

House Engrossed

appraisal management companies; definition

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

CHAPTER 97

HOUSE BILL 2501

AN ACT

AMENDING SECTION 32-3661, ARIZONA REVISED STATUTES; RELATING TO REAL ESTATE APPRAISAL MANAGEMENT COMPANIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 32-3661, Arizona Revised Statutes, is amended to
3 read:

4 32-3661. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Appraisal" means the act or process of developing an opinion of
7 the value of real property in conformance with the uniform standards of
8 professional appraisal practice published by the appraisal foundation, or
9 any other definition used in state or federal laws.

10 2. "Appraisal management company" means a corporation, partnership,
11 sole proprietorship, subsidiary or other business entity that directly or
12 indirectly performs appraisal management services, regardless of the use
13 of the term "appraisal management company", "mortgage technology
14 provider", "lender processing services", "lender services", "loan
15 processor", "mortgage services", "real estate closing services provider",
16 "settlement services provider" or "vendor management company" or any other
17 term, and that does ~~any~~ EITHER of the following:

18 (a) WITHIN A TWELVE-MONTH PERIOD, administers an appraiser panel of
19 at least sixteen state-licensed or state-certified appraisers in one state
20 who are independent contractors or at least twenty-five state-licensed or
21 state-certified appraisers in at least two states who perform real
22 property appraisal services in this state for clients.

23 (b) Otherwise serves as a third-party liaison of appraisal
24 management services between clients and appraisers.

25 3. "Appraisal management services" means any of the following:

26 (a) Recruiting, selecting and retaining appraisers.

27 (b) Contracting with state-licensed or state-certified appraisers
28 to perform appraisal agreements.

29 (c) Managing the process of having an appraisal performed,
30 including providing administrative services such as receiving appraisal
31 orders and appraisal reports, submitting completed appraisal reports to
32 creditors and secondary market participants, collecting fees from
33 creditors and secondary market participants for services provided and
34 paying appraisers for services performed.

35 (d) Reviewing and verifying the work of appraisers.

36 4. "Appraisal review" means the act or process of developing and
37 communicating an opinion about the quality of another appraiser's work
38 that was performed as part of an appraisal assignment, but does not
39 include an examination of an appraisal for grammatical, typographical or
40 other similar errors that do not communicate an opinion related to the
41 appraiser's data collection, analysis, opinions, conclusions, estimate of
42 value or compliance with the uniform standards of professional appraisal
43 practice.

1 5. "Appraiser" means a person who is licensed or certified as an
2 appraiser pursuant to this chapter and who performs valuation services
3 competently and in a manner that is independent, impartial and objective.

4 6. "Appraiser panel":

5 (a) Means a network, list or roster of state-licensed or
6 state-certified appraisers approved by an appraisal management company to
7 perform appraisals as independent contractors for the appraisal management
8 company. For the purposes of this subdivision, an appraiser is an
9 independent contractor if the appraiser management company treats the
10 appraiser as an independent contractor for federal income tax purposes.

11 (b) Includes both appraisers accepted by the appraisal management
12 company for consideration for future appraisal assignments in covered
13 transactions or for secondary mortgage market participants in connection
14 with covered transactions and appraisers engaged by the appraisal
15 management company to perform one or more appraisals in covered
16 transactions.

17 7. "Client" means a person that contracts with, or otherwise enters
18 into an agreement with, an appraisal management company for the
19 performance of real property appraisal services.

20 8. "Controlling person" means any of the following:

21 (a) An owner, officer or director of a corporation, partnership or
22 other business entity seeking to offer appraisal management services in
23 this state.

24 (b) An individual who is employed, appointed or authorized by an
25 appraisal management company and who has the authority to enter into a
26 contractual relationship with clients for the performance of appraisal
27 management services and to enter into agreements with independent
28 appraisers for the performance of real property appraisal services.

29 (c) An individual who possesses, directly or indirectly, the power
30 to direct or cause the direction of the management or policies of an
31 appraisal management company.

32 9. "Federally regulated appraisal management company" means an
33 appraisal management company that is a subsidiary owned and controlled by
34 an insured depository institution or an insured credit union and regulated
35 by a federal financial institutions regulatory agency.

36 10. "Real property appraisal services" means the practice of
37 developing an opinion of the value of real property in conformance with
38 the uniform standards of professional appraisal practice published by the
39 appraisal foundation.

40 11. "Relocation management company" means a business entity whose
41 exclusive business services are not for mortgage purposes and include the
42 relocation of employees as an agent or contractor for the employer or the
43 employer's agent for the purposes of determining an anticipated sales
44 price, as defined by the worldwide employee relocation council, of the

1 residence of an employee being relocated by the employer in the course of
2 its business.

3 12. "TWELVE-MONTH PERIOD" MEANS THE CALENDAR YEAR UNLESS AN
4 ALTERNATIVE TWELVE-MONTH PERIOD IS PRESCRIBED BY THE DEPUTY DIRECTOR IN
5 RULE.

6 ~~12.~~ 13. "Uniform standards of professional appraisal practice"
7 means the uniform standards of professional appraisal practice promulgated
8 by the appraisal foundation.

APPROVED BY THE GOVERNOR JUNE 4, 2026.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 5, 2026.