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Appraisal Subcommittee

Federal Financial Institutions Examination Council

February 27, 2008

Ms. Kim Holland, Chair
Oklahoma Department of Insurance
Real Estate Appraiser Board
P.O. Box 53408
2401 N.W. 23rd Street, Suite 28
Oklahoma City, OK 73152-3408

Dear Ms. Holland:

Thank you for the Oklahoma Real Estate Appraiser Board's ("Board") November 14, 2007 letter responding to the Appraisal Subcommittee's ("ASC") September 17, 2007 field review letter. In that letter, we informed you that, based on our 2007 field review of Oklahoma's appraiser regulatory program ("Program"), Oklahoma needed to address two concerns to bring the Program into substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, ("Title XI").

As discussed in more detail below, it appears Oklahoma has taken the appropriate steps thus far to resolve our concerns.

- **Oklahoma's complaint investigation and resolution process failed to comply with Title XI and ASC Policy Statement 10 E.**

In our September 17th letter, we noted that, although Oklahoma had improved many aspects of its complaint investigation and resolution process, a high percentage of aged, outstanding cases existed. We advised the Board to continue its efforts to ensure that all complaints are investigated and resolved on a timely basis and to provide ASC Policy Manager Kristi Klamet with a monthly complaint log.

In your November 14th letter, you indicated that the Board directed its staff to proceed with a "sense of urgency" to ensure that cases are resolved in a timely manner. You also indicated that the Board directed staff to provide us with a copy of the complaint log on a monthly basis. We have been receiving those logs.

We appreciate your efforts to resolve this concern and will be closely monitoring the status of your efforts.

- **Oklahoma's regulations regarding reinstating an appraiser from Inactive to Active status failed to conform to AQB criteria.**

As noted in our September 17th letter, an AQB criteria Interpretation adopted in September 2005, requires that, prior to reactivation, credential holders in an Inactive status must complete all required continuing education hours that would have been required if the credential holder had been in an Active status. The Board's regulations regarding reinstatement of credentials

lapsed for 91 days to 24 months only required reinstating appraisers to file an application and pay the appropriate fees.

In your November 14th letter, you advised us that the Board filed a Notice of Rulemaking Intent to revise the regulations to bring them into compliance with this AQB Interpretation. You also stated that Board staff identified seven certified appraisers who were reinstated during the period of September 1, 2005 to present. Five of those appraisers were reinstated by the Board based on letters of good standing received from their home State appraiser regulatory agencies. One appraiser was reinstated after a disciplinary suspension ended, without any change in his credential's effective or expiration dates. The last appraiser's credential was reinstated without having earned the required number of continuing education hours, but, since that time has taken 36 continuing education hours. Twenty-eight of those 36 hours will be applied to the period from November 1, 2004, through September 11, 2006. You also informed the appraiser that none of those hours could be used when qualifying for the next renewal of his credential on September 11, 2009.


On the basis of the foregoing, it appears that the Board has verified that all certified appraiser credentials reinstated since the adoption of the September 2005 AQB Interpretation are AQB-compliant.

Please keep us advised about the status of the proposed amendments and provide us a copy of the final regulations within seven days from the date of their adoption,.

Thank you for your efforts to resolve our concerns and to bring your Program into compliance with Title XI. Our field review letter, your responses, and any other correspondence between us regarding this field review are now public information and will become publicly available on our Web site.

Please contact us if you have any questions.

Sincerely,


Marc L. Weinberg
Acting Executive Director
& General Counsel

cc: Rod Stirman, Director, Real Estate Appraiser Board