

CODE OF ALABAMA

Alabama Real Estate Appraisers Board

Article 1

Real Estate Appraisers

Sections 34-27A-1 to 34-27A-29

Code of Alabama

Section: 34-27A-1**Catchline:** Short Title.

This article shall be known and may be cited as the “Alabama Real Estate Appraisers and Appraisal Management Company Registration and Regulation Act.”

History: (Acts 1990, No. 90-639, p. 1175, §1; Act 2011-701, p. 2161, §2.)

Section: 34-27A-2**Catchline:** Definitions.

The following terms as used in this article shall have the following meanings:

(1) APPRAISAL. The act or process of developing an opinion of value of real property; an opinion of the value of real property; of or pertaining to appraising real property and related functions such as appraisal practice or appraisal services.

(2) APPRAISAL FOUNDATION. The Appraisal Foundation incorporated as an Illinois not-for-profit corporation on November 30, 1987.

(3) APPRAISAL MANAGEMENT COMPANY. An external third party including, but not limited to, a corporation, partnership, sole proprietorship, subsidiary, or limited liability company, authorized either by a creditor of a consumer credit transaction secured by the principal dwelling of a consumer or by an underwriter of or other principal in the secondary mortgage markets, that oversees a network or panel of more than four certified or licensed appraisers in a state or 25 or more nationally in a given year, that perform appraisal management services.

(4) APPRAISAL MANAGEMENT SERVICES. To directly or indirectly perform any of the following functions for a fee on behalf of a lender, financial institution, or any other entity:

- a. Recruit, select, and retain appraisers.
- b. Contract with licensed and certified appraisers to perform appraisal assignments.
- c. Manage the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting

fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed.

d. Review and verify the work of appraisers.

(5) APPRAISAL REPORT. Any communication, written or oral, of an appraisal.

(6) APPRAISAL REVIEW. The act of developing and communicating an opinion about the quality of the work of another appraiser that was performed as part of an appraisal assignment, except that an examination of an appraisal for grammatical, typographical, or other similar errors that do not make a substantive valuation change is not an appraisal review.

(7) APPRAISAL SUBCOMMITTEE. The appraisal subcommittee of the Federal Financial Institutions Examination Council.

(8) APPRAISER. A person who holds a license or certification to complete a real estate appraisal in the state where real property that is the subject of the appraisal is located.

(9) APPRAISER INDEPENDENCE. The ability of an appraiser to provide an appraisal or appraisal review services in exchange for a customary and reasonable fee without coercion, extortion, collusion, inducement, intimidation, bribery, or any other action by a regulated party intended to influence the opinion rendered by an appraiser.

(10) APPRAISER PANEL. A network of licensed or certified appraisers who are independent contractors of an appraisal management company.

(11) BOARD. The State of Alabama Real Estate Appraisers Board established pursuant to this article.

(12) CERTIFIED APPRAISAL or CERTIFIED APPRAISAL REPORT. An appraisal or appraisal report given or signed and certified as such by a licensed real property appraiser other than a trainee or registered real property appraiser. When identifying an appraisal or appraisal report as certified, the real property appraiser shall indicate which type of license is held. A certified appraisal or appraisal report represents to the public that it meets the appraisal standards defined in this article.

(13) EVALUATION. A valuation of real property for a lending institution which is permitted by rules of any federal financial institution regulatory agency for transactions that do not require an appraisal.

(14) EXECUTIVE DIRECTOR. The chief administrative employee of the board.

(15) **EXPERIENCE POINTS.** The allowable credit for appraisal of particular types of properties.

(16) **FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCIES.** The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration.

(17) **FEDERALLY RELATED TRANSACTION.** Any real estate-related financial transaction which:

- a. A federal financial institutions regulatory agency or the resolution trust corporation engages in, contracts for, or regulates; and
- b. Requires the services of an appraiser.

(18) **FINANCIAL INSTITUTION.** An insured depository institution as defined in Section 3 of the Federal Deposit Insurance Act or an insured credit union as defined in Section 101 of the Federal Credit Union Act.

(19) **GEOGRAPHIC COMPETENCY.** The familiarity of an appraiser with a market or a geographic area applicable to the problem to be addressed in an appraisal or an appraisal review assignment.

(20) **PRINCIPAL CONTACT.** An individual employed, appointed, or authorized by an appraisal management company to serve as the principal contact for the board.

(21) **REAL ESTATE.** An identified parcel or tract of land, including improvements, if any.

(22) **REAL ESTATE APPRAISAL SERVICES.** The practice of accepting an assignment to develop and report an opinion on the value of real property in conformance with the Uniform Standards of Professional Appraisal Practice published by the Appraisal Foundation.

(23) **REAL ESTATE-RELATED FINANCIAL TRANSACTION.** Any transaction involving any of the following:

- a. The sale, lease, purchase, investment in, or exchange of real property, including interests in property, or the financing thereof.
- b. The refinancing of real property or interests in real property.
- c. The use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

(24) REAL PROPERTY. One or more defined interests, benefits, and rights inherent in the ownership of real estate.

(25) UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP). Standards promulgated by the Appraisal Foundation and adopted by rule pursuant to this article.

History: (Acts 1990, No. 90-639, p. 1175, §2; Acts 1994, No. 94-117, p. 128, §1; Act 2004-525, p. 1093, §1; Act 2011-701, p. 2161, §2; Act 2019-282, §1.)

Section: 34-27A-3

Catchline: License Required to Do Certain Acts; Unlawful Behavior; Violations; Assistance with Appraisal; Evaluations.

(a) It shall be unlawful for any person, partnership, or corporation, for a fee or other valuable consideration, or with the intention or expectation of receiving or collecting a fee or valuable consideration from another, to do any of the following unless he or she is licensed under this article:

(1) To be employed to perform or to perform an appraisal as defined in this article where the subject property of the assignment lies within the borders of the State of Alabama.

(2) Present himself or herself, or allow himself or herself to be presented, as being able to perform an appraisal for which a license is required under this article.

(b) It shall be unlawful for a person, other than a licensed real estate appraiser, to assume or use that title or any title, designation, or abbreviation likely to create the impression of licensure as a real estate appraiser by this state. It shall be unlawful for a person licensed as a real estate appraiser to assume or use a title, designation, or abbreviation likely to create the impression of licensure at a higher classification of real estate appraiser other than the classification at which the person is licensed. It shall be unlawful for a trainee real property appraiser or a registered real property appraiser pursuant to this article to describe or refer to any appraisal or other evaluation of real estate located in this state by the term "certified." Except where required by, or where necessary to fully comply with the provisions of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub.L. No. 101-73, as amended, and regulations issued pursuant thereto, an employee of the State of Alabama or any county who has been commissioned by

the Alabama Department of Revenue as an Alabama Certified Appraiser, for the purposes of classification only, who is engaged in the performance of official duties as an employee, shall not be subject to this article.

(1) A trainee real property appraiser or a state registered real property appraiser under this article shall include the following statement in the Certifications of the Appraiser section of each appraisal or specialized service report: "This assignment was made subject to regulations of the State of Alabama Real Estate Appraisers Board."

(2) A licensed real estate appraiser licensed other than as a trainee real property appraiser or a registered real property appraiser shall include the following statement in the Certifications of the Appraiser section of each appraisal or specialized service report: "This assignment was made subject to regulations of the State of Alabama Real Estate Appraisers Board. The undersigned state licensed real estate appraiser has met the requirements of the board that allow this report to be regarded as a certified appraisal."

(c) Except where required by, or where necessary to fully comply with the provisions of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub.L. No. 101-73, as amended, and regulations issued pursuant thereto, this article shall not apply to, or preclude, a person who is not a licensed real estate appraiser from performing real estate market analysis, in that person's capacity as a licensed real estate broker or salesperson under this title. This article also does not apply to a licensed real estate appraiser when preparing an evaluation for a mortgage loan transaction when a financial institution has determined that an appraisal is not required or to a licensed real estate broker or salesperson, who in the ordinary course of business, gives an opinion to a potential seller or third party as to the recommended listing price of real estate, or an opinion to a potential purchaser or third party as to the recommended purchase price of real estate. This article also does not apply to any employee, officer, director, partner, or similar person making a valuation, analysis, market study, or other appraisal for his or her employer or principal, including those related to any real estate-related financial transactions for or on behalf of a financial institution. The words "employer or principal" as used in this subsection shall include any subsidiary, parent, affiliate, or partner of the direct employer or principal. This article shall not require now or in the future any person who lists or otherwise offers property for sale to have an appraisal of that property.

(d) Any person violating subsections (a) through (c), upon conviction thereof, shall be guilty of a Class A misdemeanor and shall be punished as prescribed by law.

(e) Notwithstanding anything to the contrary in this section, an individual who is not a licensed appraiser may assist in the preparation of an appraisal if the following conditions are met:

(1) The assistant is under the direct supervision of a licensed individual.

(2) The final appraisal document is approved and signed by an individual who is licensed to perform that type of appraisal.

(f)(1) Notwithstanding anything to the contrary in this article, a person licensed pursuant to this article may perform an evaluation for a financial institution as authorized by federal law.

(2) When performing an evaluation, a person licensed pursuant to this article shall not be subject to any provision of this article except as provided in this subsection.

(3) The evaluation shall contain a statement that "This is not an appraisal."

(4) This article does not otherwise apply to an evaluation.

(5) Evaluations shall be governed by federal law and rules of federal financial institution regulatory agencies and not the board.

History: (Acts 1990, No. 90-639, p. 1175, §3; Acts 1994, No. 94-117, p. 128, §1; Acts 1995, No. 95-308, p. 560, §1; Act 2019-282, §1.)

Section: 34-27A-4

Catchline: Board Created; Composition; Meetings; Compensation.

There is established the Alabama Real Estate Appraisers Board. The board shall consist of nine members, one of whom shall be a qualified individual from the general public, seven of whom shall be real property appraisers, and, beginning on October 1, 2011, one of whom shall be a representative of an appraisal management company. Each member of the board, except for the representative of the appraisal management company, shall be a citizen of this state and no less than two of the nine board members shall be of a minority race. The overall membership of the board shall be inclusive and reflect the racial, gender, geographic, urban/rural, and economic diversity of the state. The Governor shall appoint the members of the Real Estate Appraisers Board. One appraiser member shall be appointed from each United States Congressional District in this state. The term of each board member shall be three years; except that, of the members first

appointed, three shall serve three years, three shall serve two years, and three shall serve for one year. The representative of the appraisal management company, whose term begins on October 1, 2011, shall be selected from a list of three candidates submitted to the Governor by the Real Estate Valuation Advocacy Association, or its successor organization. This member shall serve a term of three years. Notwithstanding the foregoing, and notwithstanding the method of electing a chairperson specified below, if the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, Title XI - Real Estate Appraisal Reform Amendments and any amendment thereto or regulations issued thereunder - prohibit the board from consisting of a majority of real property appraisers, or require a different method of selecting a chairperson; then the board shall promptly come into compliance with the federal law and at least one representative of an appraisal management company shall hold a position on the board. The board may not exceed a total of nine members, and the chairperson shall be selected as required by Pub. L. No. 101-73 and regulations thereunder. In such event, the existing appraiser members with the shortest remaining terms shall vacate their positions as necessary to achieve the composition of the new board, and if it becomes necessary to vacate a position held by two or more appraiser members with equivalent terms, the Governor shall determine which appraiser member shall vacate the position, but no hold over terms shall extend for more than 180 days. Upon expiration of their terms, members of the board shall continue to hold office until the appointment and qualifications of their successors and confirmation by the state Senate. No person shall serve as a member of the board for more than two consecutive terms. The appointing authority may remove a board member for misconduct, incapacity, incompetence, or neglect of duty after the board member so charged has been served with a written statement of charges and has been given an opportunity to be heard. Absence from any three consecutive meetings without cause acceptable to the Governor and the board shall be deemed cause for removal. The public members of the board and spouses of the members shall not be engaged in the practice of real property appraising. The board shall meet at least once each calendar quarter to conduct its business. Places of future meetings shall be decided by the vote of the members at meetings. Written notice shall be given to each member of the time and place of each meeting of the board at least 10 days before the scheduled date of the meetings. The members of the board shall elect a chairperson from among the members to preside at board meetings. A quorum of the board shall consist of five board members with at least four of such members being appraiser members. Each member of the board shall receive compensation to be set by the board in an amount not to exceed three hundred

dollars (\$300) per month for attendance of board meetings. In addition, each member of the board shall be entitled to a per diem allowance on board meeting days as authorized by the board, not to exceed the current per diem allowance for state employees, except that no out-of-state travel or mileage reimbursement for travel beyond Alabama borders shall be made for attendance at board meetings. The board shall be independent, separate, and distinct from any agency, person, or other state official whose responsibilities include licensing real estate brokers, real estate salesmen, or real estate companies.

History: (Acts 1990, No. 90-639, p. 1175, §4; Act 2004-525, p. 1093, §1; Act 2009-458, p. 799, §3; Act 2011-701, p. 2161, §2.)

Section: 34-27A-5

Catchline: Rulemaking Authority; Powers and Duties of Board; Immunity from Suit.

(a) The board shall act by a majority vote of its members to adopt administrative rules necessary, from time to time, to carry out this article. Rules of the board shall be adopted in compliance with the Alabama Administrative Procedure Act, Chapter 22 of Title 41.

(b) The board shall have the following powers and duties:

- (1) To receive and process applications for licensure for all classifications of real estate appraisers, including, but not limited to, “trainee real property appraiser,” “state registered real property appraiser,” “licensed real property appraiser,” “certified residential real property appraiser,” and “certified general real property appraiser” and any subsequent classifications necessary to conform with the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, and any subsequent regulations issued pursuant thereto.
- (2) To establish the administrative procedures for processing applications for licensure for all classifications of real estate appraisers.
- (3) To maintain a registry of the names and addresses of people licensed under this article, and to furnish the list annually to the federal agency designated by Congress to receive it.
- (4) To retain records and all application materials submitted to it.

(5) To establish the examination specifications when an examination is required by administrative rule for each category of licensed real estate appraiser, to provide or procure appropriate examination questions and answers, and to establish procedures for grading examinations.

(6) To approve or disapprove applications for licensure and issue licenses.

(7) To further define by rule and with respect to each category of licensed real estate appraiser the continuing education requirements for the renewal of a license that will meet the statutory requirements provided in this article. No examinations shall be required on the continuing education except to comply with subsection (c) of Section 34-27A-19.

(8) To review and adopt the standards for the development and communication of real estate appraisals provided in this article which are generally accepted within the appraisal profession and to adopt rules explaining and interpreting the standards.

(9) To establish administrative procedures for disciplinary proceedings conducted pursuant to this article.

(10) To censure, suspend, and revoke licenses pursuant to the disciplinary proceedings provided for in Section 34-27A-21.

(11)a. To hire the executive director of the board and an executive assistant if needed to fulfill the requirements of this article. The executive director shall administer this article, and may employ, subject to the approval of the board, other staff members, consultants, or service contractors as are necessary to discharge the board's duties and administer this article.

b. Notwithstanding any other contrary provision of law, an investigator who contracts with the board may be a practicing licensee of the board.

(12) To perform other functions and duties as may be necessary in carrying out this article, and to adopt necessary and appropriate rules which comply in all respects with requirements of Pub. L. No. 101-73 and any subsequent amendments thereto. Rules shall be adopted within 90 days following completion of the schedule for prescription and adoption of rules by the federal financial institutions regulatory agencies and the resolution trust corporation. Rules shall be adopted and take effect by (i) July 1, 1991, unless an extension is granted by the appraisal subcommittee until December 31, 1991, based on written findings as specified by Section 1119(a)(2) of Pub. L. No. 101-73; or (ii) any other date specified by subsequent act of Congress. All rules issued by the board that govern real estate

appraiser licensure and certification shall conform in all respects with the requirements of Pub. L. No. 101-73 and any subsequent amendments thereto and are subject to administrative review under the Administrative Procedure Act and to judicial review by application to the Circuit Court for Montgomery County.

(13) To include in its rules educational requirements for all classes of licensure of real estate appraisers that comply with this article and in all respects comply with the requirements of Pub. L. No. 101-73 and any subsequent amendments thereto or rules issued thereunder.

(c) The members of the board shall be immune from any civil action or criminal prosecution for initiating or assisting in any lawful investigation of the actions of, or any disciplinary proceeding concerning, a licensed real estate appraiser pursuant to this article, or alleged appraisals being made without a license, provided that the action is taken in good faith and in the reasonable belief that the action taken was pursuant to the powers and duties vested in the members of the board under this article.

History: (Acts 1990, No. 90-639, p. 1175, §5; Acts 1994, No. 94-117, p. 128, §1; Acts 1995, No. 95-308, p. 560, §1; Act 2004-525, p. 1093, §1; Act 2019-282, §1.)

Section: 34-27A-6

Catchline: Fees; Payment into Real Estate Appraisers Board Fund.

(a) The board shall have the authority to set and regulate fees necessary for its operation as a self sustaining board which fees shall be adopted in compliance with the Alabama Administrative Procedure Act, Chapter 22 of Title 41.

(b) All fees shall be paid into the Alabama Real Estate Appraisers Board Fund for the purpose of carrying out this article.

History: (Acts 1990, No. 90-639, p. 1175, §6; Acts 1994, No. 94-117, p. 128, §1.)

Section: 34-27A-7

Catchline: Application for Licensure and Examination; Fees; Pledge; Conditions.

(a) Applications for original license, renewal license, and examinations shall be made in writing to the board on forms approved by the board.

(b) Appropriate fees, as fixed by the board pursuant to Section 34-27A-6, shall accompany all applications for original license, renewal license, and examination.

(c) At the time of filing an application for license for any real property appraiser classification, each applicant shall sign a pledge to comply with the standards set forth in this article and state that he or she understands the types of misconduct for which disciplinary proceedings may be initiated against a licensed real property appraiser, as set forth in this article.

(d) A license for any real estate appraiser classification shall be issued only to, and held only by a person who meets all of the requirements of the following subdivisions (1) through (7) below and either subdivision (8) or (9) below:

(1) Who is at least 19 years old and has a high school diploma or equivalent.

(2) Who is a citizen of the United States, or is legally present in this state, or is an alien with permanent resident status.

(3) Who, if a nonresident, agrees to sign an affidavit stating the following and in the following terms:

“I, as a nonresident applicant for an appraisal license and as a licensee, agree that the State of Alabama Real Estate Appraisers Board shall have jurisdiction over me in any and all of my real estate related activities the same as if I were an Alabama resident licensee. I agree to be subject to investigations and disciplinary actions the same as Alabama resident licensees. Further, I agree that civil actions may be commenced against me in any court of competent jurisdiction in any court of the State of Alabama.

“I appoint the Executive Director of the State of Alabama Real Estate Appraisers Board as my agent upon whom all disciplinary, judicial, or other process or legal notices may be served. I agree that service upon my agent shall be the same as service upon me and that certified copies of this appointment shall be deemed sufficient evidence thereof and shall be admitted into evidence with the same force and effect as the original might be admitted. I agree that any lawful process against me which is served upon my agent shall be of the same legal force and validity as if personally served upon me and that this appointment shall continue in effect for as long as I have any liability as an appraiser remaining in the State of Alabama. I

understand that my agent shall, within a reasonable time after service upon him or her, mail a copy of same by certified mail, return receipt requested, to me, at my last known business address.

"I agree that I am bound by all the provisions of the State of Alabama Real Estate Appraisers Act.

Legal Signature of Applicant"

(4) Who is trustworthy and competent to transact the business of an appraiser in a manner that safeguards the interests of the public.

(5) Whose application or license has not been rejected or revoked in any state within two years prior to date of application on any grounds other than failure to pass a written examination.

(6) Whose membership in any nationally recognized appraisal organization has not been revoked within two years under ethics procedures of the appraisal organization. Membership in an organization is not required by this article.

(7) Who is of good moral character.

(8) Who on applying for a license before July 1, 1991, provides evidence to the board of possessing basic appraisal skills by showing to the board that for a period of 24 months prior to application for an appraisal license, has operated within the State of Alabama, as a real estate appraiser or review appraiser or has been employed as a permanent employee, by a company, lending institution, or governmental agency located within the State of Alabama, that appraises real estate or reviews real estate appraisals and produces evidence to the board that he or she possesses those qualifications listed in Section 34-27A-10(a)(1) through (a)(7).

(9) Who on applying for a license after January 1, 1991, provides evidence of having passed within 24 months prior to application a Uniform Standards of Professional Appraisal Practice course presented by an approved institution or

appraisal organization, provides evidence of having successfully completed the required education from an approved course provider for the real estate appraiser classification for which he or she is applying, and demonstrates basic appraisal skills by achieving a passing grade on the test requirements of Section 34-27A-10.

(e) In addition to all other requirements, an applicant for a license under this section shall submit to the board a form, sworn to by the applicant, containing name, date of birth, and Social Security number for completion of a criminal history background check. The applicant shall submit two complete sets of fingerprints to the board. The board shall submit the fingerprints to the Alabama Bureau of Investigation (ABI) for a state criminal history record check. The fingerprints shall be forwarded by the ABI to the Federal Bureau of Investigation (FBI) for a national criminal history record check. Costs associated with conducting a criminal history background check shall be borne by the applicant. The board shall keep information received pursuant to this subsection confidential, except that such information received and relied upon in denying the issuance of a real property appraiser license in this state may be disclosed to support the denial of the license.

(f) The board may consult with appropriate state or federal law enforcement authorities to verify whether an applicant has a criminal record prior to issuing a license and, as an aid to this duty, each applicant may be required to provide his or her fingerprints and complete an affidavit of his or her criminal record, if any, as part of the application. The board may periodically consult with state and federal law enforcement officials to determine whether current licensees have new criminal convictions.

History: (Acts 1990, No. 90-639, p. 1175, §7; Acts 1994, No. 94-117, p. 128, §1; Act 2004-525, p. 1093, §1; Act 2008-79, p. 100, §3; Act 2014-294, p. 1052, §1.)

Section: 34-27A-9

Catchline: Classes of Appraisers.

(a) There shall be five classes of real estate appraisers licensed by the board. The classes may be revised or other classes added if necessary to conform in all respects with the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub.L. No. 101-73 (FIRREA), and any subsequent amendments and regulations issued pursuant thereto. The board shall make any revisions to the class titles or requirements for licensure by rules adopted in compliance with the

Alabama Administrative Procedure Act, Chapter 22 of Title 41, and Section 34-27A-5. All persons in all classes licensed by the board are subject to the Competency Provision of the Uniform Standards of Professional Appraisal Practice.

(1) The “trainee real property appraiser” classification applies to a person whose scope of practice is the appraisal of those properties which the supervising appraiser is permitted to appraise.

(2) The “state registered real property appraisers” classification applies to those individuals licensed by the board as being qualified to perform real estate appraisals on nonfederally-related properties including any of the following:

a. Complex appraisals of 1 to 4 unit nonfederally-related residential properties having a transaction value of two hundred fifty thousand dollars (\$250,000) or less and other nonresidential properties having a transaction value of two hundred fifty thousand dollars (\$250,000) or less.

b. Noncomplex appraisals of 1 to 4 unit nonfederally-related residential properties having a transaction value of one million dollars (\$1,000,000) or less.

c. This classification does not include the appraisal of subdivisions wherein a development analysis or appraisal is necessary and utilized.

d. All state registered real property appraisers shall comply with the Competency Provision of the Uniform Standards of Professional Appraisal Practice.

(3) The “licensed real property appraiser” classification applies to the appraisal of non-complex, one to four residential units having a transaction value less than one million dollars (\$1,000,000) and other types of real estate including complex, one to four residential units having a transaction value less than two hundred fifty thousand dollars (\$250,000).

(4) The “certified residential real property appraiser” classification applies to the appraisal of one to four residential units without regard to transaction value or complexity and appraisals of other types of real estate having a transaction value of two hundred fifty thousand dollars (\$250,000) or less.

(5) The “certified general real property appraiser” classification applies to the appraisal of all types of real property regardless of complexity or transaction value.

(b) The application for original licensure, renewal licensure, and examination shall specify the classification of licensure being applied for and the licensure previously granted.

(c) A holder of a license issued prior to June 1, 1994, under Section 34-27A-7 who does not submit proof of required appraisal education and experience upon renewal shall be issued a license for the appraiser classification for which he or she meets the requirements and shall not be required to take or pass a written examination for the issuance of a registered real property appraiser license pursuant to this section.

History: (Acts 1990, No. 90-639, p. 1175, §9; Acts 1994, No. 94-117, p. 128, §1; Acts 1995, No. 95-308, p. 560, §1.)

Section: 34-27A-10

Catchline: Written Examinations for Licensure.

(a) Except as provided in Section 34-27A-7, an original license as a licensed real estate appraiser shall not be issued to any person who has not demonstrated through a written examination process that he or she possesses all of the following:

- (1) Appropriate knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing, and economic concepts applicable to real estate.
- (2) Appropriate understanding of the principles of land economics, real estate appraisal processes, and of problems likely to be encountered in gathering, interpreting, and processing the data in carrying out appraisal disciplines.
- (3) Appropriate understanding of the standards for the development and communication of real estate appraisals as provided in this article.
- (4) Appropriate knowledge of the theories of depreciation, cost estimating, methods of capitalization, and the mathematics of real estate appraisal that are appropriate for the classification of license applied for.
- (5) Knowledge of other principles and procedures as may be appropriate for appraisal assignments for the classification of license applied for.
- (6) Basic understanding of real estate law.
- (7) Understanding of the types of misconduct for which disciplinary proceedings may be initiated against a licensed real estate appraiser, as set forth in this article.

(b) Written examinations shall be consistent with the uniform state certification examination.

(c) The board shall adopt subsequent examination requirements as required by or when necessary to fully comply with the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub.L. No. 101-73 (FIRREA), and any subsequent amendments and regulations issued pursuant thereto.

History: (Acts 1990, No. 90-639, p. 1175, §10; Acts 1994, No. 94-117, p. 128, §1.)

Section: 34-27A-11

Catchline: Education and Experience Requirements for Licensure.

(a) Certified general real property appraiser classification. As a prerequisite to taking the examination for licensure as a certified general real property appraiser, an applicant shall present evidence satisfactory to the board that he or she has successfully completed not less than 165 classroom hours of courses in subjects related to real estate appraisal from a nationally recognized appraisal organization or college or university approved by the board, plus 15 classroom hours related to the uniform standards of professional appraisal practice and this article and has 30 months' experience during the last five years as an appraiser with a minimum of 300 points of appraisal experience. If requested, experience documentation in the form of reports or file memoranda shall be available to support the experience claim.

(b) Certified residential real property appraiser classification. As a prerequisite to taking the examination for licensure as a certified residential real property appraiser, an applicant shall present evidence satisfactory to the board that he or she has successfully completed not less than 120 classroom hours of courses in subjects related to real estate appraisal from a nationally recognized appraisal organization or a college or university approved by the board, including 15 classroom hours related to Uniform Standards of Professional Appraisal Practice and the provisions of this article and has 24 months' experience during the last five years as an appraiser with a minimum of 250 points of appraisal experience. If requested, experience documentation in the form of reports or file memoranda shall be available to support the experience claim.

(c) Licensed real property appraiser classification. As a prerequisite to taking the examination for licensure as a licensed real property appraiser, an applicant shall present evidence satisfactory to the board that he or she has successfully completed not less than 90 classroom hours of board approved courses in subjects

related to real estate appraisal which shall include not less than 15 classroom hours of the Uniform Standards of Professional Appraisal Practice. The individual shall have experience during two of the last five years with a minimum of 200 points of appraisal experience. If requested, experience documentation in the form of reports or file memoranda shall be available to support the experience claim.

(d) State registered real property appraiser classification. As a prerequisite to being approved as a state registered real property appraiser, an applicant shall present evidence satisfactory to the board that he or she has successfully completed 75 classroom hours of courses in subjects related to real estate appraisal which shall include not less than 15 classroom hours of the Uniform Standards of Professional Appraisal Practice. The individual shall furnish the board with a log sheet in support of the 100 points appraisal experience. The board may select appraisal reports for review for compliance with the Uniform Standards of Professional Appraisal Practice. Upon the approval of the board, the appraiser does not have to have a supervising appraiser on nonfederally related transactions.

(e) Trainee real property appraiser classification. As a prerequisite to taking the examination for a trainee real property appraiser, an applicant shall present evidence satisfactory to the board that he or she has successfully completed 75 classroom hours of courses in subjects related to real estate appraisal which shall include not less than 15 classroom hours of the Uniform Standards of Professional Appraisal Practice. The trainee appraiser shall be subject to direct supervision by a supervising appraiser who shall be in a certified classification. The supervisor shall be responsible for the direct supervision of the trainee appraiser and both shall comply with the board's administrative rules regarding record keeping.

(f) The board shall amend the education and experience requirements by administrative rule for all appraiser classifications as required by or where necessary to fully comply with the provisions of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73 (FIRREA), and any subsequent amendments and regulations issued pursuant thereto. Administrative rules shall be adopted in compliance with the Alabama Administrative Procedure Act, Chapter 22 of Title 41.

History: (Acts 1990, No. 90-639, p. 1175, §11; Acts 1994, No. 94-117, p. 128, §1; Acts 1995, No. 95-308, p. 560, §1; Act 2004-525, p. 1093, §1.)

Section: 34-27A-11.1

Catchline: Reclassification of Licensed Real Estate Appraisers as Registered Real Property Appraisers.

Existing appraisers who are licensed as licensed real estate appraisers (ALs) may reclassify into the registered real property appraiser classification by submitting a log of 1,000 hours. The board may select three reports for review for compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

History: (Acts 1995, No. 95-308, p. 560, §2.)

Section: 34-27A-12

Catchline: Written Reports, Etc., to Be Furnished by Applicant.

(a) An original certificate for any classification as a licensed real estate appraiser shall not be issued to any person who does not possess the required experience, if any, in real property appraisal supported by adequate written reports, file memoranda, or other evidence satisfactory to the board.

(b) Each applicant for licensure shall furnish, under oath, a detailed listing of the real estate appraisal reports or file memoranda for each year for which experience is claimed by the applicant. Upon request, the applicant shall make available to the board for examination appraisal reports or records which the applicant has prepared. At all times the confidential relationship between the appraiser and the client shall be maintained.

History: (Acts 1990, No. 90-639, p. 1175, §12; Acts 1994, No. 94-117, p. 128, §1.)

Section: 34-27A-13

Catchline: Term of License; Fees.

(a) Except for the initial license period, the term of a license issued under this article shall be two years expiring on September 30, 1993, and every two years thereafter. The expiration date shall appear on the license and no other notice of its expiration need be given to its holder.

(b) License fees payable under Section 34-27A-6, shall be payable on a yearly basis. The initial license period shall be from the date of licensure through September 30 of the then current fiscal year.

History: (Acts 1990, No. 90-639, p. 1175, §13; Acts 1992, No. 92-127, p. 233, §3; Acts 1994, No. 94-117, p. 128, §1.)

Section: 34-27A-14

Catchline: Nonresidents; Consent to Service of Process; Eligibility for Licensure; Temporary Recognition.

(a) Every applicant for licensure under this article, who is not a resident of this state, shall submit with the application an irrevocable consent that service of process to the executive director of the board as provided in Section 34-27A-7(d) (3), if, in an action against the applicant in a court of this state arising out of the applicant's activities as a licensed real estate appraiser, the plaintiff cannot, in the exercise of due diligence, effect personal services upon the applicant.

(b) A nonresident of this state who has complied with subsection (a) of this section may obtain a license as a licensed real estate appraiser by conforming to all of the provisions of this article relating to the classification of real estate appraiser for which the applicant is applying.

(c) The board shall recognize on a temporary basis the certification or license of an appraiser issued by another state if (i) the appraiser's business is of a temporary nature, and (ii) the appraiser registers with the board.

History: (Acts 1990, No. 90-639, p. 1175, §14; Acts 1994, No. 94-117, p. 128, §1.)

Section: 34-27A-15

Catchline: Renewal License.

(a)(1) To obtain a renewal license for any real estate appraiser classification, the holder of a current, valid license shall make application and pay the prescribed fee to the board between September 1 and September 30, and shall be delinquent after September 30. With the application for renewal, the licensed real estate

appraiser shall present evidence in the form prescribed by the board of having completed the continuing education requirements for renewal specified by the board.

(2) If the board determines that an applicant has failed to meet the requirements for renewal of a license through mistake, misunderstanding, or circumstances beyond the control of the applicant, the board may extend the term of the license for a period not to exceed six months, upon payment by the applicant of a prescribed fee set by the board for the extension.

(3) If the applicant satisfies the requirements for renewal during the extended term of license, the beginning date of the new renewal license shall be October 1.

(b) If a person fails to renew a license for any classification of real estate appraiser prior to its expiration or within a period of extension granted by the board pursuant to this article, the person may obtain a renewal license by satisfying all of the requirements for renewal and by the payment of late renewal fees as set by the board.

History: (Acts 1990, No. 90-639, p. 1175, §15; Acts 1992, No. 92-127, p. 233, §3; Acts 1994, No. 94-117, p. 128, §1; Act 2021-489, §1.)

Section: 34-27A-16

Catchline: Principal Place of Business; Notice of Change; Notice of Residence Address.

(a) The principal place of business referred to in this article shall be located in the State of Alabama and each licensed real estate appraiser shall advise the board of the address of his or her principal place of business and all other addresses at which he or she is currently engaged in the business of preparing real property appraisal reports.

(b) Whenever a licensed real estate appraiser changes a place of business, he or she shall immediately give written notification of the change to the board.

(c) Every licensed real estate appraiser shall notify the board of his or her current resident address. Residence addresses on file with the board are exempt from disclosure as public records.

History: (Acts 1990, No. 90-639, p. 1175, §16; Acts 1994, No. 94-117, p. 128, §1.)

Section: 34-27A-17

Catchline: Signatures on License; Display of License Number.

(a) A license issued under this article shall bear the signature or facsimile signature of the executive director of the board and a license number assigned by the board.

(b) Each licensed real estate appraiser shall place his or her license number adjacent to or immediately below the title of his or her classification when used in an appraisal report or in a contract or other instrument used by the license holder in conducting real property appraisal activities.

History: (Acts 1990, No. 90-639, p. 1175, §17; Acts 1994, No. 94-117, p. 128, §1.)

Section: 34-27A-18

Catchline: Licensure Restrictions.

(a) The term “licensed real estate appraiser” or “certified real estate appraiser” may only be used to refer to individuals who hold the license and may not be used following or immediately in connection with the name or signature of a firm, partnership, corporation, or group; or in a manner that it might be interpreted as referring to a firm, partnership, corporation, group, or anyone other than an individual holder of the license.

(b) No license shall be issued under this article to a corporation, partnership, firm, or group. This shall not be construed to prevent a licensed real estate appraiser from signing an appraisal report on behalf of a corporation, partnership, firm, or group practice licensed to appraise real estate under this article.

(c) Authority to transact business as a licensed real estate appraiser shall be restricted to the person named in the license and shall not inure to the benefit of any other person.

History: (Acts 1990, No. 90-639, p. 1175, §18; Acts 1994, No. 94-117, p. 128, §1.)

Section: 34-27A-19

Catchline: Continuing Education Requirements; Regulations; Requirement for Reinstatement.

(a) As a prerequisite to renewal of a license to appraise real estate, the licensed real estate appraiser, licensed for any classification under this article, shall present evidence satisfactory to the board of having met the continuing education requirements of this article.

(b) The board shall set, by administrative rule, the continuing education requirements for renewal of licenses for all classifications of real estate appraisers as required by or when necessary to fully comply with the provisions of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73 (FIRREA), and any subsequent amendments and regulations issued pursuant thereto.

(c) In lieu of meeting the requirements of subsection (b) an applicant for renewal may satisfy all or part of the requirements by presenting evidence of either of the following:

(1) Completion of an educational program of study determined by the board to be equivalent, for continuing education purposes, to courses approved by the board pursuant to subsection (b).

(2) Participation other than as a student in educational processes and programs approved by the board which relate to real property appraisal theory, practices, or techniques, including, but not necessarily limited to, teaching, program development, and preparation of textbooks, monographs, articles, and other instructional materials.

(d) The board shall adopt regulations for implementation of this article to assure that persons renewing their licenses have current knowledge of real property appraisal theories, practices, and techniques which will provide a high degree of service and protection to those members of the public with whom they deal in a

professional relationship under authority of this article. The regulations shall prescribe all of the following:

- (1) Policies, and procedures, and fees for obtaining board approval of courses of instruction pursuant to subsection (b).
- (2) Standards, policies, and procedures to be applied by the board in evaluating applicant's claims of equivalency in accordance with subsection (c).
- (3) Standards, monitoring methods, and systems for recording attendance to be employed by course sponsors as a prerequisite to board approval of courses for credit.
- (e) In adopting regulations pursuant to subdivision (1) of subsection (d), the board may give favorable consideration to courses of instruction, seminars, and other real property appraisal education courses or programs previously or hereafter developed by or under the auspices of professional appraisal organizations and utilized by those associations for purposes of designation, or indicating compliance with the continuing education requirements of the organizations.
- (f) No amendment or repeal of a regulation adopted by the board pursuant to this section shall operate to deprive a licensed real estate appraiser of credit toward renewal of license for any course of instruction completed by the applicant prior to the amendment or repeal of the regulation which would have qualified for continuing education credit under the regulation as it existed prior to the repeal or amendment.
- (g) On or after October 1, 1991, a license to appraise real estate that has been revoked as a result of disciplinary action by the board shall not be reinstated unless the applicant presents evidence of completion of the continuing education required by this article. This requirement of evidence of continuing education shall not be imposed upon an applicant for reinstatement who has been required to successfully complete the examination for certified real estate appraiser as a condition to reinstatement of a license.

History: (Acts 1990, No. 90-639, p. 1175, §19; Acts 1994, No. 94-117, p. 128, §1; Act 2006-118, p. 185, §1.)

Section: 34-27A-20

Catchline: Revocation or Suspension of License - Grounds; Disciplinary Proceedings; Administrative Fines.

(a) The board may investigate the actions of a licensed real property appraiser on complaint or on its own motion, and may revoke or suspend the license, levy fines as provided in subsection (c), require completion of education courses, or discipline by public and no more than two private reprimands per licensed real property appraiser for any of the following acts or omissions:

(1) Procuring or attempting to procure a license or certificate pursuant to this article by knowingly making a false statement, submitting false information, refusing to provide complete information in response to a question in an application for a license, or through any form of fraud or misrepresentation.

(2) Failing to meet the minimum qualifications established by this article.

(3) Paying money other than authorized by this article to any member or employee of the board to procure a license under this article.

(4) A conviction, including a conviction based upon a plea of guilty or nolo contendere, of a crime which is substantially related to the qualifications, functions, and duties of a person developing real estate appraisals and communicating real estate appraisals to others, or a conviction involving moral turpitude.

(5) An act or omission involving dishonesty, fraud, or misrepresentation with the intent to substantially benefit the certificate holder or another person, or with the intent to substantially injure another person.

(6) Violation of any of the standards for the development or communication of real estate appraisals as provided in this section.

(7) Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal, in preparing an appraisal report, or in communicating an appraisal.

(8) Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal.

(9) Willfully disregarding or violating this article or the regulations of the board for the administration and enforcement of this article.

(10) Accepting an appraisal assignment, as defined in Section 34-27A-24, when the employment itself is contingent upon the appraiser reporting a predetermined estimate, analysis, or opinion, or where the fee to be paid is contingent upon the

opinion, conclusions, or valuation reached, or upon the consequences resulting from the appraisal assignment.

(11) Violating the confidential nature of governmental records to which he or she gained access through employment or engagement as an appraiser by a governmental agency.

(12) Entry of a final civil judgment against the person on grounds of fraud, misrepresentation, or deceit in the making of any appraisal of real property.

(13) Presenting to the board, as payment for a fee or fine, a check that is returned unpaid.

(14) Failing to keep for at least five years, a complete record or file of appraisal or specialized assignments regulated under this article, in accordance with Uniform Standards of Professional Appraisal Practice and Section 34-27A-26.

(15) Failing within a reasonable time to provide information or providing false information in response to a request by the board during an investigation or after a formal complaint has been filed.

(16) Failing to pay by required deadlines, fees or fines levied by the board.

(17) Failing to notify the board within a reasonable time of the filing of any civil action related to the appraisal practice or of any criminal prosecution filed against the appraiser.

(b) In a disciplinary proceeding based upon a civil judgment, the real property appraiser shall be afforded an opportunity to present matters in mitigation and extenuation, but may not collaterally attack the civil judgment.

(c) In addition to the disciplinary powers granted in subsection (a), the board may levy administrative fines for serious violations of this article or the rules and regulations of the board of not more than \$500 for each violation.

History: (Acts 1990, No. 90-639, p. 1175, §20; Acts 1992, No. 92-127, p. 233, §3; Acts 1994, No. 94-117, p. 128, §1; Act 2004-525, p. 1093, §1; Act 2012-96, p. 165, §3.)

Section: 34-27A-21

Catchline: Revocation or Suspension of License or Certificate - Notice; Representation; Subpoena and Deposition Power.

(a) Before suspending or revoking any license or certification, the board shall notify the appraiser in writing of any charges made at least 20 days prior to the date set for the hearing and shall afford him or her an opportunity to be heard in person or by counsel.

(b) The written notice may be served either personally or sent by registered or certified mail to the last known business address of the appraiser.

(c) The board shall have the power to subpoena and issue subpoenas duces tecum and to bring before it any person in this state, and to take testimony by deposition, in the same manner as prescribed by law in judicial proceedings in the courts of this state.

History: (Acts 1990, No. 90-639, p. 1175, §21.)

Section: 34-27A-22

Catchline: Revocation or Suspension of License - Hearing; Findings; Judicial Review as to Questions of Law.

(a) The hearing on the charges shall be at a time and place prescribed by the board and in accordance with this article.

(b) If the board determines that a licensed real estate appraiser is guilty of a violation of this article, it shall prepare a finding of fact and recommend that the appraiser be reprimanded or that his or her license be suspended or revoked. The decision and order of the board shall be final.

(c) Any final decision or order of the board shall be reviewable by a court of appropriate jurisdiction as to the questions of law only. Any application for review made by an aggrieved party shall be filed within 30 days after the final decision or order of the board.

(d) If an application for review of a final decision or order of the board is filed, the case shall be fixed for trial within 30 days from the filing of an answer by the board. If the court finds that the board has regularly pursued its authority and has not acted arbitrarily, it shall confirm the decision or order. Decisions of the board

regarding whether to license or certify, to discipline, or to de-license or de-certify appraisers shall be final administrative action subject only to appropriate judicial review.

History: (Acts 1990, No. 90-639, p. 1175, §22; Acts 1994, No. 94-117, p. 128, §1.)

Section: 34-27A-23

Catchline: Uniform Standards of Professional Appraisal Practice.

A licensed real estate appraiser shall comply with the current Uniform Standards of Professional Appraisal Practice approved by the board except when performing an evaluation as defined in this article and in the Interagency Appraisal and Evaluation Guidelines published by the federal financial institution regulatory agencies on December 2, 2010, for lending transactions where the amount of the transaction is de minimus and the lending institution has determined that an appraisal is not required, as these guidelines may be amended from time to time or as otherwise provide by federal law.

History: (Acts 1990, No. 90-639, p. 1175, §23; Acts 1994, No. 94-117, p. 128, §1; Act 2019-282, §1.)

Section: 34-27A-24

Catchline: Retention of Appraiser; Appraisal Assignment.

(a) A client or employer may retain or employ a licensed real estate appraiser to act as a disinterested third party in rendering an unbiased estimate of value. In either case, the appraisal and the appraisal report shall comply with this article.

(b) For the purposes of this article, the term “appraisal assignment” means an engagement for which an appraiser is employed or retained to act, or would be

perceived by the third parties or the public as acting, as a disinterested third party in rendering an appraisal.

History: (Acts 1990, No. 90-639, p. 1175, §24; Acts 1994, No. 94-117, p. 128, §1.)

Section: 34-27A-25

Catchline: No Fee for Certain Contingent Appraisal Assignments.

A licensed real estate appraiser may not accept a fee for an appraisal assignment, as defined in Section 34-27A-24, that is contingent upon the appraiser reporting a predetermined estimate, analysis, or opinion, or is contingent upon the opinion or valuation reached, or upon the consequences resulting from the appraisal assignment.

History: (Acts 1990, No. 90-639, p. 1175, §25; Acts 1994, No. 94-117, p. 128, §1.)

Section: 34-27A-26

Catchline: Retention of Contracts and Records.

(a) All real property appraisers shall prepare written records of appraisal, review, and consulting assignments, including oral testimony and reports, and shall retain the records for a period of five years after preparation or at least two years after final disposition of any judicial proceeding in which testimony was given, whichever period expires last. The written records of an assignment are the workfile.

(b) All records required to be maintained under this article shall be made available by the real property appraiser for inspection and copying by the board on reasonable notice to the appraiser.

History: (Acts 1990, No. 90-639, p. 1175, §26; Acts 1994, No. 94-117, p. 128, §1; Act 2004-525, p. 1093, §1.)

Section: 34-27A-27

Catchline: Alabama Real Estate Appraisers Board Fund.

There is established a separate special revenue trust fund in the State Treasury to be known as the Alabama Real Estate Appraisers Board Fund. All receipts collected by the board under this article and any interest earned on funds in the fund shall be deposited in this fund and used only to carry out this article. The receipts shall be disbursed only by warrant of the state Comptroller upon the State Treasurer, upon itemized vouchers approved by the executive director of the board. No funds shall be withdrawn or expended except as budgeted and allotted according to Sections 41-4-80 through 41-4-96 and 41-19-1 through 41-19-12, inclusive, and only in amounts as stipulated in the general appropriations bill or other appropriate bills.

History: (Acts 1990, No. 90-639, p. 1175, §27; Acts 1994, No. 94-117, p. 128, §1.)

Section: 34-27A-28

Catchline: Sunset Provision.

The Alabama Real Estate Appraisers Board shall be an enumerated board pursuant to Sections 41-20-1 through 41-20-16, and shall be reviewed at the same time as the Alabama Real Estate Commission.

History: (Acts 1990, No. 90-639, p. 1175, §30.)

Section: 34-27A-29

Catchline: Compliance with Federal Law; Membership in Organization Not to Be Grounds for Granting or Denying License.

It is the intent of the Legislature of the State of Alabama that this article fully comply with the provisions of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub.L. No. 101-73, any amendments thereto and regulations issued thereunder, and the board shall adopt administrative rules and regulations accordingly. The board shall not grant or deny a license for any classification of real

estate appraiser by virtue of membership in or lack of membership in any particular appraisal organization.

History: (Acts 1990, No. 90-639, p. 1175, §31; Acts 1994, No. 94-117, p. 128, §1.)