

1 SB351
2 117362-1
3 By Senator Ross
4 RFD: Governmental Affairs
5 First Read: 02-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.