

780-X-17-.18 Business Practices.

- (a) An appraisal management company may not:
- (1) prohibit an appraiser from stating on an appraisal the fee the appraiser was paid by the company for the appraisal;
 - (2) prohibit an appraiser from stating on an appraisal the appraiser's primary business address; and
 - (3) prohibit an appraiser from informing a property owner, lender, or any other person or entity the appraiser's primary business address.

(b) It is unlawful for any employee, director, officer, or agent of an appraisal management company to influence or attempt to influence the development, reporting, or review of an appraisal through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery, or in any other manner including, but not limited to, any of the following:

- (1) withholding or threatening to withhold timely payment for an appraisal, unless the appraisal is found to be of substandard quality or noncompliant with the scope of the assignment as defined in the engagement letter;
- (2) withholding or threatening to withhold payment for an appraisal if the loan transaction is not completed;
- (3) withholding or threatening to withhold future business of, or demoting or terminating the services of, or threatening to demote or terminate the services of an appraiser;
- (4) promising future business, promotions, or increased compensation to an appraiser;
- (5) conditioning the request for an appraisal, or the payment of an appraisal fee or salary or bonus, on the opinion, conclusion, or valuation to be reached by an appraiser, or on a preliminary estimate or opinion requested from an appraiser;

- (6) requesting that an appraiser provide an estimated, predetermined, or desired valuation in an appraisal report, or provide estimated values or comparable sales at any time prior to the completion of an appraisal;
- (7) providing to an appraiser an anticipated, estimated, encouraged, or desired value for a subject property, or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
- (8) providing to an appraiser, or any entity or person related to the appraiser, stock or other financial or non-financial benefits;
- (9) compensate an appraiser or attempt to compensate an appraiser at an amount that is below the customary and reasonable fee for the assignment as determined by a customary and reasonable fee survey conducted by the Board or on the Board's behalf. This provision does not prohibit negotiation of a fee between the appraisal management company and the appraiser for assignments where the complexity of the assignment is not addressed in the survey;
- (10) remove an appraiser from the panel because the appraiser refuses assignments on the basis of the fee offered by the appraisal management company;
- (11) require an appraiser to sign a certification that a fee for an assignment is customary and reasonable; and
- ~~(9)~~ (12) Any other act or practice that impairs or attempts to impair the independence, objectivity, or impartiality of an appraiser.

(c) Nothing in subsection (a) shall be construed as prohibiting an appraisal management company from requesting that the appraiser to any of the following:

- (1) provide additional information regarding the basis for a valuation;

- (2) correct objective factual errors in an appraisal report; and
- (3) consider additional verifiable information not previously known or considered by the appraiser in completing an assignment.

(d) An appraisal management company may not alter, modify, or otherwise change an appraisal report submitted by an appraiser unless required by federal or state guidelines.

Author: Lisa Brooks, Executive Director, Alabama Real Estate Appraisers Board.

Statutory Authority: Code of Ala. 1975, §§34-27A-54, 34-27A-60.

History: New Rule: Filed November 18, 2011; effective December 23, 2011.