

Oklahoma Association of Real Estate Appraisers
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August 16, 2001

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Thomas E. Watson, Jr., Chairman
Appraisal Subcommittee
2000 K Street NW, Suite 310
Washington, DC 20006

Dear Mr. Watson:

In your attached letter dated August 7, 2001 you mislead and confused readers about the status of Oklahoma State Licensed appraisers. Your letter left out valuable facts about the Appraiser Qualification Board (AQB).. Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, (Title XI) and ASC Policy Statement 2B.

This letter is intended to clarify the facts to the reader and to the carbon copied readers. The Oklahoma State Licensed appraisers have met and satisfied all state licensing requirements set by Oklahoma State Statutes Section 5, Part C of 59 O.S. 1991, Section 858-712 and Section 9 of 59 O. S. 1991. Section 858-722 prior to passing the examination. This satisfies AQB and Title XI.

The AQB is aware that it has no statutory authority to develop criteria for the Licensed and Trainee classifications and the states are not required to adopt the criteria. The authority to develop requirements for the Licensed and Trainee classification is vested in the individual states, territories and possessions. (See attachment 41)

Title XI of FIRREA of 1989, Section 1116 [12 U.S.C. 3345] (b) states: *Definition*, As used in this section, the term "State licensed appraiser" means an individual who has satisfied the requirements for State licensing in a State or territory. Section 1116 [12 U.S.C. 3345] (c) states: *Authority of the Appraisal Subcommittee*. The Appraisal Subcommittee shall not set qualifications or experience requirements for the States in licensing real estate appraisers, including a de minimus (sic) standard. Recommendations of the Subcommittee shall be nonbinding on the States. (See attachment 42)

Press Release dated February 16, 2001 from James R. Park with the Appraisal Foundation paragraph #2 states: Under Congressional authority contained in Title XI of the FIRREA of 1989, the AQB established minimum education, experience, and examination requirements for real property appraisers to obtain a state certification. **(not state license)**. (See attachment 43)

This clearly verifies by AQB and Title XI, all Oklahoma State licensed appraisers before and after July 1, 2001 have satisfied the requirements for State licensing.

The Oklahoma State Legislation did not grandfather any Oklahoma State Licensed Appraisers. However, they did set new standards for Licensed Appraiser beginning July 1, 2001 and implemented a new classification of Appraiser Trainee. The original version of HB 1258 deleted State Licensed Appraiser and would revert all State Licensed Appraisers to Appraiser Trainees.

The ASC Policy Statement 2B goes into more detail than what you listed in your August 7, 2001 letter. "2B" states: Title XI does not specifically set the qualifications requirements for licensing appraisers. States are free to establishing meaningful qualifications criteria for licensed appraisers. Including education, testing, experience, and continuing education requirements that demonstrate knowledge and competency. (See attachment 44 for detailed reading)

You also stated *in your August 7, 2001 letter that as of July 1, Oklahoma has a Licensed classification composed of two differently qualified groups of appraisers - those who meet the AQB experience criteria and those who do not. Then you went on to state Under Oklahoma's new law, users of appraisal services could be misled into believing that all Oklahoma Licensed appraisers meet the AQB's minimum criteria. Examples of previous qualified groups are in 59 O.S. 1991, Section 858-712 Section 7 (b) State Certified Residential Appraisers did not comply with AQB until 1994 and this established two different qualifications for State Certified Residential Appraiser. (See attachment 45)

You then went on to state: We have been notified that, because of this confusion, one Federal agency, is planning to not accept appraisals from any Oklahoma Licensed appraiser and will require appraisal be performed by Certified Residential appraisers. Mr. Watson, Oklahoma State Licensed Appraisers are concerned about misconstrued information being provided to federal agency accepting licensed appraisers for federally funded transactions. Therefore, sections of Title XI have been provided for clarification.

Title XI of the FIRREA of 1989, [12 U.S.C. 3342] Section 1113, 1114 and 1119 states a State Certified appraiser shall be required for all federally related transactions having a value of \$ 1,000,000 or more; and I -to-4 unit, single family residential appraisals may be performed by State licensed appraisers unless the size and complexity requires a State certified appraiser. Section 1114 states: All federally related transactions not requiring the services of a state certified appraiser shall be performed by either a State certified or licensed appraiser. Section 1119 (a) (1). Not later than December 31, 1992 all appraisals performed in connection with federally related transactions shall be performed only by individuals certified or licensed in accordance with the requirements of this title. (See attachment # 6)

Your letter written April 6, 2001 quotes ASC Chairman Kevin Blakely stated: Another area of considerable comment concerned exemptions for, or the grandfathering of, existing appraisers. Mr. Blakely was referring to the ASC Policy Statements Regarding State Certification and Licensing of Real Estate Appraisers 10C. For clarification "10C" refers to not exempting or grandfathering non licensed/certified appraisers; i.e. an officer, director, employee or agent of a federally regulated bank, thrift or credit union. (See attachment 47)

As proven above, Oklahoma State Licensed appraisers due comply with Title XI of the FIRREA of 1989 and AQB because we meet Oklahoma State licensing requirements. Therefore, I am requesting your letter dated August 7, 2001 and any further letter regarding Oklahoma State

Licensed Appraiser be retracted immediately since Title XI of FIRREA of 1989 Section 1118 [12 U.S.C. 3347] (b) (1), (2) and (3) due not apply 7 in Oklahoma because Oklahoma licensed appraisers comply with this title as stated above. (See attachment 48)

In closing, the Oklahoma State Licensed appraiser's believe the strategy behind Mr. Watson's letter dated August 7, 2001 is to demote and further demolish the reputations of Oklahoma State Licensed appraisers. We believe the main fuel for this heated debate comes from certain members of the Oklahoma State Real Estate Appraisal Board whose main goal was to destroy the competition. Therefore, I am requesting by the individuals carbon copied below, hearing into the Oklahoma State Appraisal Board members for possibly deceiving the Oklahoma State Legislation and federal agencies during their role in HB 1258.

Sincerely,



Jody L. Harris
President, Oklahoma Assn. of Real Estate Appraisers

Attachments

cc: Honorable Don Nickels
Honorable James Inhofe
Frank Keating, Governor of Oklahoma
Carroll Fisher, Oklahoma State Insurance Commissioner
Honorable Steve Largent
Honorable Wes Watkins
Honorable Ernest Istook
Honorable Frank Lucas
Honorable J.C. Watts
Honorable Brad Carson
Representative Larry Adair, House Speaker
Senator Stratton Taylor, President Pro Tempore
Senator Gene Stipes
Representative Leonard Sullivan
Dereck McCammon, Vice Chairman, Oklahoma Real Estate Appraisal Board