

1 ENGROSSED HOUSE
2 BILL NO. 2772

By: Watson of the House

3 and

4 Anderson of the Senate

5
6
7 (professions and occupations - Oklahoma Appraisal
8 Management Company Regulation Act - annual audit -
9 codification -
10 effective date)

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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14

SECTION 1. NEW LAW A new section of law to be codified

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in the Oklahoma Statutes as Section 858-801 of Title 59, unless

16

there is created a duplication in numbering, reads as follows:

17

This act shall be known and may be cited as the "Oklahoma

18

Appraisal Management Company Regulation Act".

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SECTION 2. NEW LAW A new section of law to be codified

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in the Oklahoma Statutes as Section 858-802 of Title 59, unless

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there is created a duplication in numbering, reads as follows:

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It is the intent of the Legislature to develop a process for

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real estate appraisal management company registration and regulation

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in order to protect lenders, financial institutions, clients,

1 consumers and the public from economic and financial harm and the
2 potential for such harm that may result from interference with the
3 independence, objectivity, and impartiality of the real estate
4 appraisal process.

5 The purpose of the Oklahoma Appraisal Management Company
6 Regulation Act is to provide a process for the registration and
7 regulation of entities conducting, performing or engaging in, or
8 attempting to conduct, perform or engage in, real estate appraisal
9 management services as a real estate appraisal management company
10 within the State of Oklahoma.

11 SECTION 3. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 858-803 of Title 59, unless
13 there is created a duplication in numbering, reads as follows:

14 As used in the Oklahoma Appraisal Management Company Regulation
15 Act:

16 1. "Appraisal" means the practice of developing and reporting
17 an opinion of the value of real property in conformance with the
18 Uniform Standards of Professional Appraisal Practice as promulgated
19 by the Appraisal Standards Board of The Appraisal Foundation;

20 2. "Appraisal management company" or "AMC" means an individual,
21 firm, partnership, association, corporation, limited liability
22 company or any other entity that employs ten or more credentialed
23 appraisers or maintains an approved list of ten or more independent
24 contractor credentialed appraisers that performs appraisal

1 management services, regardless of the use of the term appraisal
2 management company, mortgage technology provider, mortgage services
3 provider, lender processing services provider, loan processor, real
4 estate closing services provider, vendor management company or any
5 other term;

6 3. "Appraisal management services" means, directly or
7 indirectly, to perform or attempt to perform any one or more of the
8 following function(s) on behalf of a lender, financial institution,
9 client, or any other person:

- 10 a. administer an appraiser panel,
- 11 b. recruit, qualify, verify licensing or certification,
12 and negotiate fees and service level expectations with
13 persons who are part of an appraiser panel,
- 14 c. receive an order for an appraisal from one entity, and
15 deliver the order for the appraisal to an appraiser
16 that is part of an appraiser panel for completion,
- 17 d. track and determine the status of orders for
18 appraisals,
- 19 e. conduct quality control of a completed appraisal prior
20 to the delivery of the appraisal to the person that
21 ordered the appraisal, or
- 22 f. provide a completed appraisal performed by an
23 appraiser to one or more clients;

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1 4. "Appraiser" means a person who holds a credential or a valid
2 temporary practice permit issued by the Oklahoma Real Estate
3 Appraiser Board pursuant to the Oklahoma Certified Real Estate
4 Appraisers Act as a State Certified General, State Certified
5 Residential, State Licensed, or Trainee Appraiser entitling that
6 person to perform an appraisal of real property in the State of
7 Oklahoma consistent with the scope of practice identified in the
8 Real Property Appraiser Qualification Criteria promulgated by the
9 Appraiser Qualifications Board of The Appraisal Foundation;

10 5. "Appraiser fee schedule" means a list of the various
11 appraisals requested by an AMC from appraisers and the amount that
12 the AMC pays to an appraiser for the performance of the appraisals;

13 6. "Appraiser panel" means a network of licensed or certified
14 appraisers who are independent contractors to the AMC that have:

15 a. responded to an invitation, request, or solicitation
16 from an AMC, in any form, to perform appraisals for
17 persons that have ordered appraisals through the AMC,
18 or to perform appraisals for the AMC directly, on a
19 periodic basis, as requested and assigned by the AMC,
20 and

21 b. been selected and approved by an AMC to perform
22 appraisals for any client of the AMC that has ordered
23 an appraisal through the AMC, or to perform appraisals

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1 for the AMC directly, on a periodic basis, as assigned
2 by the AMC;

3 7. "Appraisal review" means the act or process of developing
4 and communicating an opinion about the quality of another
5 appraiser's work that was performed as part of an appraisal
6 assignment; except that an examination of an appraisal for
7 grammatical, typographical, or other similar errors that do not
8 communicate an opinion related to the appraiser's data collection,
9 analysis, opinions, conclusions, estimate of value, or compliance
10 with the Uniform Standards of Professional Appraisal Practice shall
11 not constitute or be construed to be an appraisal review;

12 8. "Board" means the Oklahoma Real Estate Appraiser Board;

13 9. "Competent appraiser" means an appraiser that satisfies each
14 provision of the Competency Rule of the Uniform Standards of
15 Professional Appraisal Practice for a specific appraisal assignment
16 that the appraiser has received, or may receive, from an AMC;

17 10. "Credential" means a certificate issued by the Board
18 pursuant to the provisions of the Oklahoma Certified Real Estate
19 Appraisers Act authorizing an individual to act as a Trainee
20 Appraiser, State Licensed Appraiser, Certified Residential Appraiser
21 or State Certified General Appraiser in the State of Oklahoma;

22 11. "Controlling person" means:

- 23 a. an owner, officer, manager, or director of a
24 corporation, partnership, firm, association, limited

1 liability company, or other business entity seeking to
2 offer appraisal management services in this state,

3 b. an individual employed, appointed, or authorized by an
4 AMC that has the authority to enter into a contractual
5 relationship with other persons for the performance of
6 appraisal management services and has the authority to
7 enter into agreements with appraisers for the
8 performance of appraisals, or

9 c. an individual who possesses, directly or indirectly,
10 the power to direct or cause the direction of the
11 management or policies of an AMC;

12 12. "Person" means an individual, firm, partnership,
13 association, corporation, or any other entity; and

14 13. "Uniform Standards of Professional Appraisal Practice" or
15 "USPAP" means the edition of the Uniform Standards of Professional
16 Appraisal Practice promulgated by the Appraisal Standards Board of
17 The Appraisal Foundation in force as of the date that a report of an
18 appraisal was signed or communicated.

19 SECTION 4. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 858-804 of Title 59, unless
21 there is created a duplication in numbering, reads as follows:

22 A. It is unlawful for a person to directly or indirectly engage
23 or to attempt to engage in business as an AMC, to directly or
24 indirectly perform or to attempt to perform appraisal management

1 services, or to advertise or hold itself out as engaging in or
2 conducting business as an AMC without first obtaining a registration
3 issued by the Oklahoma Real Estate Appraiser Board under the
4 provisions of the Oklahoma Appraisal Management Company Regulation
5 Act.

6 B. The application for the registration required by subsection
7 A of this section shall be on a form approved by the Board and
8 shall, at a minimum, include the following information:

9 1. Legal name and any other trade or business name of the
10 entity seeking registration;

11 2. Mailing and physical addresses of the entity seeking
12 registration;

13 3. Telephone, e-mail, website, and facsimile contact
14 information of the entity seeking registration;

15 4. If the entity is a corporation that is not domiciled in this
16 state, the name and contact information for the entity's agent for
17 service of process in this state;

18 5. If the entity is a corporation, limited liability company,
19 or partnership that is not domiciled in this state, proof that the
20 entity is properly and currently registered with the Office of the
21 Secretary of State;

22 6. The name, mailing and physical addresses, and contact
23 information for any person that owns ten percent (10%) or more of
24 the AMC;

1 7. The name, mailing and physical addresses, and contact
2 information for all named controlling persons;

3 8. A certification that the entity has a system and process in
4 place to verify that a person being added to the appraiser panel of
5 the AMC holds a credential in good standing in this state pursuant
6 to the Oklahoma Certified Real Estate Appraisers Act and the rules
7 promulgated thereunder if a license or certification is required to
8 perform appraisals, pursuant to Section 17 of this act;

9 9. A certification that the entity has a system in place to
10 review the work of all appraisers that are performing real estate
11 appraisal services for the AMC on a periodic basis to ensure that
12 the real estate appraisal services are being conducted in accordance
13 with USPAP and the Oklahoma Certified Real Estate Appraisers Act and
14 the rules promulgated thereunder, pursuant to Section 18 of this
15 act;

16 10. A certification that the entity maintains a detailed record
17 of each service request that it receives and the appraiser that
18 performs real estate appraisal services for the AMC, pursuant to
19 Section 19 of this act;

20 11. An irrevocable Uniform Consent to Service of Process,
21 pursuant to Section 7 of this act; and

22 12. Any other information required by the Board.
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1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 858-805 of Title 59, unless
3 there is created a duplication in numbering, reads as follows:

4 The provisions of the Oklahoma Appraisal Management Company
5 Regulation Act shall not apply to:

6 1. A department or unit within a financial institution that is
7 subject to direct regulation by an agency of the United States
8 Government that is a member of the Federal Financial Institutions
9 Examination Council or its successor, or to regulation by an agency
10 of this state, that receives a request for the performance of an
11 appraisal from one employee of the financial institution, and
12 another employee of the same financial institution assigns the
13 request for the appraisal to an appraiser that is an independent
14 contractor to the institution, except that an AMC that is a wholly
15 owned subsidiary of a financial institution shall not be considered
16 a department or unit within a financial institution to which the
17 provisions of the Oklahoma Appraisal Management Company Regulation
18 Act do not apply; or

19 2. A person that enters into an agreement, whether written or
20 otherwise, with an appraiser for the performance of an appraisal,
21 and upon the completion of the appraisal, the report of the
22 appraiser performing the appraisal is signed by both the appraiser
23 who completed the appraisal and the appraiser who requested the
24 completion of the appraisal, except that an AMC may not avoid the

1 requirements of the Oklahoma Appraisal Management Company Regulation
2 Act by requiring an employee of the AMC that is an appraiser to sign
3 an appraisal that is completed by an appraiser that is part of the
4 appraisal panel of the AMC.

5 SECTION 6. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 858-806 of Title 59, unless
7 there is created a duplication in numbering, reads as follows:

8 A registration or a renewal of a registration granted by the
9 Board pursuant to the Oklahoma Appraisal Management Company
10 Regulation Act shall be valid for one (1) year from the date on
11 which it is issued.

12 SECTION 7. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 858-807 of Title 59, unless
14 there is created a duplication in numbering, reads as follows:

15 Each entity applying for registration as an AMC in this state
16 shall complete an irrevocable Uniform Consent to Service of Process,
17 as prescribed by the Oklahoma Real Estate Appraiser Board.

18 SECTION 8. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 858-808 of Title 59, unless
20 there is created a duplication in numbering, reads as follows:

21 The Oklahoma Real Estate Appraiser Board shall establish the fee
22 to be paid by each AMC seeking registration or renewal of a
23 registration under the Oklahoma Appraisal Management Company
24 Regulation Act, such that the sum of the fees paid by all appraisal

1 management companies seeking registration or renewal of a
2 registration under the Oklahoma Appraisal Management Company
3 Regulation Act shall be sufficient for the administration of the
4 Oklahoma Appraisal Management Company Regulation Act. Fees shall be
5 received by the Oklahoma Insurance Department and shall be deposited
6 to the Oklahoma Certified Real Estate Appraisers Revolving Fund as
7 set forth in the Oklahoma Certified Real Estate Appraisers Act.

8 SECTION 9. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 858-809 of Title 59, unless
10 there is created a duplication in numbering, reads as follows:

11 A. An AMC applying for, holding, or renewing a registration
12 under the Oklahoma Appraisal Management Company Regulation Act shall
13 not be more than ten-percent-owned by:

14 1. A person who has held a credential issued by any appraiser
15 credentialing jurisdiction to act as an appraiser that was refused,
16 denied, canceled, revoked, or surrendered in lieu of a pending
17 disciplinary proceeding in any jurisdiction and not subsequently
18 granted or reinstated; or

19 2. An entity that is more than ten-percent-owned by any person
20 who has held a credential issued by any appraiser credentialing
21 jurisdiction to act as an appraiser that was refused, denied,
22 canceled, revoked, or surrendered in lieu of a pending disciplinary
23 proceeding in any jurisdiction and not subsequently granted or
24 reinstated.

1 B. Each person that owns more than ten percent (10%) of an AMC
2 applying for, holding, or renewing a registration under the Oklahoma
3 Appraisal Management Company Regulation Act shall:

4 1. Be of good moral character, as determined by the Board; and

5 2. Submit to a background investigation, as determined by the
6 Board.

7 C. Each AMC applying for registration or for renewal of a
8 registration under the Oklahoma Appraisal Management Company
9 Regulation Act shall certify to the Oklahoma Real Estate Appraiser
10 Board on a form prescribed by the Board that it has reviewed each
11 entity that owns more than ten percent (10%) of the AMC and that no
12 entity that owns more than ten percent (10%) of the AMC is more than
13 ten-percent-owned by any person that has had a credential issued by
14 any appraiser credentialing jurisdiction to act as an appraiser that
15 was refused, denied, cancelled, revoked, or surrendered in lieu of a
16 pending disciplinary proceeding in any jurisdiction and not
17 subsequently granted or reinstated.

18 SECTION 10. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 858-810 of Title 59, unless
20 there is created a duplication in numbering, reads as follows:

21 A. Each AMC applying to the Oklahoma Real Estate Appraiser
22 Board for a registration or for a renewal of a registration in this
23 state shall designate one controlling person that shall serve as the
24 main contact for all communication between the Board and the AMC.

1 B. The controlling person designated pursuant to subsection A
2 of this section shall:

3 1. Hold a credential in good standing issued by any appraiser
4 credentialing jurisdiction to act as an appraiser in at least one
5 jurisdiction;

6 2. Have never had a credential issued by any appraiser
7 credentialing jurisdiction to act as an appraiser refused, denied,
8 canceled, revoked, or surrendered in lieu of a pending disciplinary
9 proceeding in any jurisdiction;

10 3. Be of good moral character, as determined by the Board; and

11 4. Submit to a background investigation, as determined by the
12 Board.

13 SECTION 11. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 858-811 of Title 59, unless
15 there is created a duplication in numbering, reads as follows:

16 An AMC that applies to the Oklahoma Real Estate Appraiser Board
17 for a registration or to renew a registration to do business in this
18 state as an AMC shall not:

19 1. Employ any person who has had a credential issued by any
20 appraiser credentialing jurisdiction to act as an appraiser that was
21 refused, denied, canceled, revoked, or surrendered in lieu of a
22 pending disciplinary proceeding in any jurisdiction and not
23 subsequently reinstated or granted;

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1 2. Enter into any independent contractor arrangement, whether
2 in verbal, written, or other form, with any person who has had a
3 credential that was issued by any appraiser credentialing
4 jurisdiction to act as an appraiser refused, denied, canceled,
5 revoked, or surrendered in lieu of a pending disciplinary proceeding
6 in any jurisdiction and not subsequently reinstated or granted; and

7 3. Enter into any contract, agreement, or other business
8 relationship, whether in verbal, written, or any other form, with
9 any entity that employs, has entered into an independent contract
10 arrangement, or has entered into any contract, agreement, or other
11 business relationship, whether in verbal, written, or any other
12 form, with any person who has ever had a credential issued by any
13 appraiser credentialing jurisdiction to act as an appraiser that was
14 refused, denied, canceled, revoked, or surrendered in lieu of a
15 pending disciplinary proceeding in any jurisdiction and not
16 subsequently reinstated or granted.

17 SECTION 12. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 858-812 of Title 59, unless
19 there is created a duplication in numbering, reads as follows:

20 Prior to placing an assignment with an appraiser on the
21 appraiser panel of an AMC, the AMC shall verify that the appraiser
22 receiving the assignment will be a competent appraiser for the
23 performance of the appraisal being assigned to the appraiser by the
24 AMC.

1 SECTION 13. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 858-813 of Title 59, unless
3 there is created a duplication in numbering, reads as follows:

4 Any employee of, or independent contractor to, the AMC that
5 performs an appraisal review shall be an appraiser credentialed in
6 good standing in the state in which the real property that is the
7 subject of the appraisal is located.

8 SECTION 14. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 858-814 of Title 59, unless
10 there is created a duplication in numbering, reads as follows:

11 An AMC registered in this state pursuant to the Oklahoma
12 Appraisal Management Company Regulation Act shall not enter into any
13 contract or agreement with an appraiser for the performance of
14 appraisals unless it verifies that the individual is credentialed in
15 good standing to perform the appraisal pursuant to the Oklahoma
16 Certified Real Estate Appraisers Act.

17 SECTION 15. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 858-815 of Title 59, unless
19 there is created a duplication in numbering, reads as follows:

20 Each AMC seeking to be registered in this state shall certify to
21 the Oklahoma Real Estate Appraiser Board on an annual basis on a
22 form prescribed by the Board that the AMC has a system and process
23 in place to verify that an individual being added to the appraiser
24 panel of the AMC to perform appraisal assignments on property

1 | located in Oklahoma holds a credential in good standing in this
2 | state pursuant to the Oklahoma Certified Real Estate Appraisers Act.

3 | SECTION 16. NEW LAW A new section of law to be codified
4 | in the Oklahoma Statutes as Section 858-816 of Title 59, unless
5 | there is created a duplication in numbering, reads as follows:

6 | Each AMC seeking to be registered or to renew a registration in
7 | this state shall certify to the Oklahoma Real Estate Appraiser Board
8 | on an annual basis on a form prescribed by the Board that the AMC
9 | has a system in place to verify that an individual to whom the AMC
10 | is making an assignment for the completion of an appraisal has not
11 | had a credential as an appraiser refused, denied, cancelled,
12 | revoked, or surrendered in lieu of pending disciplinary proceedings
13 | since the last time that the AMC made an assignment for an appraisal
14 | to the appraiser.

15 | SECTION 17. NEW LAW A new section of law to be codified
16 | in the Oklahoma Statutes as Section 858-817 of Title 59, unless
17 | there is created a duplication in numbering, reads as follows:

18 | Each AMC seeking to be registered or to renew a registration in
19 | this state shall certify to the Oklahoma Real Estate Appraiser Board
20 | on a form prescribed by the Board on an annual basis that it has a
21 | system in place to perform an appraisal review of the work product
22 | of each appraiser that is performing appraisals for the AMC on a
23 | periodic basis to ensure that the appraisals are being conducted in
24 |

1 accordance with the USPAP and the Oklahoma Certified Real Estate
2 Appraisers Act and the rules promulgated thereunder.

3 SECTION 18. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 858-818 of Title 59, unless
5 there is created a duplication in numbering, reads as follows:

6 A. Each AMC registered in this state shall cause an audit of
7 the appraisals received by the AMC from appraisers to be conducted
8 at least annually to ensure that the appraisals being received by
9 the AMC are being performed in accordance with the USPAP and the
10 Oklahoma Certified Real Estate Appraisers Act.

11 B. The Oklahoma Real Estate Appraiser Board shall promulgate
12 rules to govern the content and process of audits covered by this
13 section.

14 C. A copy of the AMC's most recent annual audit report, no more
15 than eleven (11) months old, shall be provided to the Board as a
16 supporting document to any renewal application for an AMC's
17 registration in this state, except that an AMC shall not be required
18 to submit an annual audit report with its initial application for
19 registration in this state.

20 SECTION 19. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 858-819 of Title 59, unless
22 there is created a duplication in numbering, reads as follows:

23 A. Each AMC seeking to be registered or to renew an existing
24 registration in this state shall certify to the Oklahoma Real Estate

1 Appraiser Board on a form prescribed by the Board on an annual basis
2 that it maintains a detailed record of each service request that it
3 receives for appraisal of real property located in Oklahoma.

4 B. An AMC registered under the provisions of the Oklahoma
5 Appraisal Management Company Regulation Act shall retain for five
6 (5) years all records required to be maintained under the Oklahoma
7 Appraisal Management Company Regulation Act as described in the
8 rules promulgated by the Board in accordance with the Oklahoma
9 Appraisal Management Company Regulation Act. This five-year period
10 shall commence on the date of the final action by the AMC for each
11 individual transaction or if the AMC is notified that the
12 transaction is involved in litigation, the five-year period shall
13 commence on the date that the litigation is finally disposed.

14 C. All records required to be maintained by the registered AMC
15 pursuant to the provisions of the Oklahoma Appraisal Management
16 Company Regulation Act and the rules promulgated thereunder shall be
17 made available by the registration holder for inspection and copying
18 by the Board or its designee on reasonable notice to the AMC.

19 SECTION 20. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 858-820 of Title 59, unless
21 there is created a duplication in numbering, reads as follows:

22 A. An AMC registered under the Oklahoma Appraisal Management
23 Company Regulation Act shall not include any fees for appraisal
24 management services that are performed by the AMC for a lender,

1 client, or other person in the amount that it charges a lender,
2 client, or other person for the actual completion of an appraisal by
3 an appraiser that is part of the appraiser panel of the AMC.

4 B. An AMC registered under the Oklahoma Appraisal Management
5 Company Regulation Act that applies for registration in this state
6 shall not prohibit an appraiser that is part of an appraiser panel
7 of the AMC from recording the fee that the appraiser was paid by the
8 AMC for the performance of the appraisal within the communication of
9 the appraisal that is submitted by the appraiser to the AMC.

10 C. Any and all fees charged to a lender, client, or any other
11 person by an AMC for appraisal management services shall be separate
12 and distinct from any and all fees charged to a client by the AMC
13 for the actual completion of an appraisal by an appraiser that is
14 part of the appraiser panel of the AMC.

15 SECTION 21. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 858-821 of Title 59, unless
17 there is created a duplication in numbering, reads as follows:

18 A. It shall be unlawful and a violation of the Oklahoma
19 Appraisal Management Company Regulation Act for any employee,
20 partner, director, officer, or agent of an AMC to influence or
21 attempt to influence the development, reporting, result, or review
22 of an appraisal through coercion, extortion, collusion,
23 compensation, instruction, inducement, intimidation, bribery or in
24 any other manner, including but not limited to:

- 1 1. Withholding or threatening to withhold timely payment or
2 partial payment for an appraisal;
- 3 2. Withholding or threatening to withhold, either expressed or
4 implied, future business from, or demoting or terminating or
5 threatening to demote or terminate an appraiser;
- 6 3. Promising, either expressed or implied, future business,
7 promotions, or increased compensation for an appraiser;
- 8 4. Conditioning an assignment of an appraisal or the payment of
9 an appraisal fee or salary or bonus on the opinion, conclusion, or
10 valuation to be reached, or on a preliminary estimate or opinion
11 requested from an appraiser;
- 12 5. Requesting that an appraiser provide an estimated,
13 predetermined, or desired valuation in an appraisal, or provide
14 estimated values or comparable sales at any time prior to the
15 appraiser's completion of an appraisal;
- 16 6. Providing to an appraiser an anticipated, estimated,
17 encouraged, or desired value for a subject property or a proposed or
18 target amount to be loaned to the borrower, except that a copy of
19 the sales contract for purchase transactions may be provided;
- 20 7. Providing to an appraiser, or any entity or individual
21 related to the appraiser, stock or other financial or nonfinancial
22 benefit or thing of value;
- 23 8. Allowing or directing the removal of an appraiser from an
24 appraiser panel, or the addition of an appraiser to an exclusionary

1 list of disapproved appraisers used by any entity, without prior
2 written notice to such appraiser;

3 9. Obtaining, using, or paying for a second or subsequent
4 appraisal or ordering an automated valuation model in connection
5 with a mortgage financing transaction unless there is a reasonable
6 basis to believe that the initial appraisal was flawed or tainted
7 and such basis is clearly and appropriately noted in the loan file,
8 or unless such appraisal or automated valuation model is done
9 pursuant to a bona fide prefunding or postfunding appraisal review
10 or quality control process;

11 10. Any other act or practice that impairs or attempts to
12 impair an appraiser's independence, objectivity, or impartiality;

13 11. Submitting or attempting to submit false, misleading, or
14 inaccurate information in any application for registration or
15 renewal;

16 12. Failing to timely respond to any subpoena or any other
17 request for information;

18 13. Failing to timely obey an administrative order of the
19 Board; or

20 14. Failing to fully cooperate in any investigation.

21 B. Nothing in subsection A of this section shall be construed
22 as prohibiting the AMC from requesting that an appraiser:

23 1. Provide additional information about the basis for a
24 valuation; or

1 2. Correct objective factual errors in an appraisal.

2 SECTION 22. NEW LAW A new section of law to be codified
3 in the Oklahoma Statutes as Section 858-822 of Title 59, unless
4 there is created a duplication in numbering, reads as follows:

5 An AMC shall not perform or attempt to perform any one or more
6 of the following acts:

7 1. Require an appraiser to modify any aspect of an appraisal
8 unless the modification complies with Section 21 of this act;

9 2. Require an appraiser to prepare an appraisal if the
10 appraiser, in the appraiser's own independent professional judgment,
11 believes the appraiser does not have the necessary expertise for the
12 assignment or for the specific geographic area;

13 3. Require an appraiser to prepare an appraisal under a time
14 frame that the appraiser, in the appraiser's own professional
15 judgment, believes does not afford the appraiser the ability to meet
16 all the relevant legal and professional obligations;

17 4. Prohibit or inhibit communication between the appraiser and:

18 a. the lender,

19 b. a real estate licensee, or

20 c. any other person from whom the appraiser, in the
21 appraiser's own professional judgment, believes
22 information would be relevant;

23 5. Requires the appraiser to do anything that does not comply
24 with:

- 1 a. USPAP,
- 2 b. the Oklahoma Certified Real Estate Appraisers Act or
- 3 the rules promulgated thereunder, or
- 4 c. any assignment conditions and certifications required
- 5 by the client;

6 6. Makes any portion of the appraiser's fee or the AMC's fee
7 contingent on a predetermined or favorable outcome, including but
8 not limited to:

- 9 a. a loan closing, or
- 10 b. specific dollar amount being achieved by the appraiser
- 11 in the appraisal; or

12 7. Requests, for the purpose of facilitating a mortgage loan
13 transaction:

- 14 a. a broker price opinion, or
- 15 b. any other real property price or value estimation that
- 16 does not qualify as an appraisal.

17 SECTION 23. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 858-823 of Title 59, unless
19 there is created a duplication in numbering, reads as follows:

20 Each AMC shall, except in bona fide cases of breach of contract
21 or substandard performance of services, make payment to an appraiser
22 for the completion of an appraisal or valuation assignment within
23 sixty (60) days of the date on which the appraiser transmits or
24

1 otherwise provides the completed appraisal or valuation study to the
2 AMC or its assignee.

3 SECTION 24. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 858-824 of Title 59, unless
5 there is created a duplication in numbering, reads as follows:

6 A. An AMC shall not alter, modify, or otherwise change or
7 attempt to alter, modify, or otherwise change a completed appraisal
8 submitted by an appraiser by doing any of the following:

9 1. Permanently removing the appraiser's signature or seal;

10 2. Adding information to, or removing information from, the
11 appraisal;

12 3. Altering, modifying or otherwise changing a completed
13 appraisal submitted by an independent appraiser without the
14 appraiser's knowledge and written consent; or

15 4. Using an appraisal submitted by an independent appraiser for
16 any other transaction or use.

17 B. No AMC shall require an appraiser to provide the AMC with
18 the appraiser's digital signature or seal, but nothing in this
19 subsection shall be deemed to prohibit an appraiser from voluntarily
20 providing his or her digital signature to another person in the
21 manner permitted by the provisions of the USPAP.

22 SECTION 25. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 858-825 of Title 59, unless
24 there is created a duplication in numbering, reads as follows:

1 A. The Oklahoma Real Estate Appraiser Board shall issue a
2 unique registration number to each AMC that is registered in this
3 state.

4 B. The Board shall maintain a list on its website of the AMCs
5 that have registered with the Board pursuant to the Oklahoma
6 Appraisal Management Company Regulation Act and have been issued a
7 registration number pursuant to subsection A of this section.

8 C. An AMC registered in this state shall place its registration
9 number on any instrument used by the AMC to perform appraisal
10 management services in this state.

11 SECTION 26. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 858-826 of Title 59, unless
13 there is created a duplication in numbering, reads as follows:

14 An AMC registered in this state shall disclose the registration
15 number provided to it by the Oklahoma Real Estate Appraiser Board on
16 all print and electronic advertising, including but not limited to
17 any electronic advertising or communication via the Internet.

18 SECTION 27. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 858-827 of Title 59, unless
20 there is created a duplication in numbering, reads as follows:

21 A. Except within the first thirty (30) days after an appraiser
22 is first added to the appraiser panel of an AMC, an AMC shall not
23 remove an appraiser from its appraiser panel, or otherwise refuse to
24

1 assign requests for real estate appraisal services to an appraiser
2 without:

3 1. Notifying the appraiser in writing of the reasons why the
4 appraiser is being removed from the appraiser panel of the AMC;

5 2. Providing an opportunity for the appraiser to respond to the
6 written notification of the AMC either personally or through legal
7 counsel; and

8 3. If the appraiser is being removed from the panel for illegal
9 conduct, violation of the USPAP, or a violation of the Oklahoma
10 Certified Real Estate Appraisers Act or the rules promulgated
11 thereunder, providing notice to the appraiser and to the Oklahoma
12 Real Estate Appraiser Board detailing allegations of fact and
13 alleged violations of standards or laws.

14 B. An appraiser that is removed from the appraiser panel of an
15 AMC for alleged illegal conduct, violation of the USPAP, or
16 violation of the Oklahoma Certified Real Estate Appraisers Act or
17 the rules promulgated thereunder, may file a complaint with the
18 Board for a review of the decision of the AMC, except that in no
19 case shall the Board make any determination regarding the nature of
20 the business relationship between the appraiser and the AMC which is
21 unrelated to the actions specified in subsection A of this section.

22 C. If an appraiser files a complaint against an AMC pursuant to
23 subsection B of this section, the Board shall adjudicate the
24 complaint within one (1) year.

1 D. If after opportunity for hearing and review, the Board
2 determines that an appraiser did not commit a violation of law, a
3 violation of the USPAP, or a violation of the Oklahoma Certified
4 Real Estate Appraisers Act or the rules promulgated thereunder, the
5 Board shall order that an appraiser be promptly reinstated to the
6 appraiser panel of the AMC that was the subject of the complaint,
7 without prejudice.

8 E. Following the adjudication of a complaint to the Board by an
9 appraiser against an AMC, an AMC may not refuse to make assignments
10 for real estate appraisal services to an appraiser, or reduce the
11 number of assignments, or otherwise penalize the appraiser, if the
12 Board has found that the AMC acted improperly in removing the
13 appraiser from the appraiser panel and ordered the appraiser's
14 reinstatement.

15 SECTION 28. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 858-828 of Title 59, unless
17 there is created a duplication in numbering, reads as follows:

18 The Oklahoma Real Estate Appraiser Board may, in accordance with
19 the provisions of the Oklahoma Appraisal Management Company
20 Regulation Act relating to hearings, deny the issuance of a
21 registration or a renewal of a registration to an applicant on any
22 of the grounds enumerated in the Oklahoma Appraisal Management
23 Company Regulation Act.

24

1 SECTION 29. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 858-829 of Title 59, unless
3 there is created a duplication in numbering, reads as follows:

4 The Oklahoma Real Estate Appraiser Board may refuse to issue a
5 registration either on an original application or a renewal
6 application, if it has reasonable grounds to believe and finds any
7 of the following to be true:

8 1. That the applicant or any partner has, within twelve (12)
9 months preceding the date of the application violated any provision
10 of the Oklahoma Appraisal Management Company Regulation Act or
11 regulation of the Oklahoma Real Estate Appraiser Board;

12 2. That the applicant is not of good moral character;

13 3. That the applicant has been the holder of a registration
14 revoked or suspended for cause, or surrendered in lieu of
15 disciplinary proceedings;

16 4. That the applicant, in the case of an application for
17 renewal of any registration, would not be eligible for such license
18 on a first application;

19 5. That the issuance of the registration applied for would
20 result in a violation of any provision of the Oklahoma Appraisal
21 Management Company Regulation Act; or

22 6. When, in the judgment of the Oklahoma Real Estate Appraiser
23 Board, the registrant has, in the conduct of affairs under the
24 registration, demonstrated incompetency, or untrustworthiness, or

1 conduct or practices rendering the registrant unfit to carry on
2 appraisal management services or making continuance in the business
3 detrimental to the public interest, or that the licensee is no
4 longer in good faith carrying on appraisal management services, and
5 for this conduct is found by the Oklahoma Real Estate Appraiser
6 Board to be a source of detriment, injury, or loss to the public.

7 SECTION 30. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 858-830 of Title 59, unless
9 there is created a duplication in numbering, reads as follows:

10 The Oklahoma Real Estate Appraiser Board may censure an AMC,
11 conditionally or unconditionally suspend or revoke any registration
12 issued under the Oklahoma Appraisal Management Company Regulation
13 Act, levy fines or impose civil penalties not to exceed Twenty-five
14 Thousand Dollars (\$25,000.00) per violation of the Oklahoma
15 Appraisal Management Company Regulation Act, if in the opinion of
16 the Board, an AMC is attempting to perform, has performed, or has
17 attempted to perform any of the following acts:

18 1. Committing any act in violation of the Oklahoma Appraisal
19 Management Company Regulation Act;

20 2. Violating any rule or regulation adopted by the Board in the
21 interest of the public and consistent with the provisions of the
22 Oklahoma Appraisal Management Company Regulation Act; or
23
24

1 3. Procuring a registration or a renewal of a registration for
2 the AMC or committing any other act by fraud, misrepresentation, or
3 deceit.

4 SECTION 31. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 858-831 of Title 59, unless
6 there is created a duplication in numbering, reads as follows:

7 A. The conduct of administrative proceedings shall be in
8 accordance with the Administrative Procedures Act and the Oklahoma
9 Certified Real Estate Appraisers Act and the rules promulgated
10 thereunder for violations of the Oklahoma Appraisal Management
11 Company Regulation Act shall be vested in the Oklahoma Real Estate
12 Appraiser Board, such that the Board, after notice and opportunity
13 for a hearing pursuant to Article II of the Administrative
14 Procedures Act, may issue an order imposing one or more of the
15 following penalties whenever the Board finds, by clear and
16 convincing evidence, that a registrant has violated any provision of
17 the Oklahoma Appraisal Management Company Regulation Act or rules
18 promulgated thereunder:

19 1. Revocation of the registration with or without the right to
20 reapply;

21 2. Suspension of the registrant for a period not to exceed five
22 (5) years;

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1 3. Stipulations, limitations, restrictions and conditions
2 relating to conduct of the registrant's appraisal management
3 services practice;

4 4. Censure, including specific redress, if appropriate;

5 5. Reprimand;

6 6. Administrative fines not to exceed Twenty-five Thousand
7 Dollars (\$25,000.00) per violation; and

8 7. Payment of costs expended by the Board for any legal fees
9 and costs and monitoring fees including but not limited to
10 administrative costs, witness fees and attorney fees.

11 B. Payment of fines and costs shall be in accordance with the
12 following:

13 1. All administrative fines and costs shall be paid within
14 thirty (30) days of notifying the registrant's controlling person or
15 the registrant's agent for service of process in this state of the
16 order of the Board imposing the administrative fine, unless the
17 registrant has entered into an agreement with the Board extending
18 the period for payment;

19 2. The registration may be suspended until any fine imposed
20 upon the registrant by the Board is paid;

21 3. Unless the registrant has entered into an agreement with the
22 Board extending the period for payment, if fines and costs are not
23 paid in full by the registrant within thirty (30) days of the
24 notification of the order, the fines and costs shall double and the

1 registrant shall have an additional thirty-day period. If the
2 double fine and costs are not paid within the additional thirty-day
3 period, the registration shall automatically be revoked; and

4 4. All monies received by the Board as a result of the
5 imposition of the administrative fines and costs provided for in
6 this section shall be deposited in the Oklahoma Certified Real
7 Estate Appraisers Revolving Fund created pursuant to Section 858-730
8 of Title 59 of the Oklahoma Statutes.

9 C. Complaint filing procedures shall be in accordance with the
10 following:

11 1. Any complaint filed under the Oklahoma Appraisal Management
12 Company Regulation Act or the rules promulgated thereunder shall be
13 in writing and signed by the person filing same and shall be on a
14 form prescribed by the Board. A complaint may be filed against a
15 registrant directly by the Board, if reasonable cause exists to
16 believe there have been violation(s) of the Oklahoma Appraisal
17 Management Company Regulation Act or rules; and

18 2. The registrant shall be entitled to any hearings or subject
19 to any disciplinary proceedings provided for in the Oklahoma
20 Appraisal Management Company Regulation Act or the rules promulgated
21 thereunder based upon any complaint filed pursuant to this section.

22 D. Written notice of charges shall be provided as follows:

23 1. Before taking any administrative action against any
24 registration, the Real Estate Appraiser Board shall notify the

1 registrant in writing of any charges made at least thirty (30) days
2 prior to the date set for hearing and shall afford the registrant an
3 opportunity to be heard in person or by counsel; and

4 2. The written notice may be served personally or sent by
5 registered or certified mail to the last-known address of either the
6 registrant's controlling person or the registrant's service agent in
7 this state.

8 SECTION 32. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 858-832 of Title 59, unless
10 there is created a duplication in numbering, reads as follows:

11 The Oklahoma Real Estate Appraiser Board shall promulgate rules
12 and regulations to implement the provisions of the Oklahoma
13 Appraisal Management Company Regulation Act.

14 SECTION 33. This act shall become effective January 1, 2011.

15 Passed the House of Representatives the 9th day of March, 2010.

16

17

18 _____
19 Presiding Officer of the House of
Representatives

20 Passed the Senate the ____ day of _____, 2010.

21

22

23 _____
Presiding Officer of the Senate

24