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# Appraisal Subcommittee

*Federal Financial Institutions Examination Council*

November 13, 2013

Ms. Lisa Brooks, Executive Director  
Real Estate Appraisers Board  
P O Box 304355  
Montgomery, AL 36130-4355

RE: Appraisal Subcommittee Staff Follow-Up Review

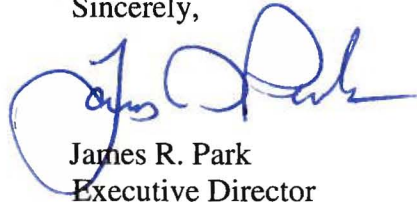
Dear Ms. Brooks:

Thank you for your cooperation and your staff's assistance in the September 24, 2013 Appraisal Subcommittee (ASC) staff Follow-up Review. This was a Follow-up Review of the January 17-19, 2012 ASC Compliance Review of the Alabama appraiser regulatory program.

As detailed in the attached Follow-up Report, Alabama resolved two of the three concerns identified during the 2012 Compliance Review. Alabama also made significant progress toward addressing timely resolution of complaints. We commend Alabama for its efforts and the progress made.

This letter and the attached Follow-up Report are public record and available on the ASC website in accordance with the Freedom of Information Act. Please contact us if you have any questions.

Sincerely,



James R. Park  
Executive Director

Attachment

cc: Ms. Neva Conway, General Counsel, [Neva.Conway@reab.alabama.gov](mailto:Neva.Conway@reab.alabama.gov)

**ASC Staff Follow-Up Report: 2012 Compliance Review**

| <b>Alabama Appraiser Regulatory Program (Program)</b>  |  |          |   |   |  |   |
|--|--|----------|---|---|--|---|
| <b>Alabama Real Estate Appraisers Board (Board) / Decision Making</b>  |  |          | <b>Follow-Up Review Date: September 24, 2013</b>  | <b>Follow-Up Report Issue Date: November 13, 2013</b>   |  |   |
| <b>Independent</b>   |  |          | <b>ASC Compliance Review Date: January 17-19, 2012 ASC Finding: Not In Substantial Compliance</b> | <b>PM: K. Klamet</b>  |  |   |
| Requirement/Guidance   | ASC Staff Assessment<br>Compliance (YES/NO)<br>Areas of Concern (AC) |          |   | Required/Recommended State Actions from the<br>October 10, 2012 Compliance Review Report  | Status as of September 24, 2013 Follow-Up  | Further Required Actions/Comments   |
|  | Yes  | No       | AC  |   |  |   |
| <b>Enforcement:</b>  |  | <b>X</b> |   |   |  |   |
| States should resolve all complaints filed against appraisers within one year, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.) |  |          |   | Alabama must submit complaint logs to ASC staff quarterly. Staff will analyze each log. If progress is not made, the ASC may place additional requirements upon the State.  | Since the January 2012 Compliance Review, Alabama has made significant progress to resolve all complaints within 1 year. As of the September 24, 2013 Follow-up Review, Alabama had 28 outstanding complaints of which 8 were unresolved for more than 1 year. Of those complaints outstanding for more than 1 year, 3 fall under the exception for special documented circumstances. The 5 remaining cases had Consent Settlement Orders pending.<br><br>Alabama has been providing ASC staff with quarterly complaint logs.  | <b>Further Required Actions:</b> To ensure compliance with Policy Statement 7, Alabama must process complaints of appraiser misconduct or wrongdoing in a timely manner. During the next Compliance Review in January 2014, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 7.<br><br><b>Comments:</b> None |
| <b>Enforcement continued:</b>  | <b>X</b>   |          |   |   |  |   |
| States must appropriately document enforcement files and include rationale. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.)   |  |          |   | Alabama must ensure that the complaint process is well documented and available to ASC staff during the on-site portion of the Review.  | During the September 24, 2013 Follow-up Review, ASC staff reviewed 20 enforcement files. All files were made available to ASC staff and contained appropriate documentation.   | <b>Further Required Actions:</b> None<br><br><b>Comments:</b> None  |
| <b>Enforcement continued:</b>  | <b>X</b>   |          |   |   |  |   |
| Enforcement dispositions must be consistent, appropriate and equitable. (Title XI § 1118 (a), 12 U.S.C. 3347; ASC Policy Statement 10E.)   |  |          |   | Alabama must provide, within 60 days of issuance of this Report, a written plan addressing the following:<br><br>(1) how the Board will implement an effective process to ensure disposition of case resolution is consistent, appropriate and equitable, and in particular, specify criteria for determining private versus public reprimands; and<br><br>(2) how the Board will ensure that the complaint process is well documented and available to ASC staff during the on-site portion of the Review. | Pursuant to Alabama's written plan, the Board is using the Voluntary Discipline Matrix as a guideline to determine the level of discipline. Program staff advised that a public reprimand will always be issued for intentional ethics violations, fraud, or in cases where multiple prior discipline has been imposed.<br><br>Program staff also advised that during the 2012 Alabama Legislative session, Section 34-27A-20 (a) was amended to limit the number of private reprimands to no more than 2 per licensed real property appraiser.<br><br>In accordance with Policy Statement 3 D (National Registry Information Sharing) that became effective July 1, 2013, Alabama advised ASC staff that they will report all private reprimands to the National Registry for the purpose of sharing with other State agencies. | <b>Further Required Actions:</b> None<br><br><b>Comments:</b> None  |