House Engrossed

appraisal management companies; definition

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

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)

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

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

32-3661. Definitions

In this article, unless the context otherwise requires:

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

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

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

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

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

(a) Recruiting, selecting and retaining appraisers.

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

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

(d) Reviewing and verifying the work of appraisers.

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

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

6. "Appraiser panel":

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

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

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

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

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

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

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

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

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

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

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

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

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