

March 31, 2025

Via Email

Lisa Brooks, Executive Director
Alabama Real Estate Appraisers Board
P O Box 304355
Montgomery, AL 36130-4355
Lisa.Brooks@reab.alabama.gov

RE: ASC Compliance Review of Alabama's Appraiser Regulatory Program

Dear Lisa Brooks:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Alabama appraiser regulatory program (Appraiser Program) on December 3-5, 2024, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the Alabama Appraiser Program is attached.

The ASC identified the following areas of non-compliance:

- States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action;²
- States must ensure the accuracy of all data submitted to the Appraiser Registry;³
- States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought;⁴ and
- States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances.⁵

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Alabama will remain on a two-year Review Cycle.

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3351; Policy Statement 2 B.

³ 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9.

⁴ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.

⁵ 12 U.S.C. § 3347; Policy Statement 7 B.

The final ASC Compliance Review Report (Report) of the Alabama Appraiser Program is attached.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,

A handwritten signature in black ink, appearing to read 'M Ponzar', with a stylized flourish at the end.

Matt Ponzar
Acting Executive Director

Attachment

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> • State meets all Title XI mandates and complies with requirements of ASC Policy Statements • State maintains a strong regulatory Program • Very low risk of Program failure 	2-year
Good	<ul style="list-style-type: none"> • State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure 	2-year
Needs Improvement	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure 	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure 	1-year
Poor**	<ul style="list-style-type: none"> • State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure 	Continuous monitoring

*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

**An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: March 31, 2025

Alabama Appraiser Regulatory Program (State)		
Alabama Real Estate Appraisers Board (Board)	PM: M. Brown	ASC Compliance Review Date: December 3-5, 2024
Umbrella Agency: Independent	Number of State Credentialed Appraisers on Appraiser Registry: 951	Review Period: October 2022 to November 2024
		Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:	X						
				No compliance issues noted.	N/A	None	None
Temporary Practice:		X					
States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2 B.)				The State failed to process 5 requests for temporary practice permits within 5 business days of receipt of a completed application. This was identified as an area of concern during the 2018 and 2020 Compliance Reviews.	On March 18, 2025, the State reported 5 temporary practice permits were not processed within 5 business days due to absence of staff. At the same time, the State reported it is cross-training 2 additional staff members to process temporary practice permit applications.	The State should continue to cross-train staff members to process temporary practice permit applications.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Temporary Practice Continued:	X						
States must track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any. (12 U.S.C. § 3351; Policy Statement 2 B.)				The State's temporary permit log does not include the permit's date of expiration.	On March 18, 2025, the State reported that a temporary permit is effective for one specific appraisal assignment and one extension of time for completion of the assignment. If the assignment is not completed within 6 months, the appraiser must request, and the Board may issue, a written extension of 6 months for the completion of the assignment. There is a limit of 5 temporary permits that can be issued within a 12-month period. The Board does not assign an expiration date to temporary permits, according to its Administrative Code.	None	None



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Umbrella Agency: Independent		Number of State Credentialed Appraisers on Appraiser Registry: 951	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
National Registry:		X					
States must ensure the accuracy of all data submitted to the Appraiser Registry. (12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9.)				The State failed to ensure accuracy of all data submitted to the National Registry.	On March 18, 2025, the State reported there was 1 enforcement case where the effective date and ending date were entered incorrectly. At the same time, the State reported they corrected the data.	The State must ensure the accuracy of all data submitted to the Appraiser Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Application Process:		X					
States must verify that the applicant has successfully completed courses consistent with AQB Criteria for the appraiser credential sought. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 B, C.)				The State did not verify completion of continuing education (CE) requirements for credentials issued by reciprocity. The State only verified that the reciprocal licensee had an active credential on the Appraiser National Registry.	On March 18, 2025, the State reported it relied on footnote 78 of ASC Policy Statement 5, "A State may offer to accept continuing education (CE) for a renewal applicant who has satisfied CE requirements of a home State; however, a State may not impose this as a requirement for renewal, thereby imposing a requirement for the renewal applicant to retain a home State credential." At the same time, the State reported it checks for completion of CE through the Appraiser Registry for its appraisers licensed by reciprocity to ensure their home State credential is active. The State also reported it relies on the home State of an initial appraiser applicant for completion of education, experience and examination requirements have been met through the Appraiser Registry for licensure by reciprocity. The State also reported that going forward they will collect proof of CE for reciprocal licenses.	The State must verify that all applicants have successfully completed CE courses consistent with AQB Criteria for the appraiser credential sought.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.



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Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:		X					
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)				The State had 1 aged complaint that was unresolved for more than 1 year without the exemption for special documented circumstances.	On March 18, 2025, the State reported it will work to complete all cases within a 12-month period.	The State must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.