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Appraisal Subcommittee
Federal Financial Institutions Examination Council

April 4, 2016

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

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

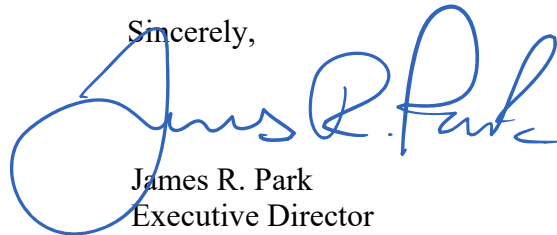
Dear Ms. Brooks:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Alabama appraiser regulatory program (Program) on January 19–21, 2016, to determine the Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

The ASC considered the preliminary results of the Review and the State's response to those results. The Program has been awarded an ASC Finding of "Good." Areas of concern that were identified are being addressed by the Program. Alabama will remain on a two-year Review Cycle. The final ASC Compliance Review Report (Report) 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 blue ink, appearing to read "James R. Park". The signature is fluid and cursive, with a large initial "J" and "P".

James R. Park
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 ¹	<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.

¹ An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, *Reciprocity*; see also Policy Statement 8, *Interim Sanctions*.

ASC Compliance Review Report

ASC Finding: Good

Final Report Issue Date: April 4, 2016

Alabama Appraiser Regulatory Program (State)

Alabama Real Estate Appraisers Board (Board) / Decision Making	PM: C. Brooks	ASC Compliance Review Date: January 19-21, 2016	Review Period: January 2014 to January 2016
Umbrella Agency: Independent	Number of State Credentialed Appraisers on National Registry: 1,311		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				
States must, at a minimum, adopt and/or implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.)				Up to 1/2 of an appraiser's continuing education (CE) requirement may be granted for participation, other than as a student, in such activities as teaching or authoring a textbook. Nothing in Alabama's statute and regulations limit the amount of CE that may be acquired from these types of activities.	On March 30, 2016, the State provided a copy of the notice to amend its Administrative Code to limit the amount of CE granted for participation other than as a student. The amendment is in the rulemaking process and is expected to become final in June 2016.	The State should continue the process of amending its regulations to comply with AQB Criteria.	Upon adoption, please provide ASC staff with copies of the adopted regulation change.
Temporary Practice:	X						
				No compliance issues noted.	N/A	None	None
National Registry:	X						
				No compliance issues noted.	N/A	None	None
Application Process:	X						
				No compliance issues noted.	N/A	None	None
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 24 outstanding complaints of which 7 were unresolved for more than 1 year and none were unresolved for more than 2 years. Of the aged complaints, 3 were removed under the exception for special documented circumstances. Of those 4 remaining aged cases, 3 were in various stages of the disciplinary process and 1 was under investigation.	On March 30, 2016, the State reported that final action had been taken on 2 of the 4 unresolved cases and the remaining 2 cases are expected to be presented to the Board for final action at the May 19, 2016 meeting.	None	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7.