



OFFICE OF ATTORNEY GENERAL
STATE OF OKLAHOMA

ATTORNEY GENERAL OPINION
2015-199A

Christine McEntire, Director
Oklahoma Real Estate Appraiser Board
3625 NW 56th Street, Ste. 100
Oklahoma City, Oklahoma 73112

December 9, 2015

Dear Director McEntire:

This office has received your request for a written Attorney General Opinion regarding agency action that the Oklahoma Real Estate Appraiser Board intends to take. The proposed action is to, pursuant to a consent order, require that licensee 11071CGA only prepare residential property appraisals until completion of four courses—one course each on the sales comparison, site valuation and cost, and income approach to valuation along with one course on market analysis and the highest and best use of property. The appraiser prepared two commercial property appraisals that, among other things, used comparison sales with no adjustment when applying valuations to subject properties; relied on clearly incorrect math with respect to weighted comparisons; and had no supporting data on information used for various cost estimates or lease comparisons.

The Oklahoma Certified Real Estate Appraisers Act, 59 O.S.2011 & Supp.2015, §§ 858-700–858-732, authorizes the Oklahoma Real Estate Appraiser Board to discipline licensees who violate “any of the standards for the development . . . of real estate appraisals as provided” in the Act, those who “violat[e] any of the provisions of the” Act, and those who violate “any of the provisions in the code of ethics set forth in” the Act, 59 O.S.Supp.2015, § 858-723(C)(6), (9), (13). The Act requires adherence to “the current edition of the Uniform Standards of Professional Appraisal Practice,” 59 O.S.2011, § 858-726, which is 2014-2015 edition of the Uniform Standards of Professional Appraisal Practice (“USPAP”).

USPAP contains a COMPETENCY RULE that requires an appraiser to have competence before preparing a report. USPAP U-11. USPAP also contains standards such as Standard 1, which requires the appraiser to “complete research and analyses necessary to produce a credible appraisal.” USPAP U-16. Components of Standard 1 clarify that this means the appraiser must understand and correctly employ correct appraisal methods; identify characteristics of the property and objectives in the appraisal; and, for market value appraisals, identify all sales and agreements on the property. USPAP U-16–U-18, U-20.

The action seeks to enforce the requirements of professionalism embodied in the Act and in USPAP. The Board may reasonably believe that, by limiting licensee’s practice to residential

appraisals and requiring additional education before preparation of any more commercial appraisal reports, future violations will be prevented and this professional can be returned to full practice.

It is, therefore, the official opinion of the Attorney General that the Oklahoma Real Estate Appraiser Board has adequate support for the conclusion that this action advances the State of Oklahoma's policy to uphold standards of professionalism among real estate appraisers.

A handwritten signature in black ink, appearing to read "Scott Pruitt". The signature is stylized with a large, sweeping initial "S" and a long horizontal line extending to the right.

E. SCOTT PRUITT
ATTORNEY GENERAL OF OKLAHOMA