

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. "Appraiser
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 appraiser 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