

1 HB490  
2 115848-1  
3 By Representative Wood  
4 RFD: Boards and Commissions  
5 First Read: 04-FEB-10

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8 SYNOPSIS: Existing law does not provide for the  
9 regulation of real estate appraisal management  
10 companies.

11 This bill would rename the Alabama Real  
12 Estate Appraisers Act the Alabama Real Estate  
13 Appraisers and Appraisal Management Company  
14 Registration and Regulation Act.

15 This bill would provide for the licensing  
16 and regulation of real estate appraisal management  
17 companies by the State of Alabama Real Estate  
18 Appraisers Board.

19  
20 A BILL

21 TO BE ENTITLED

22 AN ACT

23  
24 Relating to real estate appraisal management  
25 companies; to rename the Alabama Real Estate Appraisers Act  
26 the Alabama Real Estate Appraisers and Appraisal Management  
27 Company Registration and Regulation Act; to designate existing

1 Chapter 27A, consisting of Sections 34-27A-1 to 34-27A-29,  
2 inclusive, of Title 34, Code of Alabama 1975, as Article 1 and  
3 add Article 2, consisting of Sections 34-27A-50 to 34-27A-64,  
4 inclusive, to Chapter 27A of Title 34, Code of Alabama 1975,  
5 and amend Sections 34-27A-1 and 34-27A-2, Code of Alabama  
6 1975, to provide for the licensing and regulation of real  
7 estate appraisal management companies by the State of Alabama  
8 Real Estate Appraisers Board.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. An article heading is added before  
11 Section 34-27A-1 of the Code of Alabama 1975, to read as  
12 follows:

13 ARTICLE 1. REAL ESTATE APPRAISERS.

14 Section 2. Sections 34-27A-1 and 34-27A-2 of the  
15 Code of Alabama 1975, are amended to read as follows:

16 "§34-27A-1.

17 "This chapter shall be known and may be cited as the  
18 "Alabama Real Estate Appraisers and Appraisal Management  
19 Company Registration and Regulation Act."

20 "§34-27A-2.

21 "The following terms as used in this chapter shall  
22 have the following meanings:

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

1           "(2) APPRAISAL MANAGEMENT COMPANY. A corporation,  
2 partnership, sole proprietorship, subsidiary, limited  
3 liability company, or other business entity that performs  
4 appraisal management services.

5           "(3) APPRAISAL MANAGEMENT SERVICES. To directly or  
6 indirectly perform any of the following functions for a fee on  
7 behalf of a lender, financial institution, or any other person  
8 or entity:

9           "a. Administer an appraiser panel.

10          "b. Recruit, qualify, verify licensing and  
11 certification, and negotiate fees and service level  
12 expectations with an appraiser panel member.

13          "c. Receive and deliver an order for an appraisal to  
14 an appraiser who is a member of an appraiser panel.

15          "d. Track and determine the status of an order for  
16 an appraisal.

17          "e. Conduct quality control of a completed appraisal  
18 through technical or administrative review, or both, before  
19 delivery of the completed appraisal.

20          "f. Deliver a completed appraisal to one or more  
21 persons that have ordered an appraisal.

22          "(2)(4) APPRAISAL SUBCOMMITTEE. The appraisal  
23 subcommittee of the Federal Financial Institutions Examination  
24 Council.

25          "(3)(5) APPRAISAL FOUNDATION. The Appraisal  
26 Foundation incorporated as an Illinois not-for-profit  
27 corporation on November 30, 1987.

1           "~~(4)~~(6) APPRAISAL REPORT. Any communication, written  
2 or oral, of an appraisal.

3           "(7) APPRAISER. A person who holds a license or  
4 certification to complete a real estate appraisal in the state  
5 where real property that is the subject of the appraisal is  
6 located.

7           "(8) APPRAISER FEE SCHEDULE. A list of various  
8 appraisals requested by an appraisal management company from  
9 an appraiser and the related fee for each appraisal.

10          "(9) APPRAISER PANEL. A network of licensed or  
11 certified appraisers who are independent contractors of an  
12 appraisal management company and have satisfied all of the  
13 following requirements:

14           "a. Responded to an invitation, request, or  
15 solicitation from an appraisal management company, in any  
16 form, to perform an appraisal for any person or entity that  
17 has ordered an appraisal through the appraisal management  
18 company, or to perform an appraisal for the appraisal  
19 management company directly, on a periodic basis, as assigned  
20 by the appraisal management company.

21           "b. Been selected and approved by an appraisal  
22 management company to perform an appraisal for a person or  
23 entity that has ordered an appraisal through the appraisal  
24 management company, or to perform an appraisal for the  
25 appraisal management company directly, on a periodic basis, as  
26 assigned by the appraisal management company.

1           "~~(5)~~(10) BOARD. The State of Alabama Real Estate  
2 Appraisers Board established pursuant to ~~the provisions of~~  
3 this chapter.

4           "~~(6)~~(11) CERTIFIED APPRAISAL or CERTIFIED APPRAISAL  
5 REPORT. An appraisal or appraisal report given or signed and  
6 certified as such by a licensed real property appraiser other  
7 than a trainee or registered real property appraiser. When  
8 identifying an appraisal or appraisal report as "certified,"  
9 the real property appraiser shall indicate which type of  
10 license is held. A certified appraisal or appraisal report  
11 represents to the public that it meets the appraisal standards  
12 defined in this chapter.

13           "~~(7)~~(12) COMPLETE APPRAISAL. The act or process of  
14 developing an opinion of value of real property or an opinion  
15 of value of real property performed without invoking the  
16 departure rule.

17           "(13) CONTROLLING PERSON. Any of the following:

18           "a. The owner, officer, or director of a  
19 corporation, partnership, limited liability company, or other  
20 business entity seeking to offer appraisal management services  
21 in this state.

22           "b. An individual employed, appointed, or authorized  
23 by an appraisal management company to enter into a contractual  
24 relationship with a client for the performance of appraisal  
25 management services and to enter into agreements with  
26 independent appraisers for the performance of real estate  
27 appraisal services.

1           "c. An individual who may direct or influence the  
2 direction of the management or policies of an appraisal  
3 management company.

4           "(14) EMPLOYEE. An individual who has an employment  
5 relationship with an appraisal management company and is  
6 treated by the appraisal management company as an employee for  
7 purposes of compliance with federal income tax laws.

8           "~~(8)~~ (15) EXECUTIVE DIRECTOR. The chief  
9 administrative employee of the board.

10           "~~(9)~~ (16) EXPERIENCE POINTS. The allowable credit for  
11 appraisal of particular types of properties.

12           "~~(10)~~ (17) FEDERALLY RELATED TRANSACTION. Any real  
13 estate-related financial transaction which:

14           "a. A federal financial institutions regulatory  
15 agency or the resolution trust corporation engages in,  
16 contracts for, or regulates; and

17           "b. Requires the services of an appraiser.

18           "~~(11)~~ (18) FEDERAL FINANCIAL INSTITUTIONS REGULATORY  
19 AGENCIES. The Board of Governors of the Federal Reserve  
20 System, the Federal Deposit Insurance Corporation, the Office  
21 of the Comptroller of the Currency, the Office of Thrift  
22 Supervision, and the National Credit Union Administration.

23           "~~(12)~~ (19) FINANCIAL INSTITUTION. An insured  
24 depository institution as defined in Section 3 of the Federal  
25 Deposit Insurance Act or an insured credit union as defined in  
26 Section 101 of the Federal Credit Union Act.

1           "~~(13)~~(20) LIMITED APPRAISAL. The act or process of  
2 developing an opinion of value of real property or an opinion  
3 of value of real property developed under and resulting from  
4 invoking the departure rule.

5           "~~(14)~~(21) REAL ESTATE. An identified parcel or tract  
6 of land, including improvements, if any.

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

12           "~~(15)~~(23) REAL ESTATE-RELATED FINANCIAL TRANSACTION.  
13 Any transaction involving any of the following:

14           "a. The sale, lease, purchase, investment in or  
15 exchange of real property, including interests in property, or  
16 the financing thereof.

17           "b. The refinancing of real property or interests in  
18 real property.

19           "c. The use of real property or interests in  
20 property as security for a loan or investment, including  
21 mortgage-backed securities.

22           "~~(16)~~(24) REAL PROPERTY. One or more defined  
23 interests, benefits, and rights inherent in the ownership of  
24 real estate.

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



1                   Section 3. Article 2, consisting of Sections  
2                   34-27A-50 to 34-27A-64, inclusive, is added to Chapter 27A of  
3                   Title 34, Code of Alabama 1975, to read as follows:

4                   ARTICLE 2. REAL ESTATE APPRAISAL MANAGEMENT  
5                   COMPANIES.

6                   §34-27A-50.

7                   It is unlawful for any person or entity to engage in  
8                   or attempt to engage in business as an appraisal management  
9                   company, perform appraisal management services, or advertise  
10                  or hold itself out as engaging in or conducting business as an  
11                  appraisal management company without first being registered by  
12                  the board pursuant to this article.

13                  §34-27A-51.

14                  (a) Application for registration under this article  
15                  shall be made in writing to the board on forms prescribed by  
16                  the board and shall include all of the following:

17                         (1) The name of the applicant.

18                         (2) The business, physical, and email address of the  
19                         applicant.

20                         (3) A telephone number and other contact information  
21                         for the applicant.

22                         (4) If the applicant is a not an Alabama domestic  
23                         corporation, the name and contact information for the  
24                         registered agent of the applicant for service of process in  
25                         this state.

26                         (5) The name, address, and contact information for  
27                         any individual, corporation, partnership, or other business

1 entity that owns a 10 percent or greater share of the  
2 applicant.

3 (6) The name, address, and contact information of a  
4 controlling person for the applicant.

5 (7) Certification that the applicant has a system  
6 and process in place to verify that any person added to an  
7 appraiser panel of the applicant holds a license in good  
8 standing in this state pursuant to Article 1.

9 (8) Certification that the applicant has a system  
10 and process in place to review the work of all appraisers that  
11 are performing real estate appraisal services for the  
12 applicant on a periodic basis to ensure that the real estate  
13 appraisal services are being conducted in accordance with the  
14 Uniform Standards of Professional Appraisal Practice and  
15 Article 1.

16 (9) Certification that the applicant maintains a  
17 detailed record of each service request that it receives and  
18 identification of the appraiser that performs the real estate  
19 appraisal services for the applicant.

20 (10) An irrevocable uniform consent to service of  
21 process.

22 (11) Any other information required by the board.

23 (b) Upon receipt of a properly completed  
24 application, surety bond, and fee and upon determination by  
25 the board that an applicant is of good moral character, is  
26 financially sound, and satisfies all registration  
27 requirements, the board shall issue to the applicant a

1 certificate of registration authorizing the applicant to do  
2 business as a real estate appraisal management company in this  
3 state.

4 (c) Registration granted by the board pursuant to  
5 this article shall be valid for one year from the date on  
6 which it is issued.

7 §34-27A-52.

8 (a) An appraisal management company applying for  
9 registration in this state may not be owned by any person, or  
10 have any person as a principal in the company, who has had any  
11 of the following:

12 (1) An appraisal registration, license, or  
13 certificate refused, denied, canceled, or revoked in this or  
14 any other state.

15 (2) A professional registration, license, or  
16 certificate refused, denied, canceled, or revoked in this or  
17 any other state.

18 (b) Any person that owns, is an officer of, or has a  
19 financial interest in an appraisal management company in this  
20 state shall satisfy all of the following:

21 (1) Be of good moral character, as determined by the  
22 board.

23 (2) Submit to a background investigation, as  
24 determined by the board.

25 (3) Provide evidence of financial stability to carry  
26 out the business of the appraisal management company.

1 (c) An appraisal management company applying for  
2 registration in this state may not do any of the following:

3 (1) Employ any person who has ever had a  
4 registration, license, or certificate to act as an appraiser  
5 in this or any other state refused, denied, canceled, or  
6 revoked.

7 (2) Employ any person who has ever had a  
8 professional registration, license, or certificate in this or  
9 any other state refused, denied, canceled, or revoked.

10 (3) Enter into an independent contractor arrangement  
11 with any person who has ever had a registration, license, or  
12 certificate to act as an appraiser or a professional  
13 registration, license, or certificate in this or any other  
14 state refused, denied, canceled, or revoked.

15 (4) Enter into a contract, agreement, or other  
16 business relationship with any entity that employs, has  
17 entered into an independent contract arrangement with, or has  
18 entered into any contract, agreement, or other business  
19 relationship with any person who has ever had a registration,  
20 license, or certificate to act as an appraiser or a  
21 professional registration, license, or certificate in this or  
22 any other state refused, denied, canceled, or revoked.

23 (d) An employee of an appraisal management company,  
24 or any contractor working in any capacity on behalf of an  
25 appraisal management company, that has any involvement in the  
26 ordering of appraisal services, the actual performance of  
27 appraisal services, or the review and analysis of completed

1 appraisals shall be an appraiser certified in the state in  
2 which the activity is being performed. The license  
3 classification shall qualify the employee to perform all  
4 applicable job functions.

5 §34-27A-53.

6 (a) An appraisal management company applying for  
7 registration in this state shall designate one controlling  
8 person as the main contact for all communication between the  
9 board and the appraisal management company.

10 (b) The controlling person designated pursuant to  
11 subsection (a) shall satisfy all of the following  
12 requirements:

13 (1) Hold a license or certificate to act as a  
14 certified appraiser in at least one state.

15 (2) Have never had a registration, license, or  
16 certificate to act as an appraiser refused, denied, canceled,  
17 or revoked in any state.

18 (3) Have never had a professional registration,  
19 license, or certificate refused, denied, canceled, or revoked  
20 in any state.

21 (4) Be of good moral character, as determined by the  
22 board.

23 (5) Submit to a background investigation, as  
24 determined by the board.

25 §34-27A-54.

26 (a) An applicant for registration under this article  
27 shall disclose to the board, as part of the registration

1 process, whether the applicant has developed or uses an  
2 appraiser fee schedule.

3 (b) Upon request of the board, an appraisal  
4 management company that uses an appraiser fee schedule shall  
5 disclose to the board the methodologies, techniques, and data  
6 sources utilized in determining the fee schedule. The  
7 disclosure shall include a calculation of the percentage of  
8 the appraiser compensation to the fee paid by the client.

9 (c) Following the review of a fee schedule pursuant  
10 to this section, the board shall make any substantive results  
11 available to the public.

12 §34-27A-55.

13 The board may adopt rules not inconsistent with this  
14 article which are reasonably necessary to implement,  
15 administer, and enforce this article. Promulgated rules may  
16 include, but not be limited to, all of the following:

17 (1) Prescribing forms and procedures for submitting  
18 information to the board.

19 (2) Prescribing standards of practice for appraisal  
20 management companies registered under this article.

21 (3) Prescribing forms and procedures for the  
22 operation of real estate appraisal management companies.

23 §34-27A-56.

24 (a) The board shall establish by rule an application  
25 fee in an amount sufficient to sustain administration of this  
26 article. The board may also establish a late filing fee and

1 other fees deemed necessary by the board for the proper  
2 administration of this article.

3 (b) In addition to the application fee and late  
4 filing fee, where applicable, an applicant for registration  
5 shall post with the board a surety bond in the amount of  
6 twenty thousand dollars (\$20,000). The bond shall be annually  
7 maintained on renewal. The bond shall be in a form prescribed  
8 by the board by rule and shall accrue to the state for the  
9 benefit of a claimant against the registrant to secure the  
10 faithful performance of obligations under this article. The  
11 aggregate liability of the surety may not exceed the principal  
12 sum of the bond. A party with a claim against a registrant may  
13 bring suit directly on the surety bond or the board may bring  
14 suit on behalf of a claimant. Consumer claims shall be given  
15 priority in recovering from a bond.

16 (c) An appropriate deposit of cash or security may  
17 be accepted by the board in lieu of the required bond. The  
18 face amount of the bond shall annually be restored upon  
19 renewal of registration. Annual renewal of registration shall  
20 occur before the expiration date of the registration. Failure  
21 to timely renew registration shall result in loss of authority  
22 to operate an appraisal management company in this state.  
23 Request for reinstatement after expiration shall be  
24 accompanied by the annual registration fee and any late filing  
25 fee established by board rule.

26 §34-27A-57.

1 (a) The board shall issue a unique registration  
2 number to each appraisal management company and shall annually  
3 publish a list of registered appraisal management companies  
4 and their corresponding registration numbers.

5 (b) Each appraisal management company shall include  
6 its registration number on all print and electronic  
7 advertising, including any advertising or communication posted  
8 on the Internet.

9 §34-27A-58.

10 An appraisal management company shall do all of the  
11 following:

12 (1) Annually certify to the board, on a form  
13 prescribed by the board, that the appraisal management company  
14 has a system and process in place to verify that any person  
15 added to the appraiser panel of the appraisal management  
16 company is licensed or certified in good standing pursuant to  
17 Article 1.

18 (2) Annually certify to the board, on a form  
19 prescribed by the board, that the appraisal management company  
20 has a system in place to periodically review the work of all  
21 appraisers performing appraisals for the appraisal management  
22 company and to ensure that the appraisals are being conducted  
23 in accordance with Uniform Standards of Professional Appraisal  
24 Practice.

25 (3) At least annually, audit appraisals received by  
26 the appraisal management company to ensure that the appraisals  
27 are being performed in accordance with Uniform Standards of



1 Professional Appraisal Practice. The audit shall also validate  
2 the rotation system used for appraisal assignments. A copy of  
3 the most recent audit report, not more than 11 months old,  
4 shall be provided to the board at annual registration renewal.

5 (4) Annually certify to the board, on a form  
6 prescribed by the board, that the appraisal management company  
7 maintains a detailed record of each service request received  
8 and each appraiser assigned to perform the appraisal. A copy  
9 of the record shall be retained for at least five years after  
10 the date the appraisal management company forwards the  
11 appraisal to the client.

12 §34-27A-59.

13 (a) Before placing an assignment with an appraiser,  
14 an appraisal management company shall verify that the  
15 appraiser receiving the assignment is a compliant appraiser  
16 for the performance of the appraisal being assigned.

17 (b) An appraisal management company may not enter  
18 into any contract or agreement with an appraiser for the  
19 performance of an appraisal unless the appraiser is licensed  
20 or certified in good standing pursuant to Article 1.

21 (c) An appraisal management company operating in  
22 this state, except in cases of breach of contract or  
23 performance of services that violates Uniform Standards of  
24 Professional Appraisal Practice or any published standards of  
25 best practices, shall make payment to an appraiser for the  
26 completion of an appraisal or valuation assignment within 45

1 days after the date the appraisal management company, or an  
2 assignee, receives a completed appraisal or valuation study.

3 §34-27A-60.

4 (a) An appraisal management company may not remove  
5 an appraiser from an appraiser panel or otherwise refuse to  
6 assign requests for appraisal services to an appraiser, unless  
7 within the first 30 days after initial appointment, without  
8 first satisfying all of the following requirements:

9 (1) Providing written notice to the appraiser of the  
10 reasons for removal or refusal to assign.

11 (2) Providing written notice of the nature of any  
12 alleged illegal conduct or violation of Uniform Standards of  
13 Professional Appraisal Practice or state licensing standards  
14 if such is the reason for removal or refusal to assign.

15 (3) Providing an opportunity for the appraiser to  
16 respond to the written notice.

17 (b) An appraiser that is removed from an appraiser  
18 panel for alleged illegal conduct or violation of Uniform  
19 Standards of Professional Appraisal Practice or state  
20 licensing standards may file a complaint with the board for a  
21 review of the decision of the appraisal management company.  
22 The board may not address the nature of the business  
23 relationship between the appraiser and the appraisal  
24 management company or any other matter not specifically  
25 related to the removal or refusal to assign.

26 (c) If after opportunity for hearing and review, the  
27 board determines that an appraiser did not commit any illegal

1 conduct or violation of Uniform Standards of Professional  
2 Appraisal Practice or state licensing standards, the board  
3 shall order that the appraiser be reappointed to the appraiser  
4 panel without prejudice. Upon reappointment, the appraisal  
5 management company may not refuse to make assignments, reduce  
6 the number of assignments, or otherwise penalize the  
7 appraiser.

8 §34-27A-61.

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

16 (1) Withholding or threatening to withhold timely  
17 payment for an appraisal.

18 (2) Withholding or threatening to withhold future  
19 business of, or demoting or terminating the services of, or  
20 threatening to demote or terminate the services of an  
21 appraiser.

22 (3) Promising future business, promotions, or  
23 increased compensation to an appraiser.

24 (4) Conditioning the request for an appraisal, or  
25 the payment of an appraisal fee or salary or bonus on the  
26 opinion, conclusion, or valuation to be reached by an

1 appraiser, or on a preliminary estimate or opinion requested  
2 from an appraiser.

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

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

12 (7) Providing to an appraiser, or any entity or  
13 person related to the appraiser, stock or other financial or  
14 nonfinancial benefits.

15 (8) Removing an appraiser from an appraiser panel  
16 without prior written notice to the appraiser.

17 (9) Obtaining, using, or paying for a second or  
18 subsequent appraisal, or ordering an automated valuation model  
19 in connection with a mortgage financing transaction, unless  
20 there is a reasonable basis to believe that the initial  
21 appraisal was flawed or tainted and such basis is clearly and  
22 appropriately noted in the loan file, or unless such appraisal  
23 or automated valuation model is done pursuant to a bona fide  
24 pre-funding or post-funding appraisal review or quality  
25 control process.

1           (10) Prohibiting an appraiser from disclosing within  
2 a report the amount of the appraisal fee paid by the appraisal  
3 management company to the appraiser for an assignment.

4           (11) Any other act or practice that impairs or  
5 attempts to impair the independence, objectivity, or  
6 impartiality of an appraiser.

7           (b) Nothing in subsection (a) shall be construed as  
8 prohibiting an appraisal management company from requesting  
9 that an appraiser do any of the following:

10           (1) Provide additional information regarding the  
11 basis for a valuation.

12           (2) Correct objective factual errors in an appraisal  
13 report.

14           (3) Consider additional verifiable information not  
15 previously known or considered by the appraiser in completing  
16 an assignment.

17           (c) An appraisal management company may not alter,  
18 modify, or otherwise change a completed appraisal report  
19 submitted by an appraiser.

20           (d) Any registrant having a good faith belief that a  
21 real estate appraiser licensed in this state has violated  
22 applicable law or the Uniform Standards of Professional  
23 Appraisal Practice, or has engaged in unethical conduct, shall  
24 file a complaint with the board.

25           (e) A registrant shall comply with the ethics rule  
26 and the competency rule of the Uniform Standards of  
27 Professional Appraisal Practice.

1 §34-27A-62.

2 The board may censure, conditionally or  
3 unconditionally suspend registration, revoke registration,  
4 assess costs of investigation and adjudication, levy fines, or  
5 impose civil penalties not exceeding twenty-five thousand  
6 dollars (\$25,000) against any appraisal management company  
7 that the board determines is attempting to or has performed  
8 any of the following:

9 (1) An act in violation of this article.

10 (2) A violation of any rule adopted by the board in  
11 the interest of the public and consistent with this article.

12 (3) The procurement of a license through fraud,  
13 misrepresentation, or deceit.

14 §34-27A-63.

15 (a) The board shall conduct adjudicatory proceedings  
16 for any violation of this article in accordance with the  
17 Administrative Procedure Act. Adjudicatory proceedings shall  
18 include, but not be limited to, all of the following due  
19 process protections:

20 (1) Before censuring, suspending, or revoking  
21 registration under this article, the board shall notify the  
22 registrant in writing of any charges at least 20 days before  
23 the date set for hearing and shall afford the registrant an  
24 opportunity to be heard in person or by counsel.

25 (2) The written notice shall be served by personal  
26 service on the controlling person of the registrant, or the  
27 agent for service of process of the registrant in this state,

1 or by sending the notice by certified mail, return receipt  
2 requested, to the controlling person at the address of the  
3 registrant on file with the board.

4 (3) The hearing on the charges shall be at a time  
5 and place prescribed by the board, in accordance with the  
6 Administrative Procedure Act.

7 (4) The hearing may be conducted before a hearing  
8 officer designated by the board who shall make findings of  
9 fact, conclusions of law, and enter an adjudicatory  
10 disposition.

11 (5) The board shall deliver or mail any findings of  
12 fact, conclusions of law, and adjudicatory dispositions to the  
13 registrant.

14 (b) Nothing in this section shall prevent the  
15 resolution of a pending matter through an alternative dispute  
16 resolution process or informal settlement process adopted by  
17 the board.

18 §34-27A-64.

19 This article does not apply to:

20 (1) A person that exclusively employs persons on an  
21 employer and employee basis for the performance of appraisals,  
22 where the employer is responsible for ensuring that the  
23 appraisals are performed by employees in accordance with  
24 Uniform Standards of Professional Appraisal Practice.

25 (2) A department or unit within a financial  
26 institution that is subject to direct regulation by an agency  
27 of the United States or this state, that receives a request

1 for the performance of an appraisal from one employee of the  
2 financial institution, and another employee of the same  
3 financial institution assigns the request for the appraisal to  
4 an appraiser that is part of an appraiser panel, except that  
5 an appraisal management company that is a wholly owned  
6 subsidiary of a financial institution may not be considered a  
7 department or unit within a financial institution to which  
8 this chapter does not apply.

9 (3) A person that enters into an agreement with an  
10 appraiser for the performance of an appraisal and, upon the  
11 completion of the appraisal, the report of the appraiser  
12 performing the appraisal is signed by both the appraiser who  
13 completed the appraisal and the person who requested the  
14 completion of the appraisal.

15 Section 4. This act shall become effective on the  
16 first day of the third month following its passage and  
17 approval by the Governor, or its otherwise becoming law.