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Appraisal Subcommittee

Federal Financial Institutions Examination Council

December 7, 2015

Ms. Christine McEntire, Director
Oklahoma Real Estate Appraiser Board
Five Corporate Plaza
3625 NW 56th Street, Suite 100
Oklahoma City, OK 73112

RE: ASC Compliance Review of Oklahoma's Appraiser Regulatory Program

Dear Ms. McEntire:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Oklahoma appraiser regulatory program (Program) on October 22-23, 2015, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) is attached.

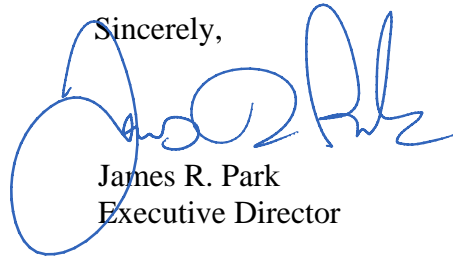
The ASC identified the following area of non-compliance:

- States must, at a minimum, adopt and/or implement all relevant AQB Criteria.¹

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Oklahoma will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,



James R. Park
Executive Director

Attachment

cc: Mr. John D. Doak, Insurance Commissioner
Mr. Lee R. Caesar, Jr., Vice-Chair

¹ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> • State meets all Title XI mandates and complies with requirements of ASC Policy Statements • State maintains a strong regulatory Program • Very low risk of Program failure 	2-year
Good	<ul style="list-style-type: none"> • State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure 	2-year
Needs Improvement	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure 	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure 	1-year
Poor ²	<ul style="list-style-type: none"> • State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure 	Continuous monitoring

*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

² An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

ASC Compliance Review Report

ASC Finding: Good

Final Report Issue Date: December 7, 2015

Oklahoma Appraiser Regulatory Program (State)

Oklahoma Real Estate Appraiser Board (Board) / Decision Making

PM: N. Fenochietti

ASC Compliance Review Date: October 22-23, 2015

Review Period: October 2013 to October 2015

Umbrella Agency: Independent

Number of State Credentialed Appraisers on National Registry: 990

Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:		X					
States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.)				<p>A review of the Program's Regulations revealed the following inconsistencies with the AQB Criteria regarding Supervisory Appraisers:</p> <p>AQB Criteria requires Supervisory Appraisers be State certified and in "good standing" in the jurisdiction in which the Trainee Appraiser practices for a period of at least 3 years. Oklahoma Regulation 600:10-1-16. provides that Supervisory appraisers be a State licensed or Certified Appraiser for a period of at least 3 years.</p> <p>AQB Criteria requires that Supervisory appraisers not have been subject to any disciplinary action within the last 3 years that affects the Supervisory Appraiser's legal eligibility to engage in appraisal practice. Oklahoma Regulation 600:10-1-16 provides that Supervisory Appraisers be in good standing with the Board and not have been revoked, suspended, or placed on supervised probation in the last 3 years.</p>	<p>The State reported on November 16, 2015, it began the rule making process to amend Oklahoma Regulation 600:10-1-16 to correct the area of non-compliance allowing the time an appraiser held a State License to be counted toward the time a Supervisory Appraiser must be in good standing.</p> <p>The State also provided the most current version of Oklahoma Regulation 600:10-1-16 which requires that Supervisory appraisers not have been subject to any disciplinary action within the last 3 years that affects the Supervisory Appraiser's legal eligibility to engage in appraisal practice. This version is compliant with AQB Criteria.</p>	<p>The State must continue the process to amend its Regulation to bring it into compliance with AQB Criteria and reflect what is done in practice. A copy of the final regulation should be provided to ASC staff once adopted.</p>	<p>During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with AQB Criteria and ASC Policy Statement 1.</p>
Temporary Practice:	X			No compliance issues noted.	N/A	None	None
National Registry:	X			No compliance issues noted.	N/A	None	None
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:	X			No compliance issues noted.	N/A	None	None