter of law, the remainder of the Consent Order shall remain in full force and effect.

11. This Consent Order is intended by the Parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understanding, discussions, negotiations, and commitments (written or oral). This Consent Order may not be altered, amended, modified, supplemented, or otherwise changed, except by a writing executed by an authorized representative of each of the Parties.

12. The undersigned Respondent agrees that presentation of this Consent Order to the OREAB without the undersigned Respondent being present shall not constitute an improper *ex parte* communication between the OREAB and its counsel.

13. The Parties represent and warrant to one another that each Party has authority to enter into this binding Consent Order. The OREAB represents and warrants that the undersigned

have full authority to execute this Consent Order on behalf of the OREAB and bind the OREAB to the terms set forth herein.

14. The Parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Consent Order, including PDF and facsimile signatures thereto, shall have the same force and effect as the originals.

15. The Parties acknowledge that they understand the provisions of this Consent Order.

16. Respondent neither admits nor denies the allegations of the board, the findings of fact and conclusions of law set forth herein, and acknowledges that a hearing before the board could result in disciplinary action and as such, agrees to this consent order as a settlement and compromise of the claims herein,

#### **CONSENT ORDER TO BE ACCEPTED OR REJECTED BY THE BOARD**

The Oklahoma Real Estate Appraiser Board will not submit this Consent Order for the Board's consideration until its agreement and execution by the Respondent. It is hereby agreed between the Parties that this Consent Order shall be presented to the Board, with recommendation for approval of the Board, at the next scheduled meeting of the Board. The Respondent understands that the Board is free to accept or reject this Consent Order and, if rejected by the Board, it shall be regarded as null and void. Admissions by Respondent in the rejected Consent Order will not be regarded as evidence against her at the subsequent disciplinary hearing. Respondent will be free to defend herself and no inferences will be made from her willingness to have entered into this agreement. It is agreed that neither the presentation of the Consent Order nor the Board's consideration of the Consent Order will be deemed to have unfairly or illegally prejudiced the Board or its individual members and, therefore, will not be grounds for precluding the Board or any individual Board member from further participation in proceedings related to the matters set forth in the Consent Order.

#### **ORDER**

**WHEREFORE**, on the basis of the foregoing Agreed Findings of Fact and Agreed Conclusions of Law, it is ordered that:

1. Respondent shall take the following corrective education:
  - A) The Appraisal Foundation's: Scope of Work: Missing Explanations – 4 hours;
  - B) The Appraisal Foundation's: Sales Comparison Approach Reconciliation– 4 hours;

C) The Appraisal Foundation's: Appraiser Self-Protection: Documentation and Recordkeeping – 4 hours.

2. Respondent agrees she will successfully complete, pass, and provide proof of completion and passing of the tests to the Board's office for the courses completed, within ninety (90) days from the date the Board approves this Consent Order. Failure to complete and pass the courses in a timely matter will result in suspension until the courses are passed and completed and proof of completion and passing of the tests has been provided to the Board's office.

3. Failure to comply with the preceding paragraphs in a timely manner will result in an instant suspension of Respondent's licenses. For good cause, an extension may be granted by the Board. An application for an Extension of Time should be filed at least five (5) business days in advance of the Board meeting to be placed on a Board meeting agenda in advance of the deadline to comply with this Consent Order.

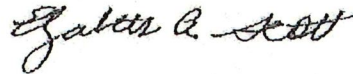
**DISCLOSURE**

Pursuant to the Oklahoma Open records Act, 51 O.S. §24-A.1 through §24-A.21, the signed original of this Consent Order shall remain in the custody of the Board as a public record and shall be made available for public inspection and copying upon request.

RESPONDENT:

  
JENNIFER RAHLF

4/1/2024  
DATE



ELIZABETH A. SCOTT, OBA NO. 12470  
COUNSEL FOR RESPONDENT

04-01-2024  
DATE

**CERTIFICATE OF BOARD'S PROSECUTING ATTORNEY**

I believe this Consent Order to be in the best interests of the Oklahoma Real Estate Appraiser Board, the State of Oklahoma, and the Respondent, with regard to the violations alleged in the formal Complaint.

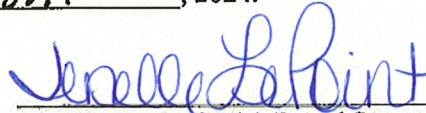


STEPHEN L. MCCALED, OBA NO. 15649  
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4-4-24

DATE

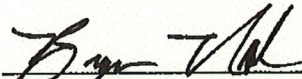
IT IS SO ORDERED on this 5<sup>th</sup> day of April, 2024.



JENELLE LEPOINT, Board Secretary  
Oklahoma Real Estate Appraiser Board

**OKLAHOMA REAL ESTATE  
APPRAISER BOARD:**

By:



BRYAN NEAL, OBA NO. 6590  
Assistant Attorney General  
Attorney for the Board  
313 NE 21<sup>st</sup> St  
Oklahoma City, OK 73105



**CERTIFICATE OF MAILING**

I, Kelly Ann Reynolds, hereby certify that on the 8<sup>th</sup> day of April 2024, a true and correct copy of the above and foregoing Consent Order was placed in the U.S. Mail, with postage pre-paid by Certified Mail to:

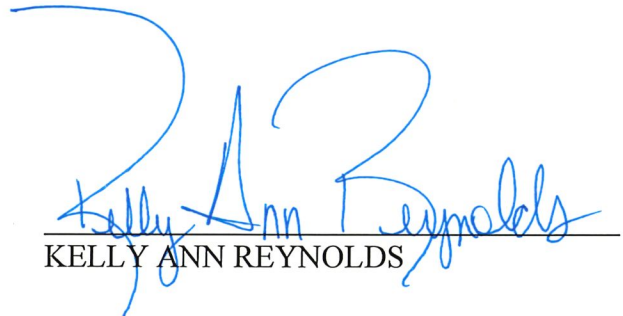
**Elizabeth A. Scott**  
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9214 8902 0982 7500 0615 80

by First Class Mail to:

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