

Real Estate Finance: Alabama

by Adam J. Sigman and Nathan Weinert, Sirote & Permutt, P.C., with Practical Law Real Estate

Status: Law stated as of 09 Jul 2020 | Jurisdiction: Alabama, United States

This document is published by Practical Law and can be found at: us.practicallaw.tr.com/8-526-7655

Request a free trial and demonstration at: us.practicallaw.tr.com/about/freetrial

A Q&A guide to real estate finance law for borrowers and lenders in Alabama. This Q&A addresses state laws relating to security instruments, usury laws, limitations on personal liability, recording requirements and taxes, priority issues, mechanics' liens, landlord liens, title insurance matters, and foreclosure procedures primarily impacting lending transactions in a commercial context. Federal, local, or municipal law may impose additional or different requirements. Answers to questions can be compared across several jurisdictions (see Real Estate Finance: State Q&A Tool).

Real estate and construction transactions are currently being impacted by emergency measures enacted in response to the 2019 novel coronavirus disease (COVID-19). For current updates on certain state and local laws impacted by COVID-19, including eviction and foreclosure moratoriums, business closures, electronic signatures, recordings and notarization laws, and general crisis management guidance in handling real estate and construction matters, see Real Estate Global Coronavirus Toolkit.

Instrument and Execution

1. When real estate is part of the lender's collateral, is a mortgage commonly used in your jurisdiction or is a trustee appointed to hold a deed of trust (or a deed to secure debt) as security for the loan? If a deed of trust is more commonly used, who is typically designated as the trustee?

In Alabama, mortgages typically secure liens on real property.

2. Describe any laws that would limit a borrower's or guarantor's personal liability for debt secured by real property.

There are no Alabama laws that would limit a borrower's or guarantor's personal liability for debt secured by real property.

3. Are there restrictions on interest rates charged for loans secured by real property?

Under Alabama law, there is no interest rate limitation for loans with an original principal amount of at least \$2,000. All laws relating to unconscionability in consumer transactions apply in consumer loan transactions. (Ala. Code § 8-8-5(a).)

A creditor is subject to limits on the amount of finance charges and interest rates it may charge if:

- The original principal amount of the loan is less than \$2,000.
- The creditor is either:
 - licensed by the Alabama State Banking Department; or
 - exempt from licensing.

(Ala. Code § 8-8-14(a).)

In a closed-end transaction a creditor may charge:

- Under the Alabama Consumer Credit Act, a maximum finance charge of:
 - \$15 per \$100 on the first \$750 of the amount financed; and
 - \$10 per \$100 of the portion of the amount financed over \$750 and less than \$2,000.

(Ala. Code § 5-19-3(a)).



- Under the Interest and Usury Chapter of the Alabama Code, an interest rate that is 2% above the “prime rate” (Ala. Code § 8-8-14(b)).

In an open-end transaction, the maximum rate is:

- 1.75% per month on the first \$750 or less of the unpaid balance.
- 1.50% on the unpaid balance greater than \$750.

(Ala. Code § 8-8-14(b).)

4. Are there any requirements for the execution of a mortgage or deed of trust? In particular, please consider if:

- Witnesses are required.
- Specified officers of a corporation (or members of a limited liability company) must execute the security instrument.
- The signatory’s name and title must be specified on the signature page.
- A corporate seal is required.
- Signed resolutions must be presented with the security instrument for purposes of recording.
- There are any other important requirements in your state?

For information on Alabama’s adoption of e-signatures/e-recording and remote online notarization, see Question 17.

Witnesses

In Alabama, a mortgage must either be attested by one witness or properly acknowledged by an authorized officer, like a notary public (Ala. Code §§ 35-4-20 and 35-4-23).

Specified Officers

Under Alabama law, no specific officers are required to execute a mortgage. However, the officer should be authorized by a proper resolution by the corporation or other entity to execute any mortgage as an authorized signatory.

Signatory’s Name and Title

Though not required by statute, a signatory’s name and title should be provided in the signature block and notary of the mortgage to avoid any ambiguity regarding the capacity in which the person is signing.

Corporate Seal

No corporate seal is required.

Signed Resolutions

Signed resolutions do not have to be presented with the mortgage for purposes of recording.

Other Requirements

A mortgage of a homestead must be executed by both the husband and wife (Ala. Code § 6-10-3).

Any instrument conveying, granting, encumbering, or assigning property is not recordable unless it contains the name and address of the individual who prepared the instrument (Ala. Code § 35-4-110).

A mortgage is not required to state the maturity date or the maximum principal indebtedness. However, the indebtedness secured by a mortgage without a maturity date will be presumed to have been paid 20 years from the date of the mortgage, unless:

- A third party has actual knowledge to the contrary.
- The record of the mortgage indicates a credit by the mortgagee or owner of the debt of one or more payments on the indebtedness within the 20-year period.

(Ala. Code § 35-10-20.)

Mortgages with open-end or revolving indebtedness may require that the taxpayer pay the recording tax in one of the following ways:

- Paying a recording tax on the initial indebtedness, as well as:
 - annually reporting the amount of indebtedness secured by the mortgage; and
 - paying tax on any additional indebtedness incurred.
- Paying the recording tax based on the maximum principal indebtedness allowed, regardless of the cumulative amount actually advanced.

(Ala. Code § 40-22-2(1)(b).)

5. Provide the statutory form of acknowledgment for:

- An individual.
- A corporation.
- A limited liability company.
- A limited partnership.
- A trustee.

Section 35-4-29 of the Alabama Code provides short forms of acknowledgment. These acknowledgment forms

can be used for recording instruments within Alabama, regardless of whether the instruments are executed and notarized in Alabama or in another state.

Individual

The relevant statute for an individual’s form of acknowledgment is Ala. Code § 35-4-29.

STATE OF [STATE])
COUNTY OF [COUNTY])

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that [SIGNATORY NAME] whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, (s) he executed the same voluntarily on the day same bears date.

Given under my hand this [DATE] day of [MONTH], [YEAR].

[SEAL] [NOTARY SIGNATURE]
Notary Public
My Commission Expires: [DATE]

Corporation

The relevant statute for a corporation’s form of acknowledgment is Ala. Code § 35-4-29.

STATE OF [STATE])
COUNTY OF [COUNTY])

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that [SIGNATORY NAME] whose name as the [SIGNATORY TITLE] of [CORPORATION NAME], a [DISTRICT OF CORPORATION ORGANIZATION] corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, (s)he, as such [SIGNATORY TITLE] and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this [DATE] day of [MONTH], [YEAR].

[SEAL] [NOTARY SIGNATURE]
Notary Public
My Commission Expires: [DATE]

Limited Liability Company

Section 35-4-29 of the Alabama Code does not provide a form of acknowledgment for a limited liability company, but the form below is sufficient.

STATE OF [STATE])
COUNTY OF [COUNTY])

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that [SIGNATORY NAME] whose name as the [SIGNATORY TITLE] of [LLC NAME], a [DISTRICT OF LLC ORGANIZATION] limited liability company, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, (s) he, as such [SIGNATORY TITLE] and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand this [DATE] day of [MONTH], [YEAR].

[SEAL] [NOTARY SIGNATURE]
Notary Public
My Commission Expires: [DATE]

Limited Partnership

Section 35-4-29 of the Alabama Code does not provide a form of acknowledgment for a limited partnership, but the form below is sufficient.

STATE OF [STATE])
COUNTY OF [COUNTY])

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that [SIGNATORY NAME] whose name as the [SIGNATORY TITLE] of [LIMITED PARTNERSHIP NAME], a [DISTRICT OF LIMITED PARTNERSHIP ORGANIZATION] limited partnership, is signed to the foregoing conveyance, and who is known

Liens to land, buildings, or improvements have priority over all other liens, mortgages, or encumbrances created after the commencement of the work on the building or improvement (Ala. Code § 35-11-211(a)). For liens created before the commencement of the work, the lien has priority only against the building or improvement where the product of the work:

- Is separable from the land, building, or improvement subject of the previous lien.
- Can be removed without impairing the value or security of any previous lien.

(Ala. Code § 35-11-211(b).)

An action must be filed to enforce the mechanic's lien within six months after the maturity of the entire indebtedness secured by the lien, or the verified statement of lien is no longer valid (Ala. Code § 35-11-221).

7. Are there liens which can supersede the priority of a lender's recorded lien?

Liens that take priority over a lender's recorded lien under Alabama law include:

- Liens for real property taxes (Ala. Code § 40-29-22).
- Liens for municipal taxes (Ala. Code § 11-51-44).
- Liens for assessments arising from public improvement (Ala. Code § 11-48-29).
- Materialmen's liens (see Question 6).

8. How do lenders maintain the priority of their real property liens over superseding liens, such as real property tax liens and mechanics' liens? In particular, please consider:

- Permanent loans.
- Construction loans with future advances.
- Credit facilities with future advances under revolving lines of credit.

Permanent Loans

See Credit Facilities.

Construction Loans

Typically, a lender in Alabama obtains date down endorsements from the title company. The title company requires lien waivers from contractors and others to protect its lien priority. The mortgage should also include language stating that it secures future advances (see *Johnson v. Shirley*, 539 So. 2d 165, 168 (Ala. 1988)). For more information, see Question 6.

Credit Facilities

To ensure that a mortgage maintains priority over tax liens, the mortgagee should:

- Require an escrow of tax deposits.
- Pay the taxes each year itself.

If the mortgagee makes advances for the payment of taxes or other advances to protect its first-priority lien, the advances will be secured by the first-priority lien. To avoid interruption in priority in cases of intervening liens, the mortgage should include language expressly stating that it secures future advances. The first mortgage secures the amounts advanced as a first lien on the property so long as the mortgagee makes future advances to the borrower or mortgagor without actual notice that a mortgage on the same property has been recorded after the first mortgage but prior to the advance.

9. What are a landlord's legal rights to a tenant's personal property located in the leased premises? Are these rights governed by statute, common law, or contract?

Alabama law provides a landlord with a lien on a tenant's personal property to secure the payment of rent (Ala. Code § 35-9-60). A lease may provide a landlord with a contractual lien in addition to the statutory lien (*Dallas v. S.A.G., Inc.*, 836 F.2d 1307, 1309 (11th Cir. 1988) (applying Alabama law)). Lenders typically obtain a landlord lien waiver or subordination agreement, or both, to ensure that the lender's lien has priority over the landlord's statutory lien on a tenant's personal property.

For more information, see [Standard Document, Landlord Lien Waiver and Collateral Access Agreement](#).

Mortgage Recording Taxes

10. Is there a mortgage recording tax (or similar tax)? If so:

- What is the rate and how is the tax calculated?
- Can a loan or refinance be structured to reduce the tax?
- Is the tax payable on making a loan secured by real property or perfecting a lien on real property?
- Is there any type of real property or transaction that is exempt from a mortgage recording tax (or similar tax)?
- Are there any other state or local taxes or fees imposed on the grant, perfection, or enforcement of a security interest in real property? Are there any exceptions?

Rate and Calculation

In Alabama, the mortgage recording tax is \$0.15 per \$100 of the loan amount secured by the mortgage (Ala. Code § 40-22-2).

Structure

The mortgage recording tax can be limited by providing a legend on the mortgage stating that the maximum original principal amount of the loan secured by the mortgage is limited to a specified amount. Mortgage recording tax is then only charged on the stated amount. An existing mortgage can also be assigned to a new lender in a refinance so that mortgage recording tax will be due only on the additional credit or new money portion of the refinance, provided that the maturity date is not extended.

Payment

The mortgage recording tax is payable to the recording office when presenting the mortgage for recording in the public records. If payment is not made when the document is presented for recording, the recording office will not record the mortgage. (Ala. Code § 40-22-2.)

Exemption

Some entities are statutorily exempt from the mortgage recording tax, including specific non-profits (Ala. Code §§ 40-9-1 to 40-9-39).

Other Taxes or Fees

The only other fees associated with recording a mortgage are:

- Nominal fees associated with indexing the mortgage.
- A mortgage recording fee, charged per page.

These fees vary by county.

Transfers of real property are also subject to a deed tax. The deed tax is \$0.50 for every \$500 (rounded up) of the value of the real property conveyed. If a mortgage is recorded simultaneously with the deed, a credit is provided by statute, so that the deed tax due is calculated only on the value of the real property not securing the mortgage. (Ala. Code § 40-22-1(c).) Mortgages involving open-end or revolving indebtedness maintain two options for paying the deed tax (see Question 4: Other Requirements).

For more information, see [State Q&A, Real Estate Ownership: Alabama](#).

Title Insurance

11. Are title insurance premiums or service charges for lenders' title insurance policies regulated? Are the costs of title insurance negotiable within a specified range of rates? Are there any discounts available for reissued policies?

In Alabama, title insurance charges are based on rates filed by title insurers with the state of Alabama. Title insurance rates are not negotiable.

Reissue credits are offered on owner's policies only when a prior title insurance policy is physically furnished. The prior policy must include the policy jacket and all schedules. A reissue credit applies up to the face amount of the previous policy.

Title insurance rates can be found on the Alabama Department of Insurance's [website](#) which uses the NAIC System for Electronic Rate and Form Filing Access (SERFF) interface.

12. Provide a list and brief description of the title insurance endorsements available to lenders.

The following is a list of title endorsements available for a lender's title insurance policy in Alabama:

- American Land Title Association (ALTA) 1-06 or equivalent (Street Assessments).
- ALTA 2-06 (Truth in Lending).
- ALTA 3-06 or ALTA 3.1-06 or ALTA 3.2-06 (Zoning).
- ALTA 4.1-06 (Condominium).
- ALTA 5.1-06 (Planned Unit Development).
- ALTA 6-06 (Variable Rate Mortgage).
- ALTA 6.2-06 (Variable Rate Mortgage - Negative Amortization).
- ALTA 7-06 or equivalent (Manufactured Housing Unit).
- ALTA 7.1-06 or equivalent (Manufactured Housing - Conversion - Loan Policy).
- ALTA 8.1-06 or equivalent (Environmental Protection Lien).
- ALTA 8.2-06 (Commercial Environmental Protection Lien).
- ALTA 9-06 (Restrictions, Encroachments, Minerals - Loan Policy).
- ALTA 9.1-06 or ALTA 9.3-06 or ALTA 9.6-06 or ALTA 9.7-06 or ALTA 9.10-06 (Comprehensive).
- ALTA 10-06 (Assignment of Mortgage).
- ALTA 10.1-06 (Assignment of Mortgage & Date Down).
- ALTA 11-06 (Mortgage Modification).
- ALTA 11.1-06 (Mortgage Modification with Subordination).
- ALTA 12-06 (Aggregation).
- ALTA 12.1-06 (Aggregation - State Limits - Loan Policy).
- ALTA 13.1-06 (Leasehold - Loan Policy).
- ALTA 14-06 (Future Advance - Priority).
- ALTA 14.1-06 (Future Advance Knowledge).
- ALTA 14.2-06 (Future Advance - Letter of Credit).
- ALTA 14.3-06 or equivalent (Future Advance Reverse Mortgage).
- ALTA 15-06 (Nonimputation - Full Equity Transfer).
- ALTA 15.1-06 (Nonimputation - Additional Insured).
- ALTA 15.2-06 (Nonimputation - Partial Equity Transfer).
- ALTA 16-06 (Mezzanine Financing Endorsement).
- ALTA 17-06 (Access and Entry).
- ALTA 17.1-06 (Indirect Access and Entry).
- ALTA 17.2-06 (Utility Access).
- ALTA 18-06 (Single Tax Parcel).
- ALTA 18.1-06 (Multiple Tax Parcel).
- ALTA 19-06 (Contiguity - Multiple Parcel).
- ALTA 19.1-06 (Contiguity - Single Parcel).
- ALTA 20-06 (First Loss - Multiple Parcel Transactions).
- ALTA 22-06 (Location).
- ALTA 22.1-06 (Location and Map).
- ALTA 23-06 (Coinsurance - Single Policy).
- ALTA 24-06 (Doing Business).
- ALTA 25.06 (Same as Survey).
- ALTA 25.1-06 (Same as Portion of Survey).
- ALTA 26-06 (Subdivision).
- ALTA 27-06 (Usury).
- ALTA 28-06 (Easement - Damage or Enforced Removal).
- ALTA 28.1-06 (Encroachments - Boundaries and Easements).
- ALTA 28.2-06 (Encroachments - Boundaries & Easements - Described Improvements).
- ALTA 29-06 (Interest Rate Swap Endorsement - Direct Obligation).
- ALTA 29.1-06 (Interest Rate Swap Endorsement - Additional Interest).
- ALTA 30-06 (Shared Appreciation Mortgage).
- ALTA 31-06 (Severable Improvements).
- ALTA 32-06 (Construction Loan - Loss of Priority).
- ALTA 32.1-06 (Construction Loan - Loss of Priority - Direct Payment).
- ALTA 33-06 (Disbursement Endorsement).
- ALTA 35-06 (Minerals and Other Subsurface Substances - Buildings).
- ALTA 35.1-06 (Minerals and Other Subsurface Substances - Improvements).
- ALTA 35.2-06 (Minerals and Other Subsurface Substances - Described Improvements).

- ALTA 35.3-06 (Minerals and Other Subsurface Substances - Land Under Development).
- ALTA 36.06 (Energy Project - Leasehold or Easement).
- ALTA 36.1-06 (Energy Project - Leasehold/Easement - Loan Policy).
- ALTA 36.2-06 (Energy Project - Leasehold Owners).
- ALTA 36.3-06 (Energy Project - Leasehold - Loan Policy).
- ALTA 36.4-06 (Energy Project - Covenants, Conditions & Restrictions – Land Under Development).
- ALTA 36.5-06 (Energy Project - CC&R's - Land Under Development - Loan Policy).
- ALTA 36.6-06 (Energy Project - Encroachments).
- ALTA 37-06 (Assignment of Rents or Leases).
- ALTA 38-06 (Mortgage Tax).
- ALTA 39-06 (Policy Authentication).
- ALTA 41-06 (Water - Buildings).
- ALTA 41.1-06 (Water - Improvements).
- ALTA 41.2-06 (Water - Described Improvements).
- ALTA 41.3-06 (Water - Land Under Development).
- ALTA 42-06 (Commercial Lender Group).
- ALTA 43-06 (Anti-Taint).
- ALTA 44-06 (Insured Mortgage Recording).
- ALTA 45-06 (Pari Passu Mortgage).
- ALTA 46-06 (Option).
- Deletion of Arbitration.
- Date Down Endorsement.

ALTA's forms are available on ALTA's [website](#) (subscription required).

Endorsements available in the state of Alabama can be found on the Alabama Department of Insurance's [website](#), which uses the NAIC System for Electronic Rate and Form Filing Access (SERFF) interface.

13. How is gap coverage (the time between closing the loan and actually recording the lien) typically handled by the title insurance companies?

Typically, the title insurance company in Alabama requires an affidavit and indemnity agreement from the borrower (or the seller, if the property is being sold to the borrower) regarding intervening liens.

Foreclosure

14. Describe the foreclosure process available and the typical timing for the process. Do borrowers have a right of redemption? If so, what is the redemption period? Can lenders limit a borrower's right of redemption?

Alabama offers both judicial and non-judicial foreclosure. Non-judicial foreclosure is the most commonly used method of foreclosure. It can be completed in approximately 60 to 90 days, if no title or other issues exist.

For a non-judicial foreclosure, a notice of sale must be published weekly for three successive weeks in a newspaper published in the county or counties where the property is located. The notice of sale must include:

- The time of sale.
- The place of sale.
- The terms of sale.
- A description of the property being sold.

(Ala. Code § 35-10-13.)

The sale must be conducted between the hours of 11 a.m. and 4 p.m. (legal hours of sale) at the front or main door to the courthouse in the county where the property is located (Ala. Code § 35-10-14).

A borrower may exercise their right of redemption within one year from the date of sale (Ala. Code § 6-5-248(b)).

Although most mortgages include these limitations and waivers, the right of redemption cannot, contemporaneously with the execution of the mortgage, be:

- Limited by the lender.
- Waived by the borrower.

(*Cedarwood Assocs., L.T.D. v. Trammell*, 410 So. 2d 50, 53 (Ala. 1982).)

The borrower must pay the following charges to redeem the property:

- Purchase price at foreclosure.
- Taxes paid or assessed.
- Any insurance premiums paid by the purchaser.
- Any permanent improvements on the property.

- Interest.
- Any other valid lien maintained by the purchaser.

(Ala. Code § 6-5-253.)

A borrower loses their right of redemption if the borrower or anyone holding possession by privity of title does not vacate the premises within ten days of receiving demand of possession from the purchaser (Ala. Code § 6-5-251).

15. Describe any significant costs of or impediments to foreclosing a lien on real property.

Other than publication costs, under Alabama law there are no significant costs of or impediments to foreclosing a lien on real property.

Foreign Entities

16. Are there any permissions, approvals, or licenses specifically required for foreign banks (or other foreign lenders) to make loans secured by real property?

For commercial loans, national banks are not required to attain any permissions, approvals, or licenses before making loans secured by real property located in Alabama.

There are no permissions, approvals, or licenses specifically required for state-chartered banks to make loans secured by real property so long as the state-chartered bank is not deemed to be “transacting business” in Alabama. If a state-chartered bank is deemed to be “transacting business” in Alabama, it is required to register as a foreign entity with the [Alabama secretary of state](#) (Ala. Code § 10A-1-7.01).

The failure of a foreign entity to register with the Alabama secretary of state does not invalidate any contract or act of the foreign entity (Ala. Code § 10A-1-7.21(b)). A foreign entity “transacting business” in Alabama may not maintain any action, suit, or proceeding in any Alabama court until it registers as a foreign entity with the Alabama secretary of state (Ala. Code § 10A-1-7.21(a)).

Alabama law is unsettled as to whether making loans secured by Alabama commercial real estate constitutes “transacting business” within the state and any determination is very fact-specific.

For residential loans, an individual may not engage in the business of mortgage loan origination without receiving a mortgage loan originator license from the state of Alabama (Ala. Code § 5-26-4(1)).

Alabama imposes a financial institute excise tax on any financial institution that:

- Engages in banking.
- Conducts the business of a financial institution.
- Conducts a credit card business through the issuance of credit cards to Alabama residents or businesses.
- Conducts a business employing moneyed capital coming into competition with the business of national banks.

(Ala. Code § 40-16-4(a).)

A “financial institution” is defined as any person, firm, corporation, or legal entity “doing business” in Alabama as a:

- National banking association.
- Bank.
- Banking association.
- Trust company.
- Industrial or other loan company.
- Building and loan association.
- Any other institution or person “employing moneyed capital coming into competition with the business of national banks.”

(Ala. Code § 40-16-1(1).)

The term “doing business” is not defined for financial institute excise tax purposes. Alabama law is unsettled regarding whether making a loan secured by real property located in Alabama is sufficient to constitute “doing business” under Alabama law. Courts generally base their determination on “doing business” on the facts of a specific case (*Green Tree Acceptance, Inc. v. Blalock*, 525 So. 2d 1366, 1370 (Ala. 1988)).

Electronic Signatures, Recording, and Notarization Laws

17. Has your state adopted laws permitting electronic signatures, electronic recording, and remote notarization? In particular, include information on whether:

- The Uniform Electronic Transactions Act (UETA) or another law giving electronic signatures legal effect has been adopted.
- The Uniform Real Property Electronic Recording Act (URPERA) or another law permitting the recording of electronic signatures has been adopted.
- The Revised Uniform Law on Notarial Acts (RULONA) or another law permitting remote online notarization (RON) has been permanently adopted and/or temporary remote online notarization is permitted on an emergency basis due to the coronavirus pandemic.

Note that despite adoption of the applicable electronic laws referred to below, the transaction parties or recording offices may not be required to accept documents executed or notarized electronically. Before relying on any of the below electronic laws for a particular transaction, counsel should confirm (as applicable) that:

- All parties to the transaction agree to accept electronic signatures and/or remotely notarized documents and intend to be bound by them.
- The applicable recording office accepts electronic signatures and remotely notarized documents for recording.

Electronic Signatures

Alabama has adopted the UETA (Ala. Code §§ 8-1A-1 to 8-1A-20).

Electronic Recording

Alabama has adopted the URPERA (Ala. Code §§ 35-4-120 to 35-4-127).

Remote Online Notarization

Alabama has not adopted RON.

However, Alabama does allow RON on an emergency basis due to the 2019 novel coronavirus disease (COVID-19) pandemic for the duration of the public health emergency unless rescinded or extended by proclamation (see [State of Alabama Fourth Proclamation by the Governor](#) and [State of Alabama Fifth Proclamation by the Governor](#)).

There are detailed requirements for performing RON in Alabama (for example, see Question 5). Reference should be made to the statute, any applicable emergency orders, and any rules promulgated by the secretary of state or other state authority to understand all RON requirements and conditions.

For a state-by-state chart covering key provisions of RON laws, emergency orders permitting RON during the COVID-19 pandemic, and pending electronic recording and RON laws, see [Electronic Signatures, Recording, and Notarization Laws for Real Estate Transactions: State Comparison Chart](#).

About Practical Law

Practical Law provides legal know-how that gives lawyers a better starting point. Our expert team of attorney editors creates and maintains thousands of up-to-date, practical resources across all major practice areas. We go beyond primary law and traditional legal research to give you the resources needed to practice more efficiently, improve client service and add more value.

If you are not currently a subscriber, we invite you to take a trial of our online services at legalsolutions.com/practical-law. For more information or to schedule training, call 1-800-733-2889 or e-mail referenceattorneys@tr.com.