



STATE OF ALABAMA
STATE BANKING DEPARTMENT



Bob Riley
Governor

John D. Harrison
Superintendent of Banks

MEMORANDUM

TO: Chief Executive Officers of all Alabama, State-chartered Banks

FROM: John D. Harrison, Superintendent of Banks

SUBJECT: SBD Opinion 2007-1 – Real Estate Brokerage and Management Activities

DATE: June 13, 2007

As noted in the attached Opinion, this department has previously issued opinions stating that certain real estate brokerage and real estate management activities are authorized for Alabama, State-chartered banks pursuant to Alabama Banking Code Section 5-5A-18(12) as powers incident to the business of banks. The attached Opinion does nothing to change the department's position that such powers are authorized for Alabama, State-chartered banks, but does set out the following:

- 1) Rescinds the prior two approvals because they have not been acted upon,
- 2) Establishes procedures for future applications that include a listing of required information to be furnished to the superintendent,
- 3) Exempts activities in which Alabama, State-chartered banks are currently engaged,
- 4) Provides for consideration by the superintendent of consumer safeguards to limit tying of other services, and
- 5) Provides for review and consideration of applicable licensing requirements for banks, their affiliates, their subsidiaries, or their individual employees to be engaged in real estate brokerage and management activities.

In relation to the fifth item above, it is anticipated that banks, their affiliates or subsidiaries, and individuals employed by or affiliated with banks will not be discriminated against or unreasonably denied real estate licenses. While this Opinion sets forth the expectation that, pursuant to applicable requirements, applications for licenses will be filed, the general authority for banks, their affiliates, or their subsidiaries to engage in real estate brokerage and management activities is not conditioned upon approvals by any office or agency other than that of the Superintendent of Banks.

If you have any questions, please feel free to contact me at (334) 242-3585 or Deputy Superintendent Trabo Reed at (334) 242-3507.