

1 SB320  
2 129338-5  
3 By Senator Holley  
4 RFD: Governmental Affairs  
5 First Read: 05-APR-11

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3  
4 ENGROSSED

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6  
7 A BILL  
8 TO BE ENTITLED  
9 AN ACT

10  
11 Relating to real estate appraisal management  
12 companies; to rename the Alabama Real Estate Appraisers Act  
13 the Alabama Real Estate Appraisers and Appraisal Management  
14 Company Registration Act; to designate existing Chapter 27A,  
15 consisting of Sections 34-27A-1 to 34-27A-29, inclusive, of  
16 Title 34, Code of Alabama 1975, as Article 1 and add Article  
17 2, consisting of Sections 34-27A-50 to 34-27A-63, inclusive,  
18 to Chapter 27A of Title 34, Code of Alabama 1975, and amend  
19 Sections 34-27A-1, 34-27A-2, and 34-27A-4, Code of Alabama  
20 1975, to provide for the registration of real estate appraisal  
21 management companies by the State of Alabama Real Estate  
22 Appraisers Board; and to include a representative of an  
23 appraisal management company on the board.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

1 ARTICLE 1. REAL ESTATE APPRAISERS.

2 Section 2. Sections 34-27A-1, 34-27A-2, and 34-27A-4  
3 of the Code of Alabama 1975, are amended to read as follows:

4 "§34-27A-1.

5 "This chapter shall be known and may be cited as the  
6 "Alabama Real Estate Appraisers and Appraisal Management  
7 Company Registration and Regulation Act."

8 "§34-27A-2.

9 "The following terms as used in this chapter shall  
10 have the following meanings:

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

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

26 "(3) APPRAISAL MANAGEMENT SERVICES. To directly or  
27 indirectly perform any of the following functions for a fee on

1 behalf of a lender, financial institution, or any other  
2 entity:

3 "a. Recruit, select, and retain appraisers.

4 "b. Contract with licensed and certified appraisers  
5 to perform appraisal assignments.

6 "c. Manage the process of having an appraisal  
7 performed, including providing administrative duties such as  
8 receiving appraisal orders and appraisal reports, submitting  
9 completed appraisal reports to creditors and underwriters,  
10 collecting fees from creditors and underwriters for services  
11 provided, and reimbursing appraisers for services performed.

12 "d. Review and verify the work of appraisers.

13 "(4)(2) APPRAISAL SUBCOMMITTEE. The appraisal  
14 subcommittee of the Federal Financial Institutions Examination  
15 Council.

16 "(5)(3) APPRAISAL FOUNDATION. The Appraisal  
17 Foundation incorporated as an Illinois not-for-profit  
18 corporation on November 30, 1987.

19 "(6)(4) APPRAISAL REPORT. Any communication, written  
20 or oral, of an appraisal.

21 "(7) APPRAISER. A person who holds a license or  
22 certification to complete a real estate appraisal in the state  
23 where real property that is the subject of the appraisal is  
24 located.

25 "(8) APPRAISER INDEPENDENCE. The ability of an  
26 appraiser to provide an appraisal or appraisal review services  
27 in exchange for a customary and reasonable fee without

1 coercion, extortion, collusion, inducement, intimidation,  
2 bribery, or any other action by a regulated party intended to  
3 influence the opinion rendered by an appraiser.

4 "(9) APPRAISER PANEL. A network of licensed or  
5 certified appraisers who are independent contractors of an  
6 appraisal management company.

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

14 "(11)(5) BOARD. The State of Alabama Real Estate  
15 Appraisers Board established pursuant to the provisions of  
16 this chapter.

17 "(12)(6) CERTIFIED APPRAISAL or CERTIFIED APPRAISAL  
18 REPORT. An appraisal or appraisal report given or signed and  
19 certified as such by a licensed real property appraiser other  
20 than a trainee or registered real property appraiser. When  
21 identifying an appraisal or appraisal report as "certified,"  
22 the real property appraiser shall indicate which type of  
23 license is held. A certified appraisal or appraisal report  
24 represents to the public that it meets the appraisal standards  
25 defined in this chapter.

26 "(7) COMPLETE APPRAISAL. The act or process of  
27 developing an opinion of value of real property or an opinion

1 ~~of value of real property performed without invoking the~~  
2 ~~departure rule.~~

3 "(13)~~(8)~~ EXECUTIVE DIRECTOR. The chief  
4 administrative employee of the board.

5 "(14)~~(9)~~ EXPERIENCE POINTS. The allowable credit for  
6 appraisal of particular types of properties.

7 "(15)~~(10)~~ FEDERALLY RELATED TRANSACTION. Any real  
8 estate-related financial transaction which:

9 "a. A federal financial institutions regulatory  
10 agency or the resolution trust corporation engages in,  
11 contracts for, or regulates; and

12 "b. Requires the services of an appraiser.

13 "(16)~~(11)~~ FEDERAL FINANCIAL INSTITUTIONS REGULATORY  
14 AGENCIES. The Board of Governors of the Federal Reserve  
15 System, the Federal Deposit Insurance Corporation, the Office  
16 of the Comptroller of the Currency, the Office of Thrift  
17 Supervision, and the National Credit Union Administration.

18 "(17)~~(12)~~ FINANCIAL INSTITUTION. An insured  
19 depository institution as defined in Section 3 of the Federal  
20 Deposit Insurance Act or an insured credit union as defined in  
21 Section 101 of the Federal Credit Union Act.

22 "~~(13)~~ LIMITED APPRAISAL. ~~The act or process of~~  
23 ~~developing an opinion of value of real property or an opinion~~  
24 ~~of value of real property developed under and resulting from~~  
25 ~~invoking the departure rule.~~

26 "(18) GEOGRAPHIC COMPETENCY. The familiarity of an  
27 appraiser with a market or a geographic area applicable to the

1 problem to be addressed in an appraisal or an appraisal review  
2 assignment.

3 "(19) PRINCIPAL CONTACT. An individual employed,  
4 appointed, or authorized by an appraisal management company to  
5 serve as the principal contact for the board.

6 "(20) ~~(14)~~ REAL ESTATE. An identified parcel or tract  
7 of land, including improvements, if any.

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

13 "(22) ~~(15)~~ REAL ESTATE-RELATED FINANCIAL TRANSACTION.  
14 Any transaction involving any of the following:

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

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

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

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

1                   "(24) UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL  
2                   PRACTICE (USPAP). Standards promulgated by the Appraisal  
3                   Foundation and adopted by rule pursuant to this chapter.

4                   "§34-27A-4.

5                   "There is established the Alabama Real Estate  
6                   Appraisers Board. The board shall consist of nine members, ~~two~~  
7                   one of whom shall be a qualified individual from  
8                   the general public ~~and,~~ seven of whom shall be real property  
9                   appraisers, and, beginning on October 1, 2011, one of whom  
10                   shall be a representative of an appraisal management company.  
11                   Each member of the board, except for the representative of the  
12                   appraisal management company, shall be a citizen of this state  
13                   and no less than two of the nine board members shall be of a  
14                   minority race. The overall membership of the board shall be  
15                   inclusive and reflect the racial, gender, geographic,  
16                   urban/rural, and economic diversity of the state. The Governor  
17                   shall appoint the members of the Real Estate Appraisers Board.  
18                   One appraiser member shall be appointed from each United  
19                   States Congressional District in this state. The term of each  
20                   board member shall be three years; except that, of the members  
21                   first appointed, three shall serve three years, three shall  
22                   serve two years, and three shall serve for one year. The  
23                   representative of the appraisal management company, whose term  
24                   begins on October 1, 2011, shall be selected from a list of  
25                   three candidates submitted to the Governor by the Real Estate  
26                   Valuation Advocacy Association, or its successor organization.  
27                   This member shall serve a term of three years. Notwithstanding



1 the foregoing, and notwithstanding the method of electing a  
2 chairperson specified below, if the Financial Institutions  
3 Reform, Recovery and Enforcement Act of 1989, Pub. L. No.  
4 101-73, Title XI - Real Estate Appraisal Reform Amendments and  
5 any amendment thereto or regulations issued thereunder -  
6 prohibit the board from consisting of a majority of real  
7 property appraisers, or require a different method of  
8 selecting a chairperson; then the board shall ~~consist of five~~  
9 ~~or more qualified individuals from the general public and four~~  
10 ~~or fewer real property appraisers, the number of each to be~~  
11 ~~determined by the Governor and to comply with Pub. L. No.~~  
12 ~~101-73 and regulations thereunder, but not to promptly come~~  
13 ~~into compliance with the federal law and at least one~~  
14 ~~representative of an appraisal management company shall hold a~~  
15 ~~position on the board.~~ The board may not exceed a total of  
16 nine members, and the chairperson shall be selected as  
17 required by Pub. L. No. 101-73 and regulations thereunder. In  
18 such event, the existing appraiser members with the shortest  
19 remaining terms shall vacate their positions as necessary to  
20 achieve the composition of the new board, and if it becomes  
21 necessary to vacate a position held by two or more appraiser  
22 members with equivalent terms, the Governor shall determine  
23 which appraiser member shall vacate the position, but no hold  
24 over terms shall extend for more than 180 days. Upon  
25 expiration of their terms, members of the board shall continue  
26 to hold office until the appointment and qualifications of  
27 their successors and confirmation by the state Senate. No

1 person shall serve as a member of the board for more than two  
2 consecutive terms. The appointing authority may remove a board  
3 member for misconduct, incapacity, incompetence, or neglect of  
4 duty after the board member so charged has been served with a  
5 written statement of charges and has been given an opportunity  
6 to be heard. Absence from any three consecutive meetings  
7 without cause acceptable to the Governor and the board shall  
8 be deemed cause for removal. The public members of the board  
9 and spouses of the members shall not be engaged in the  
10 practice of real property appraising. The board shall meet at  
11 least once each calendar quarter to conduct its business.  
12 Places of future meetings shall be decided by the vote of the  
13 members at meetings. Written notice shall be given to each  
14 member of the time and place of each meeting of the board at  
15 least 10 days before the scheduled date of the meetings. The  
16 members of the board shall elect a chairperson from among the  
17 members to preside at board meetings. A quorum of the board  
18 shall consist of five board members with at least four of such  
19 members being appraiser members. Each member of the board  
20 shall receive compensation to be set by the board in an amount  
21 not to exceed three hundred dollars (\$300) per month for  
22 attendance of board meetings. In addition, each member of the  
23 board shall be entitled to a per diem allowance on board  
24 meeting days as authorized by the board, not to exceed the  
25 current per diem allowance for state employees, except that no  
26 out-of-state travel or mileage reimbursement for travel beyond  
27 Alabama borders shall be made for attendance at board

1 meetings. The board shall be independent, separate, and  
2 distinct from any agency, person, or other state official  
3 whose responsibilities include licensing real estate brokers,  
4 real estate salesmen, or real estate companies."

5 Section 3. Article 2, consisting of Sections  
6 34-27A-50 to 34-27A-64, inclusive, is added to Chapter 27A of  
7 Title 34, Code of Alabama 1975, to read as follows:

8 ARTICLE 2. REAL ESTATE APPRAISAL MANAGEMENT  
9 COMPANIES.

10 §34-27A-50.

11 (a) It is unlawful for any person or entity to  
12 engage in or attempt to engage in business as an appraisal  
13 management company, perform appraisal management services, or  
14 advertise or hold itself out as engaging in or conducting  
15 business as an appraisal management company without first  
16 being registered by the board pursuant to this article.

17 (b) In the event a registration process is  
18 unavailable on the effective date of the act adding this  
19 section, an appraisal management company already conducting  
20 business in the state may continue to conduct business in  
21 accordance with this article for 120 days after a registration  
22 process is available.

23 §34-27A-51.

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

27 (1) The name of the applicant.

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

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

5           (4) If the applicant is a not an Alabama domestic  
6 corporation, the name and contact information for the  
7 registered agent of the applicant for service of process in  
8 this state.

9           (5) The name, address, and contact information of a  
10 principal contact for the applicant.

11           (6) Certification that the applicant verifies that  
12 any person added to an appraiser panel of the applicant, for  
13 the purpose of appraising property within the state, holds a  
14 license in good standing in this state pursuant to Article 1.

15           (7) Certification that the applicant requires that  
16 all appraisers shall have geographic competency to perform an  
17 appraisal assignment.

18           (8) Certification that the applicant reviews the  
19 work of all appraisers that are performing real estate  
20 appraisal services for the applicant on a periodic basis to  
21 verify that the real estate appraisal services are being  
22 conducted in accordance with the Uniform Standards of  
23 Professional Appraisal Practice and Article 1.

24           (9) Certification that the applicant maintains  
25 records of each service request that it receives and  
26 identification of the appraiser that performs the real estate  
27 appraisal services for the applicant.

1           (10) Certification that the applicant has a system  
2 in place to require that appraisals are conducted  
3 independently and free from inappropriate influence and  
4 coercion as required by the appraisal independence standards  
5 established under Section 129E of the Truth in Lending Act,  
6 including the requirement that fee appraisers be compensated  
7 at a customary and reasonable rate when the appraisal  
8 management company is providing services for a consumer credit  
9 transaction secured by the principal dwelling of the consumer.

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

12           (12) Any other information required by the board and  
13 reasonably necessary to complete registration.

14           (b) Upon receipt of a properly completed application  
15 for registration, the board shall issue to the applicant a  
16 certificate of registration authorizing the applicant to do  
17 business as a real estate appraisal management company in this  
18 state.

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

22           §34-27A-52.

23           (a) An appraisal management company applying for  
24 registration in this state may not be owned, in whole or in  
25 part, directly or indirectly, by any person who has had an  
26 appraiser license or certificate refused, denied, cancelled,  
27 surrendered in lieu of revocation, or revoked in any state.

1 For the purposes of this subsection, indirect ownership does  
2 not include stock ownership in a publicly traded corporation.  
3 Additionally, each person who owns more than 10 percent of an  
4 appraisal management company shall, if required by the board,  
5 submit to a background investigation.

6 (b) An appraisal management company applying for  
7 registration in this state may not employ for the purposes of  
8 appraisal review, analysis, or performance evaluation any  
9 person who has ever had a registration, license, or  
10 certificate to act as an appraiser in this or any other state  
11 refused, denied, canceled, or revoked unless a registration,  
12 license, or certificate has subsequently been issued or  
13 reinstated by the state in which the appraisal registration,  
14 license, or certificate had been refused, denied, canceled, or  
15 revoked.

16 (c) An employee of an appraisal management company,  
17 or any contractor working in any capacity on behalf of an  
18 appraisal management company, that has any involvement in the  
19 actual performance of appraisal services, or the review and  
20 analysis of completed appraisals in Alabama shall be an  
21 appraiser certified in Alabama. The license classification  
22 shall qualify the employee to perform all applicable job  
23 functions.

24 §34-27A-53.

25 An appraisal management company applying for  
26 registration in this state shall designate one principal

1 contact for all communication between the board and the  
2 appraisal management company.

3 §34-27A-54.

4 The board may adopt rules not inconsistent with this  
5 article which are reasonably necessary to implement,  
6 administer, and enforce this article. The requirements for an  
7 appraisal management company may be revised as necessary to  
8 comply with the Dodd-Frank Wall Street Reform and Consumer  
9 Protection Act of 2010, Pub. L. No. 111-203, and regulations  
10 issued thereto, or any subsequent amendments or regulations  
11 issued thereto. The board may revise any appraisal management  
12 company requirements permitted by this section by rule adopted  
13 pursuant to the Alabama Administrative Procedure Act.

14 §34-27A-55.

15 (a) The board shall establish by rule fees to be  
16 charged to an appraisal management company in an amount  
17 sufficient to sustain administration of this article. The  
18 board may also establish a late filing fee and other fees  
19 deemed necessary by the board for the proper administration of  
20 this article.

21 (b) In addition to the application fee and late  
22 filing fee, where applicable, an applicant for registration  
23 shall post with the board a surety bond in the amount of  
24 twenty-five thousand dollars (\$25,000). The bond shall be  
25 annually maintained on renewal. The bond shall be in a form  
26 prescribed by the board by rule and shall accrue to the state  
27 for the benefit of a claimant against the registrant to secure

1 the faithful performance of obligations under this article.  
2 The aggregate liability of the surety may not exceed the  
3 principal sum of the bond.

4 (c) An appropriate deposit of cash or security may  
5 be accepted by the board in lieu of the required bond. The  
6 face amount of the bond shall annually be restored upon  
7 renewal of registration. Annual renewal of registration shall  
8 occur before the expiration date of the registration. Failure  
9 to timely renew registration shall result in loss of authority  
10 to operate an appraisal management company in this state.  
11 Request for reinstatement after expiration shall be  
12 accompanied by the annual registration fee and any late filing  
13 fee established by board rule.

14 §34-27A-56.

15 (a) The board shall issue a unique registration  
16 number to each appraisal management company and shall annually  
17 publish a list of registered appraisal management companies  
18 and their corresponding registration numbers.

19 (b) Each appraisal management company shall include  
20 its registration number on all engagement letters for  
21 appraisals in Alabama.

22 §34-27A-57.

23 An appraisal management company shall do all of the  
24 following:

25 (1) Annually certify to the board, on a form  
26 prescribed by the board, that the appraisal management company  
27 verifies that any person added to the appraiser panel of the



1 appraisal management company, for the purpose of completing  
2 appraisals in this state, is licensed or certified in good  
3 standing pursuant to Article 1.

4 (2) Annually certify to the board, on a form  
5 prescribed by the board, that the appraisal management company  
6 periodically reviews the work of all appraisers performing  
7 appraisals and appraisal reviews for the appraisal management  
8 company to verify that the appraisals are being conducted in  
9 accordance with Uniform Standards of Professional Appraisal  
10 Practice.

11 (3) Annually certify to the board, on a form  
12 prescribed by the board, that the appraisal management company  
13 requires appraisers who receive assignments for appraisals and  
14 appraisal review have geographic competency.

15 (4) Maintain a detailed record of each service  
16 request received and each appraiser assigned to perform the  
17 appraisal. A copy of the record shall be retained for at least  
18 five years after the date the appraisal management company  
19 forwards the appraisal to the client.

20 §34-27A-58.

21 (a) Before placing an assignment with an appraiser,  
22 an appraisal management company shall require that the  
23 appraiser confirm in writing or via electronic means that the  
24 appraiser receiving the assignment is a competent appraiser  
25 for the performance of the appraisal being assigned.

26 (b) An appraisal management company operating in  
27 this state, except in cases of a mutually agreed upon payment

1 date, breach of contract, or performance of services that  
2 violates Uniform Standards of Professional Appraisal Practice  
3 or any published standards of best practices, shall make  
4 payment to an appraiser for the completion of an appraisal or  
5 valuation assignment within 45 days after the date the  
6 appraisal management company, or an assignee, receives a  
7 completed appraisal or valuation study.

8 §34-27A-59.

9 An appraisal management company may not remove an  
10 appraiser from an appraiser panel without:

11 (1) Providing written notice to the appraiser of the  
12 reasons for removal.

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

17 (3) Providing an opportunity for the appraiser to  
18 respond to the written notice.

19 §34-27A-60.

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

1           (1) Withholding or threatening to withhold timely  
2 payment for an appraisal, unless the appraisal is found to be  
3 of substandard quality or noncompliant with the scope of the  
4 assignment as defined in the engagement letter.

5           (2) Withholding or threatening to withhold payment  
6 for an appraisal if the loan transaction is not completed.

7           (3) Withholding or threatening to withhold future  
8 business of, or demoting or terminating the services of, or  
9 threatening to demote or terminate the services of an  
10 appraiser.

11           (4) Promising future business, promotions, or  
12 increased compensation to an appraiser.

13           (5) Conditioning the request for an appraisal, or  
14 the payment of an appraisal fee or salary or bonus, on the  
15 opinion, conclusion, or valuation to be reached by an  
16 appraiser, or on a preliminary estimate or opinion requested  
17 from an appraiser.

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

22           (7) Providing to an appraiser an anticipated,  
23 estimated, encouraged, or desired value for a subject  
24 property, or a proposed or target amount to be loaned to the  
25 borrower, except that a copy of the sales contract for  
26 purchase transactions may be provided.

1           (8) Providing to an appraiser, or any entity or  
2 person related to the appraiser, stock or other financial or  
3 nonfinancial benefits.

4           (9) 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 an appraisal report submitted by  
19 an appraiser unless required by federal or state guidelines.

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

26           §34-27A-61.

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

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

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

10                  (3) The procurement of registration through fraud,  
11           misrepresentation, or deceit.

12                   §34-27A-62.

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

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

23                   (2) The written notice shall be served by certified  
24           mail, return receipt requested, to the principal contact at  
25           the address of the registrant on file with the board.

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

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

8           (5) The board shall deliver or mail any findings of  
9 fact, conclusions of law, and adjudicatory dispositions to the  
10 registrant.

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

15           §34-27A-63.

16           This article does not apply to:

17           (1) A financial institution that is regulated by a  
18 federal financial institution regulatory agency or a  
19 department, division, or unit thereof. An appraisal management  
20 company that is a wholly owned subsidiary of a financial  
21 institution may not be considered a department, division, or  
22 unit within a financial institution.

23           (2) A person who enters into an agreement with an  
24 appraiser for the performance of an appraisal and, upon the  
25 completion of the appraisal, the report of the appraiser  
26 performing the appraisal is signed by both the appraiser who

1 completed the appraisal and the person who requested the  
2 completion of the appraisal.

3 Section 4. This act shall become effective on  
4 October 1, 2011, following its passage and approval by the  
5 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate  
committee on Governmental Affairs..... 05-APR-11

Read for the second time and placed on the calen-  
dar with 1 substitute and..... 19-APR-11

Read for the third time and passed as amended .... 24-MAY-11

Yeas 28  
Nays 2

Patrick Harris  
Secretary