

**TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION**

Control 780 Department or Agency Alabama Real Estate Appraiser Board
Rule No. 780-X-2-.01
Rule Title: Definitions of Terms
 New X Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? Yes

Is there a reasonable relationship between the State's police power and the protection of the Public health, safety, or welfare? Yes

Is there another, less restrictive method of Regulation available that could adequately Protect the public? No

Does the proposed rule have the effect Of directly or indirectly increasing the costs Of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful To the public than the harm that might result from the absence of the proposed rule? N/A

Are all facets of the rulemaking process Designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer Steph Brooks

Date 8-5-11

Alabama Real Estate Appraisers Board

NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Real Estate Appraisers Board

RULE NO. & TITLE: 780-X-2-.01
Definitions of Terms

INTENDED ACTION: Amendment

SUBSTANCE OF PROPOSED ACTION: To reflect changes as a result of Act 2011-701.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may submit their views regarding the proposed amended rule in writing to the Alabama Real Estate Appraisers Board, P.O. Box 304355, Montgomery, Alabama 36130-4355 no later than October 12, 2011..

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: Written comments concerning this change must be received by the Alabama Real Estate Appraisers Board no later than October 12, 2011, 8:00 a.m., 100 North Union Street, Suite 370, Montgomery, Alabama.

CONTACT PERSON AT AGENCY: Neva C. Conway
Assistant Attorney General


Lisa Brooks

780-X-2-.01 Definitions Of Terms. To the extent not defined within these rules and regulations, Section 34-27A-2, Code of Ala. 1975, provides for definitions of the following terms:

- (a) Appraisal;
- (b) Appraisal Subcommittee, Subcommittee; or ASC;
- (c) Appraisal Foundation, Foundation;
- (d) Appraisal Report;
- (e) Board, The State of Alabama Real Estate Appraisers Board established pursuant to this chapter;
- (f) Certified Appraisal or Certified Appraisal Report;
- (g) Executive Director;
- (h) Federally Related Transaction;
- (i) Federal Financial Institutions Regulatory Agencies;
- (j) Financial Institution;
- (k) Licensed Real Estate Appraiser;
- (l) Real Estate;
- (m) Real Estate-Related Financial Transaction; ~~and~~
- (n) Real Property;
- (o) Appraisal Qualifications Board or AQB: a private corporation created pursuant to FIRREA which establishes the minimum education, experience and examination requirements states must require of applicants for certified classifications of real property appraisers;
- (p) Appraisal Standards Board or ASB: a private corporation created pursuant to FIREEA which develops, interprets and amends the Uniform Standards of Professional Appraisal Practice (USPAP);

(q) Uniform Standards of Professional Appraisal Practice or (USPAP): the minimum standards for developing a real estate appraisal and reporting the results as developed and published by the ASB. Standards promulgated by the Appraisal Foundation and adopted by rule;

(r) FIRREA: Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, and any amendments thereto, as codified in Title XI of the United States Code;

(s) Appraisal Management Company: An external third party including, but not limited to, a corporation, partnership, sol proprietorship, subsidiary, or limited liability company, authorized either by a creditor of a consumer credit transaction secured by the principal dwelling of a consumer or by an underwriter of or other principal in the secondary mortgage markets, that oversees a network or panel of more than four certified or licensed appraisers in a state or 25 or more nationally in a given year, that performs appraisal management services;

(t) Appraisal Management Services: To directly or indirectly perform any of the following functions for a fee on behalf of a lender, financial institution, or any other entity:

- a. Recruit, select, and retain appraisers;
- b. Contract with licensed and certified appraisers to perform appraisal assignments;
- c. Manage the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and underwriters, collecting fees from creditors and underwriters for services provided, and reimbursing appraisers for services performed; and
- d. Review and verify the work of appraisers.

(u) Appraiser: A person who holds a license or certification to complete a real estate appraisal in the state where real property that is the subject of the appraisal is located;

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

(w) Appraiser Panel: A network of licensed or certified appraisers who are independent contractors of an appraisal management company;

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

(y) Geographic Competency: The familiarity of an appraiser with a market or a geographic area applicable to the problem to be addressed in an appraisal or an appraisal review assignment;

(z) Principal Contact: An individual employed, appointed, or authorized by an appraisal management company to serve as the principal contact for the board; and

(aa) Real Estate Appraisal Services: The practice of accepting an assignment to develop and report an opinion on the value of real property in conformance with the Uniform Standards of Professional Appraisal Practice published by the Appraisal Foundation.

Author: Alabama Real Estate Appraisers Board

Statutory Authority: Code of Ala. 1975, § 34-27A-2.

History: **Emergency adoption** filed February 15, 1991; effective February 18, 1991. **Permanent adoption** filed April 8, 1991; effective May 15, 1991. **Amended:** Filed April 21, 1994.

Emergency adoption: Filed May 5, 1994; effective June 1, 1994.

Amended: Filed June 22, 1994; effective July 27, 1994.

Amended: Filed December 4, 2003; effective January 8, 2004.