



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

SB2617

Introduced 2/7/2018, by Sen. Pamela J. Althoff

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Appraisal Management Company Registration Act. Makes changes to definitions. Provides that federally regulated appraisal management companies shall register with the Department of Financial and Professional Regulation and pay all fees associated with registering a federally regulated appraisal management company. Requires a registration to state the name of the registrant and the address of the principal office and provides that such registration is not transferable or assignable. Requires that each registrant file an annual report with the Secretary of Financial and Professional Regulation that gives relevant information regarding compliance with federal and State rules. Allows the Secretary to investigate an appraisal management company at any time. Allows the Department to set fees for appraiser panels and the national registry. Allows the Department to take disciplinary action for failure to pay appraiser panel fees or national registry fees. Allows the Department to consider an applicant's moral character when granting or denying a registration. Excludes an appraisal management company from being registered or included on the national registry list if the company is owned by a person who has had his or her appraiser license or certificate refused, denied, canceled, surrendered in lieu of revocation, or revoked. Requires that an applicant shall submit his or her fingerprints to the Department of State Police and pay all fees associated with a criminal history records background check. Allows an administrator, executor, or guardian of an appraisal management company to apply for a registration. Makes other changes. Effective immediately.

LRB100 16106 SMS 31225 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Appraisal Management Company Registration  
5 Act is amended by changing Sections 10, 15, 20, 25, 40, 55, 65,  
6 and 160 and by adding Sections 17, 37, 43, 47, 67, 68, 163, and  
7 177 as follows:

8 (225 ILCS 459/10)

9 Sec. 10. Definitions. In this Act:

10 "Address of record" means the principal ~~designated~~ address  
11 recorded by the Department in the applicant's or registrant's  
12 application file or registration file maintained by the  
13 Department's registration maintenance unit. ~~It is the duty of~~  
14 ~~the applicant or registrant to inform the Department of any~~  
15 ~~change of address, and the changes must be made either through~~  
16 ~~the Department's website or by contacting the Department's~~  
17 ~~registration maintenance unit within a prescribed time period~~  
18 ~~as defined by rule.~~

19 "Applicant" means a person or entity who applies to the  
20 Department for a registration under this Act.

21 "Appraisal" means (noun) the act or process of developing  
22 an opinion of value; an opinion of value (adjective) of or  
23 pertaining to appraising and related functions.

1       ~~"Appraisal firm" means an appraisal entity that is 100%~~  
2 ~~owned and controlled by a person or persons licensed in~~  
3 ~~Illinois as a certified general real estate appraiser or a~~  
4 ~~certified residential real estate appraiser. An appraisal firm~~  
5 ~~does not include an appraisal management company.~~

6       "Appraisal management company" means any corporation,  
7 limited liability company, partnership, sole proprietorship,  
8 subsidiary, unit, or other business entity that directly or  
9 indirectly: (1) provides appraisal management services to  
10 creditors or secondary mortgage market participants; (2)  
11 provides appraisal management services in connection with  
12 valuing the consumer's principal dwelling as security for a  
13 consumer credit transaction (including consumer credit  
14 transactions incorporated into securitizations); and (3)  
15 within a given year, oversees an appraiser panel of 16 or more  
16 State-certified appraisers in Illinois or 25 or more  
17 State-certified or State-licensed appraisers in 2 or more  
18 jurisdictions. "Appraisal management company" includes a  
19 hybrid entity. ~~performs the following appraisal management~~  
20 ~~services: (1) administers networks of independent contractors~~  
21 ~~or employee appraisers to perform real estate appraisal~~  
22 ~~assignments for clients; (2) receives requests for real estate~~  
23 ~~appraisal services from clients and, for a fee paid by the~~  
24 ~~client, enters into an agreement with one or more independent~~  
25 ~~appraisers to perform the real estate appraisal services~~  
26 ~~contained in the request; or (3) otherwise serves as a~~

1 ~~third party broker of appraisal management services between~~  
2 ~~clients and appraisers.~~

3 "Appraisal management services" means one or more of the  
4 following:

5 (1) recruiting, selecting, and retaining appraisers;

6 (2) contracting with State-certified or State-licensed  
7 appraisers to perform appraisal assignments;

8 (3) managing the process of having an appraisal  
9 performed, including providing administrative services  
10 such as receiving appraisal orders and appraisal reports;  
11 submitting completed appraisal reports to creditors and  
12 secondary market participants; collecting compensation  
13 from creditors, appraisers, or secondary market  
14 participants for services provided; or paying appraisers  
15 for services performed; or

16 (4) reviewing and verifying the work of appraisers.

17 "Appraiser panel" means a network, list, or roster of  
18 licensed or certified appraisers approved by the appraisal  
19 management company or by the end-user client to perform  
20 appraisals for the appraisal management company. "Appraisal  
21 panel" includes both appraisers accepted by an appraisal  
22 management company for consideration for future appraisal  
23 assignments and appraisers engaged by an appraisal management  
24 company to perform one or more appraisals.

25 "Appraiser panel fee" means the amount collected from a  
26 registrant that includes an appraisal management company's

1 national registry fee.

2 "Appraisal report" means a written appraisal by an  
3 appraiser to a client.

4 "Appraisal practice service" means valuation services  
5 performed by an individual acting as an appraiser, including,  
6 but not limited to, appraisal, or appraisal review, ~~or~~  
7 ~~appraisal consulting.~~

8 "Appraiser" means a person who performs real estate or real  
9 property appraisals.

10 "Assignment result" means an appraiser's opinions and  
11 conclusions developed specific to an assignment.

12 "Audit" includes, but is not limited to, an annual or  
13 special audit, visit, or review necessary under this Act or  
14 required by the Secretary or the Secretary's authorized  
15 representative in carrying out the duties and responsibilities  
16 under this Act.

17 ~~"Board" means the Real Estate Appraisal Administration and~~  
18 ~~Disciplinary Board.~~

19 "Client" means the party or parties who engage an appraiser  
20 by employment or contract in a specific appraisal assignment.

21 "Controlling Person" means:

22 (1) an owner, officer, or director of an entity seeking  
23 to offer appraisal management services;

24 (2) an individual employed, appointed, or authorized  
25 by an appraisal management company who has the authority  
26 to:

1 (A) enter into a contractual relationship with a  
2 client for the performance of an appraisal management  
3 service or appraisal practice service; and

4 (B) enter into an agreement with an appraiser for  
5 the performance of a real estate appraisal activity; ~~or~~

6 (3) an individual who possesses, directly or  
7 indirectly, the power to direct or cause the direction of  
8 the management or policies of an appraisal management  
9 company; or.

10 (4) an individual who will act as the sole compliance  
11 officer with regard to this Act and any rules adopted under  
12 this Act.

13 "Coordinator" means the Coordinator of the Appraisal  
14 Management Company Registration Unit of the Department or his  
15 or her designee.

16 "Covered transaction" means a consumer credit transaction  
17 secured by a consumer's principal dwelling.

18 "Department" means the Department of Financial and  
19 Professional Regulation.

20 "Email address of record" means the designated email  
21 address recorded by the Department in the applicant's  
22 application file or the registrant's registration file  
23 maintained by the Department's registration maintenance unit.

24 "Entity" means a corporation, a limited liability company,  
25 partnership, a sole proprietorship, or other entity providing  
26 services or holding itself out to provide services as an

1 appraisal management company or an appraisal management  
2 service.

3 "End-user client" means any person who utilizes or engages  
4 the services of an appraiser through an appraisal management  
5 company.

6 "Federally regulated appraisal management company" means  
7 an appraisal management company that is owned and controlled by  
8 an insured depository institution, as defined in 12 U.S.C.  
9 1813, or an insured credit union, as defined in 12 U.S.C. 1752,  
10 and regulated by the Office of the Comptroller of the Currency,  
11 the Federal Reserve Board, the National Credit Union  
12 Association, or the Federal Deposit Insurance Corporation.

13 "Financial institution" means any bank, savings bank,  
14 savings and loan association, credit union, mortgage broker,  
15 mortgage banker, registrant under the Consumer Installment  
16 Loan Act or the Sales Finance Agency Act, or a corporate  
17 fiduciary, subsidiary, affiliate, parent company, or holding  
18 company of any registrant, or any institution involved in real  
19 estate financing that is regulated by State or federal law.

20 "Hybrid entity" means an appraisal management company that  
21 hires an appraiser as an employee to perform an appraisal and  
22 engages an independent contractor to perform an appraisal.

23 "Person" means individuals, entities, sole  
24 proprietorships, corporations, limited liability companies,  
25 and alien, foreign, or domestic partnerships, ~~foreign or~~  
26 ~~domestic~~, except that when the context otherwise requires, the

1 term may refer to a single individual or other described  
2 entity.

3 "Principal dwelling" means a residential structure that  
4 contains one to 4 units, whether or not that structure is  
5 attached to real property. "Principal dwelling" includes an  
6 individual condominium unit, cooperative unit, manufactured  
7 home, mobile home, and trailer, if it is used as a residence.

8 "Principal office" means the actual, physical business  
9 address, which shall not be a post office box or a virtual  
10 business address, of a registrant, at which (i) the Department  
11 may contact the registrant and (ii) records required under this  
12 Act are maintained.

13 "Qualified to transact business in this State" means being  
14 in compliance with the requirements of the Business Corporation  
15 Act of 1983.

16 "Quality control review" means a review of an appraisal  
17 report for compliance and completeness, including grammatical,  
18 typographical, or other similar errors, unrelated to  
19 developing an opinion of value.

20 "Real estate" means an identified parcel or tract of land,  
21 including any improvements.

22 "Real estate related financial transaction" means any  
23 transaction involving:

24 (1) the sale, lease, purchase, investment in, or  
25 exchange of real property, including interests in property  
26 or the financing thereof;



1 (2) the refinancing of real property or interests in  
2 real property; and

3 (3) the use of real property or interest in property as  
4 security for a loan or investment, including mortgage  
5 backed securities.

6 "Real property" means the interests, benefits, and rights  
7 inherent in the ownership of real estate.

8 "Secretary" means the Secretary of Financial and  
9 Professional Regulation.

10 "USPAP" means the Uniform Standards of Professional  
11 Appraisal Practice as adopted by the Appraisal Standards Board  
12 under Title XI.

13 "Valuation" means any estimate of the value of real  
14 property in connection with a creditor's decision to provide  
15 credit, including those values developed under a policy of a  
16 government sponsored enterprise or by an automated valuation  
17 model or other methodology or mechanism.

18 "Written notice" means a communication transmitted by mail  
19 or by electronic means that can be verified between an  
20 appraisal management company and a licensed or certified real  
21 estate appraiser.

22 (Source: P.A. 97-602, eff. 8-26-11.)

23 (225 ILCS 459/15)

24 Sec. 15. Exemptions.

25 (a) Nothing in this Act shall apply to any of the

1 following:

2 (1) an agency of the federal, State, county, or  
3 municipal government or an officer or employee of a  
4 government agency, or person, described in this Section  
5 when acting within the scope of employment of the officer  
6 or employee;

7 (2) a corporate relocation company when the appraisal  
8 is not used for mortgage purposes and the end user client  
9 is an employer company;

10 (3) any person licensed in this State under any other  
11 Act while engaged in the activities or practice for which  
12 he or she is licensed;

13 (4) any person licensed to practice law in this State  
14 who is working with or on behalf of a client of that person  
15 in connection with one or more appraisals for that client;

16 (5) an appraiser that enters into an agreement, whether  
17 written or otherwise, with another appraiser for the  
18 performance of an appraisal, and upon the completion of the  
19 appraisal, the report of the appraiser performing the  
20 appraisal is signed by both the appraiser who completed the  
21 appraisal and the appraiser who requested the completion of  
22 the appraisal, except that an appraisal management company  
23 may not avoid the requirement of registration under this  
24 Act by requiring an employee of the appraisal management  
25 company who is an appraiser to sign an appraisal that was  
26 completed by another appraiser who is part of the appraisal

1 panel of the appraisal management company;

2 (6) any person acting as an agent of the Illinois  
3 Department of Transportation in the acquisition or  
4 relinquishment of land for transportation issues to the  
5 extent of their contract scope; or

6 (7) a design professional entity when the appraisal is  
7 not used for mortgage purposes and the end user client is  
8 an agency of State government or a unit of local  
9 government.

10 (b) Federally regulated appraisal management companies  
11 shall register with the Department and pay all fees associated  
12 with registering a federally regulated appraisal management  
13 company but are otherwise exempt from all other provisions in  
14 this Act.

15 (c) In the event that the Final Interim Rule of the federal  
16 Dodd-Frank Wall Street Reform and Consumer Protection Act  
17 provides that an appraisal management company is a subsidiary  
18 owned and controlled by a financial institution regulated by a  
19 federal financial institution's regulatory agency and is  
20 exempt from State appraisal management company registration  
21 requirements, the Department, shall, by rule, provide for the  
22 implementation of such an exemption.

23 (Source: P.A. 97-602, eff. 8-26-11.)

24 (225 ILCS 459/17 new)

25 Sec. 17. Address of record; email address of record. All

1 applicants and registrants shall:

2 (1) provide a valid address and email address to the  
3 Department, which shall serve as the address of record and  
4 email address of record, respectively, at the time of  
5 application for registration or renewal of a registration;  
6 and

7 (2) inform the Department of any change of address of  
8 record or email address of record within 14 days after such  
9 change either through the Department's website or through a  
10 multi-state registration system as designated by the  
11 Secretary.

12 (225 ILCS 459/20)

13 Sec. 20. Restrictions and limitations. Beginning January  
14 1, 2012, it is unlawful for a person or entity to act or assume  
15 to act as an appraisal management company as defined in this  
16 Act, to engage in the business of appraisal management service,  
17 or to advertise or hold himself or herself out to be a  
18 registered appraisal management company without first  
19 obtaining a registration issued by the Department under this  
20 Act. A person or entity that violates this Section is guilty of  
21 a Class A misdemeanor for the first offense and a Class 4  
22 felony for second and subsequent offenses.

23 ~~Persons practicing as an appraisal management company in~~  
24 ~~Illinois as of the effective date of this Act may continue to~~  
25 ~~practice as provided in this Act until the Department has~~

1 ~~adopted rules implementing this Act. To continue practicing as~~  
2 ~~an appraisal management company after the adoption of rules,~~  
3 ~~persons shall apply for registration within 180 days after the~~  
4 ~~effective date of the rules. If an application is received~~  
5 ~~during the 180 day period, the person may continue to practice~~  
6 ~~until the Department acts to grant or deny registration. If an~~  
7 ~~application is not filed within the 180 day period, the person~~  
8 ~~must cease the practice at the conclusion of the 180 day period~~  
9 ~~and until the Department acts to grant a registration to the~~  
10 ~~person.~~

11 (Source: P.A. 97-602, eff. 8-26-11.)

12 (225 ILCS 459/25)

13 Sec. 25. Powers and duties of the Department. Subject to  
14 the provisions of this Act:

15 (1) The Department may ascertain the qualifications  
16 and fitness of applicants for registration and pass upon  
17 the qualifications of applicants for registration.

18 (2) The Department may conduct hearings on proceedings  
19 to refuse to issue or renew or to revoke registrations or  
20 suspend, place on probation, or reprimand persons or  
21 otherwise discipline individuals or entities subject to  
22 this Act.

23 (3) The Department may adopt ~~formulate~~ all rules  
24 required for the administration of this Act. ~~With the~~  
25 ~~exception of emergency rules, any proposed rules,~~

1 ~~amendments, second notice materials, and adopted rule or~~  
2 ~~amendment materials or policy statements concerning~~  
3 ~~appraisal management companies shall be presented to the~~  
4 ~~Real Estate Appraisal Administration and Disciplinary~~  
5 ~~Board for review and comment. The recommendations of the~~  
6 ~~Board shall be presented to the Secretary for consideration~~  
7 ~~in making final decisions.~~

8 (4) The Department may maintain rosters of the names  
9 and addresses of all registrants, and all persons whose  
10 registrations have been suspended, revoked, or denied  
11 renewal for cause within the previous calendar year or  
12 otherwise disciplined pursuant to this Act and shall  
13 transmit the roster, along with any national registry fees  
14 obtained by it, to the entity specified by and in a manner  
15 consistent with Title XI of the federal Financial  
16 Institutions Reform, Recovery, and Enforcement Act of  
17 1989. These rosters shall be available upon written request  
18 and payment of the required fee as established by rule.

19 (Source: P.A. 97-602, eff. 8-26-11.)

20 (225 ILCS 459/37 new)

21 Sec. 37. Transferability; assignability. A registration,  
22 when issued for an appraisal management company, shall state  
23 the name of the registrant and the address of the principal  
24 office. The registration is not transferable or assignable.

1 (225 ILCS 459/40)

2 Sec. 40. Qualifications for registration.

3 (a) The Department may issue a certification of  
4 registration to practice under this Act to any applicant who  
5 applies to the Department on forms provided by the Department,  
6 pays the required non-refundable fees ~~fee~~, is qualified to  
7 transact business in this State, and ~~who~~ provides the  
8 following:

9 (1) the business name of the applicant seeking  
10 registration;

11 (2) the business address or addresses and contact  
12 information of the applicant seeking registration;

13 (3) if the business applicant is not a corporation that  
14 is domiciled in this State, then the name and contact  
15 information for the company's agent for service of process  
16 in this State;

17 (4) the name, address, and contact information for any  
18 individual or any corporation, partnership, limited  
19 liability company, association, or other business  
20 applicant that owns 10% or more of the appraisal management  
21 company along with a completed criminal history records  
22 background check as required in Section 68;

23 (5) the name, address, and contact information for a  
24 designated controlling person;

25 (6) a certification that the applicant will utilize  
26 Illinois licensed appraisers to provide appraisal services

1 within the State of Illinois;

2 (7) a certification that the applicant has a system in  
3 place utilizing a licensed Illinois appraiser to review the  
4 work of all employed and independent appraisers that are  
5 performing real estate appraisal services in Illinois for  
6 the appraisal management company on a periodic basis,  
7 except for a quality control review, to verify that the  
8 real estate appraisal assignments are being conducted in  
9 accordance with USPAP;

10 (8) a certification that the applicant maintains a  
11 detailed record of each service request that it receives  
12 and the independent appraiser that performs the real estate  
13 appraisal services for the appraisal management company;

14 (9) a certification that the employees of the appraisal  
15 management company working on behalf of the appraisal  
16 management company directly involved in providing  
17 appraisal management services, will be appropriately  
18 trained and familiar with the appraisal process to  
19 completely provide appraisal management services;

20 (10) an irrevocable Uniform Consent to Service of  
21 Process, under rule; and

22 (11) a certification that the applicant shall comply  
23 with all other requirements of this Act and rules  
24 established for the implementation of this Act.

25 (b) Applicants have 3 years from the date of application to  
26 complete the application process. If the process has not been



1 completed in 3 years, the application shall be denied, the fee  
2 shall be forfeited, and the applicant must reapply and meet the  
3 requirements in effect at the time of reapplication.

4 (Source: P.A. 97-602, eff. 8-26-11.)

5 (225 ILCS 459/43 new)

6 Sec. 43. Application denial. If an application is denied,  
7 the applicant may, within 20 days after the date of the notice  
8 of denial, make a written request to the Secretary for a  
9 hearing on the application, and the Secretary shall set a time  
10 and place for the hearing. The hearing shall be set for a date  
11 after the receipt by the Secretary of the request for hearing,  
12 and notice of the time and place of the hearing shall be  
13 communicated to the applicant at least 10 days before the date  
14 of the hearing. The applicant shall pay the actual cost of  
15 making the transcript of the hearing before the Secretary  
16 issues his or her decision following the hearing. If, following  
17 the hearing, the application is denied, the Secretary shall  
18 prepare and keep on file in his or her office a written order  
19 of denial thereof that shall contain his or her findings and  
20 the reasons supporting the denial and shall communicate a copy  
21 to the applicant in a manner prescribed by the Department. A  
22 decision may be reviewed as provided in Section 135.

23 (225 ILCS 459/47 new)

24 Sec. 47. Annual report; investigation; costs. Each

1 registrant shall annually file a report with the Secretary for  
2 the calendar year period from January 1 through December 31,  
3 giving relevant information as the Secretary may reasonably  
4 require concerning, and for the purpose of examination for  
5 compliance with federal and State regulations, the business and  
6 operations during the preceding fiscal year period of each  
7 registered appraisal management company conducted by the  
8 registrant within the State. The report shall be made under  
9 oath and shall be in the form prescribed by rule. The Secretary  
10 may, at any time, investigate a registrant and every person,  
11 partnership, association, limited liability company,  
12 corporation, or other business entity who or which is engaged  
13 in the business of operating an appraisal management company.  
14 For that purpose, the Secretary shall have free access to the  
15 offices and places of business and to records of all persons,  
16 firms, partnerships, associations, limited liability companies  
17 and members thereof, and corporations and to the officers and  
18 directors thereof that relate to the appraisal management  
19 company. The investigation may be conducted in conjunction with  
20 representatives of other State agencies or agencies of another  
21 state or of the United States as determined by the Secretary.  
22 The Secretary may require by subpoena the attendance of and  
23 examine under oath all persons whose testimony he or she may  
24 require relative to the appraisal management company, and in  
25 those cases the Secretary, or a representative whom he or she  
26 may designate, may administer oaths to all persons called as

1 witnesses, and the Secretary, or a representative of the  
2 Secretary, may conduct an audit, and there shall be paid to the  
3 Secretary for each audit a fee, to be established by rule, for  
4 each day or part thereof for each representative designated and  
5 required to conduct the audit.

6 (225 ILCS 459/55)

7 Sec. 55. Fees.

8 (a) The fees for the administration and enforcement of this  
9 Act, including, but not limited to, original registration fees,  
10 renewal fees, appraiser panel fees, national registry fees, and  
11 restoration fees, shall be set by the Department by rule. The  
12 fees shall not be refundable.

13 (b) All fees and other moneys collected under this Act  
14 shall be deposited in the Appraisal Administration Fund.

15 (c) The Department shall establish by rule a process for  
16 calculating, collecting, and paying appraisal panel fees and  
17 national registry fees in a manner consistent with Title XI of  
18 the federal Financial Institutions Reform, Recovery, and  
19 Enforcement Act of 1989.

20 (Source: P.A. 97-602, eff. 8-26-11.)

21 (225 ILCS 459/65)

22 Sec. 65. Disciplinary actions.

23 (a) The Department may refuse to issue or renew, or may  
24 revoke, suspend, place on probation, reprimand, or take other

1 disciplinary or non-disciplinary action as the Department may  
2 deem appropriate, including imposing fines not to exceed  
3 \$25,000 for each violation, with regard to any registration for  
4 any one or combination of the following:

5 (1) Material misstatement in furnishing information to  
6 the Department.

7 (2) Violations of this Act, or of the rules adopted  
8 under this Act.

9 (3) Conviction of, or entry of a plea of guilty or nolo  
10 contendere to any crime that is a felony under the laws of  
11 the United States or any state or territory thereof or that  
12 is a misdemeanor of which an essential element is  
13 dishonesty, or any crime that is directly related to the  
14 practice of the profession.

15 (4) Making any misrepresentation for the purpose of  
16 obtaining registration or violating any provision of this  
17 Act or the rules adopted under this Act pertaining to  
18 advertising.

19 (5) Professional incompetence.

20 (6) Gross malpractice.

21 (7) Aiding or assisting another person in violating any  
22 provision of this Act or rules adopted under this Act.

23 (8) Failing, within 30 days after requested, to provide  
24 information in response to a written request made by the  
25 Department.

26 (9) Engaging in dishonorable, unethical, or

1 unprofessional conduct of a character likely to deceive,  
2 defraud, or harm the public.

3 (10) Discipline by another state, District of  
4 Columbia, territory, or foreign nation, if at least one of  
5 the grounds for the discipline is the same or substantially  
6 equivalent to those set forth in this Section.

7 (11) A finding by the Department that the registrant,  
8 after having his or her registration placed on probationary  
9 status, has violated the terms of probation.

10 (12) Willfully making or filing false records or  
11 reports in his or her practice, including, but not limited  
12 to, false records filed with State agencies or departments.

13 (13) Filing false statements for collection of fees for  
14 which services are not rendered.

15 (14) Practicing under a false or, except as provided by  
16 law, an assumed name.

17 (15) Fraud or misrepresentation in applying for, or  
18 procuring, a registration under this Act or in connection  
19 with applying for renewal of a registration under this Act.

20 (16) Being adjudicated liable in a civil proceeding for  
21 violation of a state or federal fair housing law.

22 (17) Failure to obtain or maintain the bond required  
23 under Section 50 of this Act.

24 (18) Failure to pay appraiser panel fees or national  
25 registry fees.

26 (b) The Department may refuse to issue or may suspend

1 without hearing as provided for in the Civil Administrative  
2 Code the registration of any person who fails to file a return,  
3 or to pay the tax, penalty or interest shown in a filed return,  
4 or to pay any final assessment of the tax, penalty, or interest  
5 as required by any tax Act administered by the Illinois  
6 Department of Revenue, until such time as the requirements of  
7 any such tax Act are satisfied.

8 (c) An appraisal management company shall not be registered  
9 or included on the national registry if the company, in whole  
10 or in part, directly or indirectly, is owned by a person who  
11 has had an appraiser license or certificate refused, denied,  
12 canceled, surrendered in lieu of revocation, or revoked under  
13 the Real Estate Appraiser Licensing Act of 2002 or the rules  
14 adopted under that Act, or similar discipline by another state,  
15 the District of Columbia, a territory, a foreign nation, a  
16 governmental agency, or an entity authorized to impose  
17 discipline if at least one of the grounds for that discipline  
18 is the same as or the equivalent of one of the grounds for  
19 which a licensee may be disciplined as set forth under this  
20 Section.

21 (Source: P.A. 97-602, eff. 8-26-11.)

22 (225 ILCS 459/67 new)

23 Sec. 67. Good moral character. If an applicant, or an  
24 ownership interest of the applicant, has had a license or  
25 registration revoked on a prior occasion, has been found to

1 have committed any of the practices enumerated in Section 65,  
2 has been convicted of or entered a plea of guilty or nolo  
3 contendere to forgery, embezzlement, obtaining money under  
4 false pretenses, larceny, extortion, conspiracy to defraud, or  
5 a similar offense or offenses, or has been convicted of a  
6 felony involving moral turpitude in a court of competent  
7 jurisdiction in this State or any other state, district, or  
8 territory of the United States or of a foreign country, the  
9 Department may consider the prior revocation, conduct, or  
10 conviction in its determination of the applicant's moral  
11 character and whether to grant the applicant's registration. In  
12 its consideration of the prior revocation, conduct, or  
13 conviction, the Department shall take into account the nature  
14 of the conduct, any aggravating or extenuating circumstances,  
15 the time elapsed since the revocation, conduct, or conviction,  
16 the rehabilitation or restitution performed by the applicant,  
17 and any other factors that the Department deems relevant. When  
18 an applicant has made a false statement of material fact on his  
19 or her application, the false statement may in itself be  
20 sufficient grounds to revoke or refuse to issue a registration.

21 (225 ILCS 459/68 new)

22 Sec. 68. Criminal history records background check. Each  
23 individual applicant or controlling person on behalf of a  
24 business entity that applies for registration or restoration  
25 shall have his or her fingerprints submitted to the Department

1 of State Police in an electronic format that complies with the  
2 form and manner for requesting and furnishing criminal history  
3 record information as prescribed by the Department of State  
4 Police. These fingerprints shall be checked against the  
5 Department of State Police and Federal Bureau of Investigation  
6 criminal history record databases now and hereafter filed. The  
7 Department of State Police shall charge applicants a fee for  
8 conducting the criminal history records background check,  
9 which shall be deposited into the State Police Services Fund  
10 and shall not exceed the actual cost of the criminal history  
11 records background check. The Department of State Police shall  
12 furnish, pursuant to positive identification, records of  
13 Illinois convictions to the Department. The Department may  
14 require an applicant to pay a separate fingerprinting fee,  
15 either to the Department or to a vendor. The Department may  
16 adopt any rules necessary to implement this Section.

17 (225 ILCS 459/160)

18 Sec. 160. Business practice provisions; standards of  
19 practice.

20 (a) The Department may adopt by rule the Uniform Standards  
21 of Professional Appraisal Practice as published from time to  
22 time by the Appraisal Standards Board of the Appraisal  
23 Foundation. Appraisal management companies shall not interfere  
24 with adherence to the Uniform Standards of Professional  
25 Appraisal Practice or the Real Estate Appraiser Act of 2002 or



1 a subsequent Act by individuals licensed under the respective  
2 Acts.

3 (b) All payment policies from registrants under this Act to  
4 appraisers shall be written and definitive in nature.

5 (c) In the event of a value dispute or a requested  
6 reconsideration of value, the appraisal management company  
7 shall deliver all information that supports an increase or  
8 decrease in value to the appraiser. This information may  
9 include, but is not limited to, additional comparable sales.

10 (d) Each entity registered under this Act shall designate a  
11 controlling person who is responsible to assure that the  
12 company operates in compliance with this Act. The company shall  
13 file a form provided by the Department indicating the company's  
14 designation of the controlling person and such individual's  
15 acceptance of the responsibility. A registrant shall notify the  
16 Department of any change in its controlling person within 30  
17 days. Any registrant who does not comply with this subsection

18 (d) shall have its registration suspended under the provisions  
19 set forth in this Act until the registrant complies with this  
20 Section. Any individual registrant who operates as a sole  
21 proprietorship shall be considered a designated controlling  
22 person for the purposes of this Act.

23 (e) Appraisal management companies or employees of an  
24 appraisal management company involved in a real estate  
25 transaction who have a reasonable basis to believe that an  
26 appraiser involved in the preparation of an appraisal for the

1 real estate transaction has failed to comply with the Uniform  
2 Standards of Professional Appraisal Practice, has violated  
3 this Act or its rules, or has otherwise engaged in unethical  
4 conduct shall report the matter to the Department. Any  
5 registrant, employee, or individual acting on behalf of a  
6 registrant, acting in good faith, and not in a willful and  
7 wanton manner, in complying with this Act by reporting the  
8 conduct to the Department shall not, as a result of such  
9 actions, be subject to criminal prosecution or civil damages.

10 (f) Appraisal management companies are required to be in  
11 compliance with the appraisal independence standards  
12 established under Section 129E of the federal Truth in Lending  
13 Act, including the requirement that fee appraisers be  
14 compensated at a customary and reasonable rate when the  
15 appraisal management company is providing services for a  
16 consumer credit transaction secured by the principal dwelling  
17 of a consumer. To the extent permitted by federal law or  
18 regulation, the Department shall formulate rules pertaining to  
19 customary and reasonable rates of compensation for fee  
20 appraisers. The appraisal management company must certify to  
21 the Department that it has policies and procedures in place to  
22 be in compliance under the Final ~~Interim~~ Rule of the federal  
23 Dodd-Frank Wall Street Reform and Consumer Protection Act.

24 (g) No appraisal management company procuring or  
25 facilitating an appraisal may have a direct or indirect  
26 interest, financial or otherwise, in the real estate or the

1 transaction that is the subject of the appraisal, as defined by  
2 the federal Dodd-Frank Wall Street Reform and Consumer  
3 Protection Act, any amendments thereto, or successor acts or  
4 other applicable provisions of federal law or regulations.

5 (Source: P.A. 97-602, eff. 8-26-11.)

6 (225 ILCS 459/163 new)

7 Sec. 163. Appraiser panel; annual size calculation. An  
8 appraiser is deemed part of the appraisal management company's  
9 appraiser panel as of the earliest date the appraisal  
10 management company accepts the appraiser for consideration for  
11 future appraisal assignments in covered transactions or  
12 engages the appraiser to perform one or more appraisal  
13 assignments on behalf of a creditor or secondary mortgage  
14 market participant in a covered transaction, including an  
15 affiliate of such a creditor or participant. An appraiser is  
16 considered to be part of the appraisal management company's  
17 appraiser panel if deemed to remain on the panel until: (1) the  
18 date on which the appraisal management company sends written  
19 notice to the appraiser removing the appraiser from the  
20 appraiser panel; (2) the date the appraisal management company  
21 receives written notice from the appraiser asking to be removed  
22 from the appraiser panel; or (3) the date the appraisal  
23 management company receives notice of the death or incapacity  
24 of the appraiser. If an appraiser is removed from an appraisal  
25 management company's appraiser panel but the appraisal

1 management company subsequently accepts the appraiser for  
2 consideration for future assignments or engages the appraiser  
3 at any time during the 12 months after the appraiser's removal,  
4 the removal would be deemed not to have occurred and the  
5 appraiser is deemed to have been part of the appraisal  
6 management company's appraiser panel without interruption.

7 (225 ILCS 459/177 new)

8 Sec. 177. Administrator, executor, or guardian. If the  
9 ownership of an appraisal management company registered under  
10 this Act is held or contained in an estate subject to the  
11 control and supervision of an administrator, executor, or  
12 guardian appointed, approved, or by a court of the State of  
13 Illinois, having jurisdiction so to do, the administrator,  
14 executor, or guardian may, upon the entry of an order by the  
15 court granting leave to continue the operation of the appraisal  
16 management company, apply to the Secretary for a registration  
17 under this Act. If the administrator, executor, or guardian  
18 applies for an appraisal management company registration  
19 pursuant to this Section and complies with all of the  
20 provisions of this Act relating to the application for an  
21 appraisal management company registration, the Secretary may  
22 issue to the applicant an appraisal management company  
23 registration. An appraisal management company registration  
24 issued to an appraisal management company, for which an  
25 application for a registration is sought under this Section, if

1 not previously surrendered, lapsed, or revoked, shall be  
2 surrendered, revoked, or otherwise terminated before a  
3 registration is issued pursuant to the application made under  
4 this Section.

5 Section 99. Effective date. This Act takes effect upon  
6 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 225 ILCS 459/10

4 225 ILCS 459/15

5 225 ILCS 459/17 new

6 225 ILCS 459/20

7 225 ILCS 459/25

8 225 ILCS 459/37 new

9 225 ILCS 459/40

10 225 ILCS 459/43 new

11 225 ILCS 459/47 new

12 225 ILCS 459/55

13 225 ILCS 459/65

14 225 ILCS 459/67 new

15 225 ILCS 459/68 new

16 225 ILCS 459/160

17 225 ILCS 459/163 new

18 225 ILCS 459/177 new