ALABAMA REAL ESTATE APPRAISERS BOARD
ADMINISTRATIVE CODE

CHAPTER 780-X-9
CLASSIFICATION OF REAL ESTATE APPRAISERS

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780-X-9-.01 Classification Of Real Estate Appraisers

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(1) Alabama law recognizes five classes of real estate appraisers:

(a) Trainee Real Property Appraiser,

(b) State Registered Real Property Appraiser,

(c) Licensed Real Property Appraiser,

(d) Certified Residential Real Property Appraiser,

(e) Certified General Real Property Appraiser.

(2) The Board is mandated by statute to promulgate rules and regulations which conform in all respects to the requirements of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Pub. L. 101-73. See Code of Ala. 1975, §§34-27A-5(b)(12)(13) and 34-27A-29. Consistent therewith, and pursuant to the authority granted the Board by the Alabama legislature, the classes of state licensed real property appraisers are defined as follows:

(a) Introductory Statement. All 1 to 4-unit transactions less than $1,000,000 are assumed to be non-complex. If a property, its form of ownership, or market conditions are atypical, the regulated institution requesting the appraisal analysis will make the determination as to whether it is a complex or non-complex transaction. Alabama requires compliance with the Uniform Standards of Professional Appraisal Practice by all persons who perform real estate appraisals in the State of Alabama. There is no differentiation as to the scope of appraisal activity on federally related and non-federally related transactions. The appraiser must at all times comply with the Ethics Provision and Competency Provision of the Uniform Standards of Professional Appraisal Practice.

The definition of a federally related transaction both in the Alabama law and FIRREA is "any real estate-related financial transaction which (a) a federal financial institutions

regulatory agency or the Resolution Trust Corporation engages in contracts for, or regulates; and (b) requires the services of an appraiser." Non-federally related properties are those properties which are the subject of appraisals for non-federally related transactions.

(b) Trainee Real Property Appraiser. The scope of practice for the Appraiser Trainee is the appraisal of those properties which the supervisor is permitted to appraise. A Trainee may not accept assignments from clients which are directed to the Trainee. Assignments may only be accepted from the Mentor. Solicitation of assignments may be made by Trainees as long as the assignment or engagement letter from the client engages the services of the certified appraiser.

To use experience obtained from a traditional Trainee/ supervisor method for licensure, the appraisal must be included in the Trainee's assignment log, and the appraisal report must be signed by the Mentor and if the report is not signed by the Trainee, the report must comply with Standard 2 of USPAP in reporting the Trainee appraiser’s contribution to the appraisal process.

The Trainee must work under the direct supervision of the Mentor. The relationship between the Trainee and the Mentor and the responsibilities of the Trainee and the Mentor are as follows:

1. Responsibilities of Supervisor

   (i) The supervising appraiser must be a Certified Residential or a Certified General Real Property Appraiser.

   (ii) The supervisor shall be responsible for training the trainee in the proper development and reporting of the appraisal in accordance with USPAP.

   (iii) The supervisor will accompany the Trainee and demonstrate how to inspect the interior and exterior of each subject property and comparable properties in, at least, the first fifty (50) appraisal assignments made by the supervisor to the Trainee and until the trainee is competent.

   (iv) The supervisor will carefully review the report with the Trainee and accept full responsibility for its contents before signing the report as being independently and impartially prepared in compliance with USPAP.

   (v) A supervisor shall:

(I) Within ten (10) days, inform the Board of the name and address of his/her Trainee(s).

(II) Within ten (10) days, notify the Board when supervisor/Trainee relationship is terminated.

(III) For the duration of the supervisor/Trainee relationship the Trainee must work out of the supervisor's office and cannot establish a separate business office.

(IV) The supervisor shall review and sign the Trainee's experience log every month and maintain a copy in his/her records.

(V) Upon request, the supervisor shall provide the Board a copy of any appraisal report that the Trainee signed under his/her supervision.

(VI) Diligent adherence to USPAP guidelines is mandatory in all areas of responsibility.

(VII) Any violation of these responsibilities can result in the suspension of supervisory status or other disciplinary action.

(VIII) A supervisor may not make an assignment to the Trainee for a subject property located more than fifty (50) miles from the supervisor's office unless the supervisor accompanies the Trainee on the inspection of the subject property and comparable sales and is equally involved with the Trainee in the collection of all data used in the development of the appraisal. I. The supervisor's supervision responsibilities, as prescribed here, over the activities of Trainee appraisers are not intended to and should not be construed as creating an employer-employee relationship contrary to any expressed intent of the saupervisor and Trainee to the contrary. II. A supervisor shall be required to attend any reconsideration hearing of a denied application with the Trainee whose application has been denied.

2. Responsibilities of Trainee Appraiser

(i) The Trainee must work under the direct supervision of a supervisor who is a Certified Residential or a Certified General Real Property Appraiser.

(ii) The Trainee must keep an experience log on a form provided by the Board. A separate log must be kept for each supervisor.

(iii) The Trainee must submit the experience log to the Board for review when the Trainee has accumulated five hundred (500) experience hours when the Trainee plans to apply for a State Registered Real Property Appraiser license; five hundred (500) experience hours when the Trainee plans to apply for a Licensed Real Property Appraiser license; and one thousand five hundred (1500) experience hours when the Trainee plans to apply for a Certified General Real Property Appraiser license. The Board will select a sample of appraisals for review to examine how effective the mentoring process is for the Trainee. A fee of $125 for examination of the appraisal samples must accompany the log. There will not be any discipline files opened for the Trainee as a result of the examination.

(iv) A Trainee appraiser an claim one-half of the hours allowed for experience credit if an assignment does not include an inspection of has a third-party inspection.

(v) Assure that the supervisor reviews the appraisal report and signs as supervisor. The Trainee must sign the report or in the alternative the appraisal report must detail his/her involvement as required by Standard 2 USPAP.

(vi) A Trainee appraiser shall:

(I) Within ten (10) days, inform the Board of the name and address of his/her supervisors.

(II) Within ten (10) days, notify the Board when supervisor/trainee relationship is terminated.

(III) A Trainee can have no more than three (3) supervisors at a time unless unique circumstances are approved by the Board on a case-by-case basis.

(IV) A Trainee must disclose their Trainee status in a manner that is not misleading, which at a minimum requires that the Trainee include the name of the appraisal company employing the Trainee or the name of the supervisor supervising the Trainee on all advertising materials including business cards.

(V) Diligent adherence to USPAP guidelines is mandatory in all areas of responsibility.

(VI) Any violation of these responsibilities can result in disciplinary action.

(VII) Trainee appraisers who do not have a supervising relationship will be listed as "Inactive" on the Board's roster of appraisers. A Trainee who is "Inactive" must complete all continuing education and pay all fees for renewal of the license. No refund is given by the Board for license fees during an "Inactive" period.

(VIII) A Trainee appraiser who is adversely affected by the application of this rule is entitled to a hearing.

(IX) The hearing shall be held as soon as practicable after filing of the request for a hearing, or at such time agreed upon by stipulation between the Trainee and the Executive Director.

(X) The hearing shall be held by at least a quorum of the Board, as defined in Code of Ala 1975, §34-27A-4.

(XI) Evidence, including oral testimony, shall be freely admitted. The Trainee shall be allowed to have counsel present if desired.

(XII) The Board shall issue a final destination within thirty (30) days of the date of the hearing, which shall include findings of fact and official notice taken. The Trainee shall be delivered a copy of the decision by first class mail.

(XIII) The decision of the Board may be appealed to the Circuit Court for Montgomery County, as provided in Code of Ala. 1975, §34-27A-5, within thirty (30) days of the decision of the Board.

(XIX) The record on appeal shall be certified by the Executive Director of the Board, and shall include the entire record and transcript of the hearing.

(XX) A Trainee appraiser may not maintain a public office separate and apart from the office of the employer or supervisor for the purpose of conducting appraisals. A Trainee appraiser may

not solicit appraisal business in the Trainee's name but may solicit business for the Mentor's business.

3. Becoming A supervisor For A Trainee Appraiser

(i) Certified Residential or Certified General Real Property Appraisers who have been certified for a minimum of three years may apply to the Board to become a supervisor. An applicant for supervisor status shall not have had an appraiser license revoked, suspended, placed on probation status, or the appraiser is subject to disciplinary action that affected the Supervisor Appraiser's legal eligibility to engage in appraisal practice within three years prior to the application for supervisor status.

(ii) Applications for supervisor status must be made and approved by the Board prior to the supervisor engaging a Trainee appraiser. A supervisor shall be required to complete a Board approved Trainee and Supervisory course prior to supervising a Trainee appraiser.

(iii) A supervisor may not make an assignment to the Trainee for a residential appraisal where the subject property is located more than fifty (50) miles from the supervisor's office unless the supervisor accompanies the Trainee on the inspection of the subject property and comparable sales and is equally involved with the Trainee in the collection of all data used in the development of the appraisal. Until January 1, 2015, a Mentor must accompany a Trainee appraiser for all assignments more than fifty (50) miles from the Mentor's office.

(iv) The application for supervisor status must be accompanied by two (2) typical sample appraisal assignments which have been completed by the appraiser within six months prior to the application.

(v) supervisors may supervise a total of three Trainee appraisers.

(vi) Any supervisor whose appraiser license is revoked, suspended or placed on probation, or whose legal eligibility to engage in appraisal practice in any jurisdiction is limited, shall lose the supervisor status. A Trainee appraiser who is adversely affected by the action against the supervisor has a right to a hearing before the Board

(c) State Registered Real Property Appraiser. Those individuals licensed by the Board as being qualified to perform real estate appraisals on non-federally related properties including:

1. Complex appraisals of 1 to 4 unit non-federally related residential properties having transaction value of $250,000 or less; other non-federally related non-residential properties having transaction value of $250,000 or less.

2. Non-complex appraisals of 1 to 4 unit non-federally related residential properties having transaction value of $1,000,000 or less.

3. This classification does not include the appraisal of subdivisions wherein a development analysis/appraisal is necessary and utilized.

4. All registered real property appraisers are bound by the Competency Provision of the Uniform Standards of Professional Appraisal Practice.

(d) State Licensed Real Property Appraiser. Those individuals licensed by the Board as being qualified to perform real estate appraisals on properties including:

1. Complex appraisals of 1 to 4-unit residential properties having transaction value of $400,000 or less; other non-residential properties having transaction value of $250,000 or less;

2. Non-complex appraisals of 1 to 4-unit residential properties having transaction value of $1,000,000 or less.

3. This classification does not include the appraisal of subdivisions wherein a development analysis/appraisal is necessary and utilized.

4. All licensed real property appraisers are bound by the Competency Provision of the Uniform Standards of Professional Appraisal Practice.

(e) Certified Residential Real Property Appraiser. Those individuals licensed by the Board as being qualified to perform federally related residential real estate appraisals on 1 to 4-unit residential properties without regard to the complexity or dollar amount. These appraisers are also permitted to appraise non-residential properties having transaction value of $250,000 or less.

1. The Certified Residential Real Property Classification does not include the appraisal of subdivisions wherein a development analysis/appraisal is necessary and utilized.

2. All certified residential real property appraisers are bound by the Competency Provision of the Uniform Standards of Professional Appraisal Practice.

(f) Certified General Real Property Appraiser. This classification applies to the appraisal of all types of real property, regardless of transaction value. Appraisals on federally related transactions, which must be done by a Certified General Real Property Appraiser, include all non-residential properties having transaction value of $250,000 or more. All Appraisers are bound by the Competency Provision of the Uniform Standards of Professional Appraisal Practice.

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