



OFFICE OF ATTORNEY GENERAL
STATE OF OKLAHOMA

ATTORNEY GENERAL OPINION
2017-47A

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

February 8, 2017

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 under a consent agreement with licensee 12780CRA. The proposed action is to require the licensee to complete a thirty-hour course in basic appraisal procedures, a fifteen-hour course in residential site valuation and cost approach, and a fifteen-hour course in residential market analysis regarding highest and best use. The three courses must be completed within six months, and the licensee must be tested and successfully pass to receive credit. In addition, the licensee shall pay a \$1,000 fine and payment of costs in the amount of \$1,500.

The Board received two complaints alleging violations by the licensee. The first appraisal report was found to be rushed, misleading, and full of errors. The licensee offered little support for the final value and neither provided an explanation or support for any adjustments, nor performed a cost approach analysis. The second appraisal report at issue proved to have inaccurate information and material misrepresentations. The licensee had little support for the site value and the allocation method used. Further, the comparable properties used were highly questionable.

The Oklahoma Certified Real Estate Appraisers Act, 59 O.S.2011 & Supp.2016, §§ 858-700–858-732, authorizes the Oklahoma Real Estate Appraiser Board to discipline licensees who violate the Act's standards for real estate appraisals, 59 O.S.Supp.2016, § 858-723(C)(6). The Act requires adherence to "the current edition of" the Uniform Standards of Professional Appraisal Practice ("USPAP"), 59 O.S.2011, § 858-726, which is the 2014-2015 edition.

USPAP's Standards Rule 1-1(a) requires that an appraiser "be aware of, understand, and correctly employ . . . recognized methods and techniques that are necessary to produce a credible appraisal." USPAP 16. Further, Standards Rule 1-4 requires an appraiser to "collect, verify, and analyze all information necessary for credible assignment results." USPAP 19. USPAP's Standards Rule 2-1 also requires an appraiser to ensure appraisal reports are not misleading, contain sufficient information, and disclose all assumptions used in the report's preparation. USPAP 21.

Here, the Board may reasonably believe that the licensee did not collect sufficient information or perform an adequate analysis of the property. The Board may thus reasonably believe that additional education and a significant fine is necessary to prevent future violations.

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 that real estate appraisals meet standards of completeness and accuracy.



E. SCOTT PRUITT
ATTORNEY GENERAL OF OKLAHOMA