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May 6, 2005

Federal Financial Institutions Examination Council
The Appraisal Subcommittee
Attn: Virginia M. Gibbs, Chairman
2000 K Street, Northwest, Suite 310
Washington, D.C. 20006

May 19, 2005

Dear Ms. Gibbs:

This letter is in response to the report of the field review conducted in our administrative office in February 2005 by Ms. Vicki Ledbetter and Ms. Denise Graves.

I was very pleased to note that there were no discrepancies addressed in your report with respect to our licensing, temporary practice, reciprocity or appraiser education programs and policies.

In this report, you addressed two concerns, one past and one future. The first of these was that: "From mid-2002 through mid-2004, Oklahoma failed to properly investigate and resolve numerous appraiser-related complaints." The report goes on to note that: "...the Department and the Board recognized the flaws in its complaint investigation and resolution procedures and took appropriate steps to revise the Program." The Board greatly appreciates the fact that not only was the deficiency noted by the Subcommittee, but that the Subcommittee gave recognition to the fact that the Board and its staff had already identified the discrepancy and taken appropriate corrective action.

The remaining concern identified by the reviewers was: "the Program having sufficient resources to process the increasing number of complaints being forwarded for investigation and prosecution." Your staff members conducting the field review correctly assessed this situation as beginning to impose a very heavy burden on our limited resources. As with the concern addressed above, members of the Board had already identified this as an impending problem, and began work in January within the Board's committee structure to identify possible means to remedy the situation.

Implementation of these remedies will almost certainly involve changes to the Oklahoma Real Estate Appraisers Act and to the Board's administrative rules. In addition to those changes, the Board is actively working to prepare and adopt the implementing measures necessitated by the Appraiser Qualification Board's revision of the Appraiser Qualification Criteria to be effective January 1, 2008. As you can see, changes are required over a broad range of areas. As in the past statutory and administrative rule changes sought by the Board will be concurrently submitted to the Subcommittee for review and comment.

The Appraisal Subcommittee. FFIEC

May 6, 2005


I would like to take this opportunity to commend Ms. Ledbetter and Ms. Graves. Over the course of their visit, I found them to be highly professional and very knowledgeable. It was our pleasure to have them here, particularly on the day that I took my Oath of Office as Oklahoma Insurance Commissioner.

If you have further questions or concerns, please contact Mr. Stirman or me at your convenience.

Sincerely,



KIM HOLLAND, Chairperson
Real Estate Appraiser Board



LEE B. CAESAR JR., Vice-Chairman
Real Estate Appraiser Board