

Office of Attorney General State of Oklahoma

ATTORNEY GENERAL OPINION 2017-53A

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 10542CGA. The Board received two complaints which showed errors in methodology and inaccurate and misleading data. The Board found the first appraisal to be below professional standards with fundamental mistakes, flawed methodology, incorrect descriptions and unsupported values. In the second complaint, the licensee's methodology was unrecognizable, and the final value was not well-developed or supported with adequate comparable selections and adjustments. The proposed action is to require the licensee to complete a fifteen-hour online course on advanced residential applications and case studies and a seven-hour online course on reviewing residential appraisals. The license has ninety days from the final approval of the consent order to complete the courses.

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 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 the licensee failed to collect adequate information and accurately analyze that information, resulting in a deficient appraisal report. The Board may reasonably believe that additional education requirements are necessary to prevent future violations.

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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.

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E. SCOTT PRUITT Attorney General of Oklahoma