

THE HOUSE OF REPRESENTATIVES  
Thursday, February 25, 2010

House Bill No. 2772

HOUSE BILL NO. 2772 - By: WATSON of the House and ANDERSON of the Senate.

An Act relating to professions and occupations; creating the Oklahoma Appraisal Management Company Regulation Act; providing for legislative intent; defining terms; requiring registration; requiring application for registration to contain certain information; providing exemptions; providing for expiration of license; requiring consent to service of process; providing for fees; providing requirements for ownership; providing for controlling person; requiring verification of appraiser competency; providing for employee requirements; providing for appraisal review; providing for limitations on contracts; requiring pre-engagement certification; providing for review of certification; requiring annual audit; providing for certain record keeping; providing for appraiser fees; prohibiting certain actions; providing for guaranty of payment; prohibiting alteration of appraisals; providing for registration number; requiring registration number on certain instruments and advertisements; providing for adjudication of certain disputes; providing for denial of registration; providing for refusal to issue registration; providing for suspension or revocation of registration; providing for penalties; providing for disciplinary hearings; providing procedure for filing complaints; directing Oklahoma Real Estate Appraiser Board to promulgate certain rules; providing for codification; and providing an effective date.

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

1           SECTION 1.   NEW LAW   A new section of law to be codified in the Oklahoma  
2 Statutes as Section 858-801 of Title 59, unless there is created a duplication in  
3 numbering, reads as follows:

4           This act shall be known and may be cited as the “Oklahoma Appraisal Management  
5 Company Regulation Act”.

1 SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma  
2 Statutes as Section 858-802 of Title 59, unless there is created a duplication in  
3 numbering, reads as follows:

4 It is the intent of the Legislature to develop a process for real estate appraisal  
5 management company registration and regulation in order to protect lenders, financial  
6 institutions, clients, consumers and the public from economic and financial harm and the  
7 potential for such harm that may result from interference with the independence,  
8 objectivity, and impartiality of the real estate appraisal process.

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

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

17 As used in the Oklahoma Appraisal Management Company Regulation Act:

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

1           2. “Appraisal management company” or “AMC” means an individual, firm,  
2 partnership, association, corporation, limited liability company or any other entity that  
3 employs ten or more credentialed appraisers or maintains an approved list of ten or more  
4 independent contractor credentialed appraisers that performs appraisal management  
5 services, regardless of the use of the term appraisal management company, mortgage  
6 technology provider, mortgage services provider, lender processing services provider,  
7 loan processor, real estate closing services provider, vendor management company or any  
8 other term;

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

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



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

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

10 8. “Board” means the Oklahoma Real Estate Appraiser Board;

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

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

19 11. “Controlling person” means:

20 a. an owner, officer, manager, or director of a corporation, partnership,  
21 firm, association, limited liability company, or other business entity  
22 seeking to offer appraisal management services in this state,

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

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

8           12. “Person” means an individual, firm, partnership, association, corporation, or  
9 any other entity; and

10          13. “Uniform Standards of Professional Appraisal Practice” or “USPAP” means the  
11 edition of the Uniform Standards of Professional Appraisal Practice promulgated by the  
12 Appraisal Standards Board of The Appraisal Foundation in force as of the date that a  
13 report of an appraisal was signed or communicated.

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

17          A. It is unlawful for a person to directly or indirectly engage or to attempt to  
18 engage in business as an AMC, to directly or indirectly perform or to attempt to perform  
19 appraisal management services, or to advertise or hold itself out as engaging in or  
20 conducting business as an AMC without first obtaining a registration issued by the  
21 Oklahoma Real Estate Appraiser Board under the provisions of the Oklahoma Appraisal  
22 Management Company Regulation Act.

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

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

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

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

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

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

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

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

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

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

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

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

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

11           12. Any other information required by the Board.

12           SECTION 5.   NEW LAW   A new section of law to be codified in the Oklahoma  
13 Statutes as Section 858-805 of Title 59, unless there is created a duplication in  
14 numbering, reads as follows:

15           The provisions of the Oklahoma Appraisal Management Company Regulation Act  
16 shall not apply to:

17           1. A department or unit within a financial institution that is subject to direct  
18 regulation by an agency of the United States Government that is a member of the  
19 Federal Financial Institutions Examination Council or its successor, or to regulation by  
20 an agency of this state, that receives a request for the performance of an appraisal from  
21 one employee of the financial institution, and another employee of the same financial  
22 institution assigns the request for the appraisal to an appraiser that is an independent

1 contractor to the institution, except that an AMC that is a wholly owned subsidiary of a  
2 financial institution shall not be considered a department or unit within a financial  
3 institution to which the provisions of the Oklahoma Appraisal Management Company  
4 Regulation Act do not apply; or

5 2. A person that enters into an agreement, whether written or otherwise, with an  
6 appraiser for the performance of an appraisal, and upon the completion of the appraisal,  
7 the report of the appraiser performing the appraisal is signed by both the appraiser who  
8 completed the appraisal and the appraiser who requested the completion of the  
9 appraisal, except that an AMC may not avoid the requirements of the Oklahoma  
10 Appraisal Management Company Regulation Act by requiring an employee of the AMC  
11 that is an appraiser to sign an appraisal that is completed by an appraiser that is part of  
12 the appraisal panel of the AMC.

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

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

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

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

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

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

7 The Oklahoma Real Estate Appraiser Board shall establish the fee to be paid by  
8 each AMC seeking registration or renewal of a registration under the Oklahoma  
9 Appraisal Management Company Regulation Act, such that the sum of the fees paid by  
10 all appraisal management companies seeking registration or renewal of a registration  
11 under the Oklahoma Appraisal Management Company Regulation Act shall be sufficient  
12 for the administration of the Oklahoma Appraisal Management Company Regulation  
13 Act. Fees shall be received by the Oklahoma Insurance Department and shall be  
14 deposited to the Oklahoma Certified Real Estate Appraisers Revolving Fund as set forth  
15 in the Oklahoma Certified Real Estate Appraisers Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 1. Employ any person who has had a credential issued by any appraiser  
22 credentialing jurisdiction to act as an appraiser that was refused, denied, canceled,

1 revoked, or surrendered in lieu of a pending disciplinary proceeding in any jurisdiction  
2 and not subsequently reinstated or granted;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 Each AMC seeking to be registered or to renew a registration in this state shall  
17 certify to the Oklahoma Real Estate Appraiser Board on a form prescribed by the Board  
18 on an annual basis that it has a system in place to perform an appraisal review of the  
19 work product of each appraiser that is performing appraisals for the AMC on a periodic  
20 basis to ensure that the appraisals are being conducted in accordance with the USPAP  
21 and the Oklahoma Certified Real Estate Appraisers Act and the rules promulgated  
22 thereunder.

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

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

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

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

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

18 A. Each AMC seeking to be registered or to renew an existing registration in this  
19 state shall certify to the Oklahoma Real Estate Appraiser Board on a form prescribed by  
20 the Board on an annual basis that it maintains a detailed record of each service request  
21 that it receives for appraisal of real property located in Oklahoma.

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

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

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

16 A. An AMC registered under the Oklahoma Appraisal Management Company  
17 Regulation Act shall not include any fees for appraisal management services that are  
18 performed by the AMC for a lender, client, or other person in the amount that it charges  
19 a lender, client, or other person for the actual completion of an appraisal by an appraiser  
20 that is part of the appraiser panel of the AMC.

21 B. An AMC registered under the Oklahoma Appraisal Management Company  
22 Regulation Act that applies for registration in this state shall not prohibit an appraiser

1 that is part of an appraiser panel of the AMC from recording the fee that the appraiser  
2 was paid by the AMC for the performance of the appraisal within the communication of  
3 the appraisal that is submitted by the appraiser to the AMC.

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

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

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

16 1. Withholding or threatening to withhold timely payment or partial payment for  
17 an appraisal;

18 2. Withholding or threatening to withhold, either expressed or implied, future  
19 business from, or demoting or terminating or threatening to demote or terminate an  
20 appraiser;

21 3. Promising, either expressed or implied, future business, promotions, or increased  
22 compensation for an appraiser;

1 4. Conditioning an assignment of an appraisal or the payment of an appraisal fee or  
2 salary or bonus on the opinion, conclusion, or valuation to be reached, or on a  
3 preliminary estimate or opinion requested from an appraiser;

4 5. Requesting that an appraiser provide an estimated, predetermined, or desired  
5 valuation in an appraisal, or provide estimated values or comparable sales at any time  
6 prior to the appraiser's completion of an appraisal;

7 6. Providing to an appraiser an anticipated, estimated, encouraged, or desired  
8 value for a subject property or a proposed or target amount to be loaned to the borrower,  
9 except that a copy of the sales contract for purchase transactions may be provided;

10 7. Providing to an appraiser, or any entity or individual related to the appraiser,  
11 stock or other financial or nonfinancial benefit or thing of value;

12 8. Allowing or directing the removal of an appraiser from an appraiser panel, or the  
13 addition of an appraiser to an exclusionary list of disapproved appraisers used by any  
14 entity, without prior written notice to such appraiser;

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

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

1 11. Submitting or attempting to submit false, misleading, or inaccurate information  
2 in any application for registration or renewal;

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

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

5 14. Failing to fully cooperate in any investigation.

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

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

9 2. Correct objective factual errors in an appraisal.

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

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

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

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

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

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

2 a. the lender,

3 b. a real estate licensee, or

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

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

7 a. USPAP,

8 b. the Oklahoma Certified Real Estate Appraisers Act or the rules  
9 promulgated thereunder, or

10 c. any assignment conditions and certifications required by the client;

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

13 a. a loan closing, or

14 b. specific dollar amount being achieved by the appraiser in the  
15 appraisal; or

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

17 a. a broker price opinion, or

18 b. any other real property price or value estimation that does not qualify  
19 as an appraisal.

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

1 Each AMC shall, except in bona fide cases of breach of contract or substandard  
2 performance of services, make payment to an appraiser for the completion of an  
3 appraisal or valuation assignment within sixty (60) days of the date on which the  
4 appraiser transmits or otherwise provides the completed appraisal or valuation study to  
5 the AMC or its assignee.

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

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

- 12 1. Permanently removing the appraiser’s signature or seal;
- 13 2. Adding information to, or removing information from, the appraisal;
- 14 3. Altering, modifying or otherwise changing a completed appraisal submitted by  
15 an independent appraiser without the appraiser’s knowledge and written consent; or
- 16 4. Using an appraisal submitted by an independent appraiser for any other  
17 transaction or use.

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

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

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

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

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

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

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

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

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

20 A. Except within the first thirty (30) days after an appraiser is first added to the  
21 appraiser panel of an AMC, an AMC shall not remove an appraiser from its appraiser

1 panel, or otherwise refuse to assign requests for real estate appraisal services to an  
2 appraiser without:

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

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

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

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

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

21 D. If after opportunity for hearing and review, the Board determines that an  
22 appraiser did not commit a violation of law, a violation of the USPAP, or a violation of

1 the Oklahoma Certified Real Estate Appraisers Act or the rules promulgated thereunder,  
2 the Board shall order that an appraiser be promptly reinstated to the appraiser panel of  
3 the AMC that was the subject of the complaint, without prejudice.

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

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

12 The Oklahoma Real Estate Appraiser Board may, in accordance with the provisions  
13 of the Oklahoma Appraisal Management Company Regulation Act relating to hearings,  
14 deny the issuance of a registration or a renewal of a registration to an applicant on any of  
15 the grounds enumerated in the Oklahoma Appraisal Management Company Regulation  
16 Act.

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

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

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

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

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

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

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

11           6. When, in the judgment of the Oklahoma Real Estate Appraiser Board, the  
12 registrant has, in the conduct of affairs under the registration, demonstrated  
13 incompetency, or untrustworthiness, or conduct or practices rendering the registrant  
14 unfit to carry on appraisal management services or making continuance in the business  
15 detrimental to the public interest, or that the licensee is no longer in good faith carrying  
16 on appraisal management services, and for this conduct is found by the Oklahoma Real  
17 Estate Appraiser Board to be a source of detriment, injury, or loss to the public.

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

21           The Oklahoma Real Estate Appraiser Board may censure an AMC, conditionally or  
22 unconditionally suspend or revoke any registration issued under the Oklahoma

1 Appraisal Management Company Regulation Act, levy fines or impose civil penalties not  
2 to exceed Twenty-five Thousand Dollars (\$25,000.00) per violation of the Oklahoma  
3 Appraisal Management Company Regulation Act, if in the opinion of the Board, an AMC  
4 is attempting to perform, has performed, or has attempted to perform any of the  
5 following acts:

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

8 2. Violating any rule or regulation adopted by the Board in the interest of the  
9 public and consistent with the provisions of the Oklahoma Appraisal Management  
10 Company Regulation Act; or

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

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

16 A. The conduct of administrative proceedings shall be in accordance with the  
17 Administrative Procedures Act and the Oklahoma Certified Real Estate Appraisers Act  
18 and the rules promulgated thereunder for violations of the Oklahoma Appraisal  
19 Management Company Regulation Act shall be vested in the Oklahoma Real Estate  
20 Appraiser Board, such that the Board, after notice and opportunity for a hearing  
21 pursuant to Article II of the Administrative Procedures Act, may issue an order imposing  
22 one or more of the following penalties whenever the Board finds, by clear and convincing

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~~Strike thru~~ language denotes deletion from present Statutes.

1 evidence, that a registrant has violated any provision of the Oklahoma Appraisal  
2 Management Company Regulation Act or rules promulgated thereunder:

- 3 1. Revocation of the registration with or without the right to reapply;
- 4 2. Suspension of the registrant for a period not to exceed five (5) years;
- 5 3. Stipulations, limitations, restrictions and conditions relating to conduct of the  
6 registrant's appraisal management services practice;
- 7 4. Censure, including specific redress, if appropriate;
- 8 5. Reprimand;
- 9 6. Administrative fines not to exceed Twenty-five Thousand Dollars (\$25,000.00)  
10 per violation; and
- 11 7. Payment of costs expended by the Board for any legal fees and costs and  
12 monitoring fees including but not limited to administrative costs, witness fees and  
13 attorney fees.

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

- 15 1. All administrative fines and costs shall be paid within thirty (30) days of  
16 notifying the registrant's controlling person or the registrant's agent for service of  
17 process in this state of the order of the Board imposing the administrative fine, unless  
18 the registrant has entered into an agreement with the Board extending the period for  
19 payment;
- 20 2. The registration may be suspended until any fine imposed upon the registrant by  
21 the Board is paid;

1           3. Unless the registrant has entered into an agreement with the Board extending  
2 the period for payment, if fines and costs are not paid in full by the registrant within  
3 thirty (30) days of the notification of the order, the fines and costs shall double and the  
4 registrant shall have an additional thirty-day period. If the double fine and costs are not  
5 paid within the additional thirty-day period, the registration shall automatically be  
6 revoked; and

7           4. All monies received by the Board as a result of the imposition of the  
8 administrative fines and costs provided for in this section shall be deposited in the  
9 Oklahoma Certified Real Estate Appraisers Revolving Fund created pursuant to Section  
10 858-730 of Title 59 of the Oklahoma Statutes.

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

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

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

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

1           1. Before taking any administrative action against any registration, the Real  
2 Estate Appraiser Board shall notify the registrant in writing of any charges made at  
3 least thirty (30) days prior to the date set for hearing and shall afford the registrant an  
4 opportunity to be heard in person or by counsel; and

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

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

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

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

15           COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND  
16 FINANCIAL SERVICES, dated 02-24-10 - DO PASS, As Coauthored.