



OKLAHOMA REAL ESTATE APPRAISER BOARD

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November 14, 2007

Federal Financial Institutions Examination Council
Appraisal Subcommittee
Attn: Virginia Gibbs
2000 K Street, Suite 310
Washington, DC 20006

Dear Ms. Gibbs:

The Board appreciates the opportunity to respond to the correspondence related to your field review of September 17, 2007. The information provided will generally follow the sequence in which it was presented in your letter.

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

The Board recognized that it was necessary to augment its capacity to resolve disciplinary cases and as you indicated in your letter, the Board took the necessary legislative action to obtain the additional resources for prosecution. The increase in fees was effective on November 1, 2006, less than one year from the date of the field review. It is now our belief that we have sufficient resources to conduct disciplinary proceedings in a timelier manner. With that said the Board also understands that it will take a certain period of time to eliminate the backlog of cases in the system, and has directed its staff to proceed with a sense of urgency to push these cases through the system.

The case law your letter referenced, as set forth by the Oklahoma Supreme Court, was based on constitutional issues involving geographic competitors. A district court ruling has interpreted the Oklahoma Supreme Court ruling to include the members of the Appraisal Board, and members of the Board's Probable Cause Committee.

The first issue deals with the members of the Board which are appointed by the Governor. The court's interpretation requires recusal of Board members that are from a competing geographic area. The Board has no capacity to control geographic areas from which the Governor appoints appraiser Board members. If the recusals result in less than a quorum the Governor must appoint members pro-tempore who are not considered to be geographic competitors of the respondent. The Board is currently studying possible remedies to this issue and in the interim the Board staff has perfected the steps necessary to obtain pro-tempore appointments in a suitable and timely manner.

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The second issue deals with members of the Board's Probable Cause Committee and their required recusals based on geographic competition. The Board instituted an emergency rule change to which your letter referred which was subsequently approved by the Governor effective November 1, 2007. This emergency rule change appears to resolve the issue as it pertains to members of disciplinary hearing panels and the Probable Cause Committee.

As you asked, the Board and its staff will continue to increase efforts to resolve complaints. The Board has directed the staff to email Ms. Klamet a complaint log on a monthly basis concurrent with emailing the monthly data run for the National Registry.

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

As required by the ASC letter, the Board staff identified all certified appraisers who were reinstated during the period September 1, 2005 through the present. This resulted in a list of seven individual appraisers. Of those seven individuals, five are individuals who are not residents of Oklahoma and were credentialed under the provisions of a reciprocity agreement with another credentialing jurisdiction. Their qualifications to hold their credentials are based on their continued qualification in their state of residence as evidenced by letters of good standing issued by the resident jurisdictions.

Of the remaining two individuals, one was reinstated from a disciplinary suspension. His effective date and expiration date remained the same, and as his renewal period did not change, there should be no issue regarding his continuing education. The remaining individual was, as your letter indicated, reinstated without the required additional twenty eight hours of continuing education. This individual has, however, since his reinstatement on September 11, 2006, taken thirty six hours of continuing education. He is being notified that twenty eight of those hours will be applied to the period November 1, 2004 through September 11, 2006 and may not be used as continuing education to apply to his September 30, 2009 renewal.

As directed, changes to the Board's administrative rules have been drafted and the Board granted staff authority to publish a Notice of Rulemaking Intent at its November 2, 2007 regular session. There are also other very minor changes to the Board's administrative rules as well as a change for the purpose of making permanent the emergency rule change discussed in the enforcement section of this letter. The Appraisal Subcommittee will be provided with copies of the Notices. Oklahoma Register publication dates for these two notices will be on December 17, 2007.

Once again the Board appreciates the opportunity to respond to these issues and intends to fully comply with the Appraisal Subcommittee requests. We look forward to our continuing favorable relationship.

Sincerely,

KIM HOLLAND

Insurance Commissioner of Oklahoma
Chairperson, Oklahoma Real Estate Appraiser Board