

July 1, 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](mailto:Lisa.Brooks@reab.alabama.gov)

RE: ASC Compliance Review of Alabama's Appraisal Management Company (AMC)  
Regulatory Program

Dear Lisa Brooks:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Alabama AMC regulatory program (AMC 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.<sup>1</sup>

The ASC considered the preliminary results of the Review and the State's response to those results. The AMC Program is given an ASC Finding of "Needs Improvement." The final ASC Compliance Review Report (Report) of the Alabama AMC Program is attached.

The ASC identified the following areas of non-compliance:

- States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect the registry fee;<sup>2</sup>
- States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect the registry fee;<sup>3</sup>
- States shall not require an appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency to register with a State;<sup>4</sup> and
- States must ensure the accuracy of all data submitted to the AMC Registry.<sup>5</sup>

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<sup>1</sup> 12 U.S.C. §§ 3331-3356

<sup>2</sup> (12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9

<sup>3</sup> 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9

<sup>4</sup> 12 U.S.C. § 3353(c)

<sup>5</sup> 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9

The State reported that it has taken some corrective actions and indicated it will implement additional steps to address ASC staff concerns. ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Alabama will remain on a two-year Review Cycle.

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,



Luke H. Brown  
Acting Chair

Attachment

## ASC Finding Descriptions

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

ASC Finding: Needs Improvement

Final Report Issue Date: July 1, 2025

Alabama AMC Regulatory Program (State)							
Alabama Real Estate Appraisers Board (Board)		PM: M. Brown			ASC Compliance Review Date: December 3-5, 2024		Review Period: October 2022 to November 2024
Umbrella Agency: Independent				Number of AMCs on AMC Registry: 102		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
National Registry:		X					
States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect the registry fee. (12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26;12 CFR 1102.403; Policy Statements 8 and 9.)				The State’s AMC applications do not include information to determine whether the AMC oversees a panel of certified or licensed appraisers in a State within a given year to perform appraisals in connection with a covered transaction.	On March 18, 2025, the State reported its Board voted to amend its AMC applications and collect the required fees.	The State must ensure the correct annual fee calculation is being applied for AMCs in accordance with the AMC Registry Fee Rule. Within 60 days of this Report the State must provide ASC staff with a copy of the updated applications.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry Continued:		X					
States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect the registry fee. (12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26;12 CFR 1102.403; Policy Statements 8 and 9.)				The State’s AMC applications and change in ownership form do not include all of the ownership limitation information needed to determine whether an applicant meets the federal definition of an AMC to qualify for inclusion on the AMC Registry.	On March 18, 2025, the State reported its Board voted to amend its AMC applications and collect the required information.	The State must ensure all AMCs on the AMC Registry meet the federal definition. Within 60 days of this Report the State must provide ASC staff with a copy of the updated applications and determine whether there are AMCs on the AMC Registry that do not qualify, and if so, remove them from the AMC Registry.	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				
National Registry Continued:		X					
States shall not require an appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a Federal financial institution regulatory agency to register with a State. (12 U.S.C. § 3353(c))				The State’s federally regulated AMC application form requires federally regulated AMCs to certify that the undersigned is making the application to the Alabama Real Estate Appraisers Board for registration as an Appraisal Management Company.	On March 18, 2025, the State reported its Board voted to amend its federally regulated AMC applications to remove the offending language from the form.	Within 60 days of this Report the State must provide ASC staff with a copy of the updated applications.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry Continued:		X					
States must ensure the accuracy of all data submitted to the AMC Registry. (12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9.)				The State failed to ensure the accuracy of all data submitted to the National Registry.	On March 18, 2025, the State reported it was unsure how to respond to this finding.  At the same time, the State reported while onsite, ASC staff had complimented board staff on correcting issues found during its 2022 test examination and reported no issues.	States must ensure the accuracy of all data submitted to the AMC Registry pursuant to the citings listed above. If States fail to properly vet AMCs, they cannot be sure they are only populating the registry with federally regulated AMCs.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Enforcement:	X						
				No compliance issues noted.	N/A	None	None