

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 Real Estate Appraiser Licensing Act of 2002  
5 is amended by changing Sections 1-10, 5-10, 5-15, 5-20, 5-22,  
6 5-25, 5-55, 20-5, and 20-10 and by adding Section 5-7 as  
7 follows:

8 (225 ILCS 458/1-10)

9 (Section scheduled to be repealed on January 1, 2022)

10 Sec. 1-10. Definitions. As used in this Act, unless the  
11 context otherwise requires:

12 "Accredited college or university, junior college, or  
13 community college" means a college or university, junior  
14 college, or community college that is approved or accredited by  
15 the Board of Higher Education, a regional or national  
16 accreditation association, or by an accrediting agency that is  
17 recognized by the U.S. Secretary of Education.

18 "Address of record" means the designated address recorded  
19 by the Department in the applicant's or licensee's application  
20 file or license file as maintained by the Department's  
21 licensure maintenance unit. It is the duty of the applicant or  
22 licensee to inform the Department of any change of address and  
23 those changes must be made either through the Department's

1 website or by contacting the Department.

2 "Applicant" means person who applies to the Department for  
3 a license under this Act.

4 "Appraisal" means (noun) the act or process of developing  
5 an opinion of value; an opinion of value (adjective) of or  
6 pertaining to appraising and related functions, such as  
7 appraisal practice or appraisal services.

8 "Appraisal assignment" means a valuation service provided  
9 as a consequence of an agreement between an appraiser and a  
10 client.

11 "Appraisal consulting" means the act or process of  
12 developing an analysis, recommendation, or opinion to solve a  
13 problem, where an opinion of value is a component of the  
14 analysis leading to the assignment results.

15 "Appraisal firm" means an appraisal entity that is 100%  
16 owned and controlled by a person or persons licensed in  
17 Illinois as a certified general real estate appraiser or a  
18 certified residential real estate appraiser. "Appraisal firm"  
19 does not include an appraisal management company.

20 "Appraisal management company" means any corporation,  
21 limited liability company, partnership, sole proprietorship,  
22 subsidiary, unit, or other business entity that directly or  
23 indirectly ~~performs the following appraisal management~~  
24 ~~services:~~ (1) provides appraisal management services to  
25 creditors or secondary mortgage market participants; (2)  
26 provides appraisal management services in connection with

1 valuing the consumer's principal dwelling as security for a  
2 consumer credit transaction (including consumer credit  
3 transactions incorporated into securitizations); (3) within a  
4 given year, oversees an appraiser panel of any size of  
5 State-certified appraisers in Illinois; and (4) any appraisal  
6 management company that, within a given year, oversees an  
7 appraiser panel of 16 or more State-certified appraisers in  
8 Illinois or 25 or more State-certified or State-licensed  
9 appraisers in 2 or more jurisdictions shall be subject to the  
10 appraisal management company national registry fee in addition  
11 to the appraiser panel fee. "Appraisal management company"  
12 includes a hybrid entity ~~administers networks of independent~~  
13 ~~contractors or employee appraisers to perform real estate~~  
14 ~~appraisal assignments for clients; (2) receives requests for~~  
15 ~~real estate appraisal services from clients and, for a fee paid~~  
16 ~~by the client, enters into an agreement with one or more~~  
17 ~~independent appraisers to perform the real estate appraisal~~  
18 ~~services contained in the request; or (3) otherwise serves as a~~  
19 ~~third party broker of appraisal management services between~~  
20 ~~clients and appraisers. "Appraisal management company" does~~  
21 ~~not include an appraisal firm.~~

22 "Appraisal practice" means valuation services performed by  
23 an individual acting as an appraiser, including, but not  
24 limited to, appraisal, appraisal review, or appraisal  
25 consulting.

26 "Appraisal report" means any communication, written or

1 oral, of an appraisal or appraisal review that is transmitted  
2 to a client upon completion of an assignment.

3 "Appraisal review" means the act or process of developing  
4 and communicating an opinion about the quality of another  
5 appraiser's work that was performed as part of an appraisal,  
6 appraisal review, or appraisal assignment.

7 "Appraisal Subcommittee" means the Appraisal Subcommittee  
8 of the Federal Financial Institutions Examination Council as  
9 established by Title XI.

10 "Appraiser" means a person who performs real estate or real  
11 property appraisals.

12 "AOB" means the Appraisal Qualifications Board of the  
13 Appraisal Foundation.

14 "Associate real estate trainee appraiser" means an  
15 entry-level appraiser who holds a license of this  
16 classification under this Act with restrictions as to the scope  
17 of practice in accordance with this Act.

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

20 "Broker price opinion" means an estimate or analysis of the  
21 probable selling price of a particular interest in real estate,  
22 which may provide a varying level of detail about the  
23 property's condition, market, and neighborhood and information  
24 on comparable sales. The activities of a real estate broker or  
25 managing broker engaging in the ordinary course of business as  
26 a broker, as defined in this Section, shall not be considered a

1 broker price opinion if no compensation is paid to the broker  
2 or managing broker, other than compensation based upon the sale  
3 or rental of real estate.

4 "Classroom hour" means 50 minutes of instruction out of  
5 each 60 minute segment of coursework.

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

8 "Comparative market analysis" is an analysis or opinion  
9 regarding pricing, marketing, or financial aspects relating to  
10 a specified interest or interests in real estate that may be  
11 based upon an analysis of comparative market data, the  
12 expertise of the real estate broker or managing broker, and  
13 such other factors as the broker or managing broker may deem  
14 appropriate in developing or preparing such analysis or  
15 opinion. The activities of a real estate broker or managing  
16 broker engaging in the ordinary course of business as a broker,  
17 as defined in this Section, shall not be considered a  
18 comparative market analysis if no compensation is paid to the  
19 broker or managing broker, other than compensation based upon  
20 the sale or rental of real estate.

21 "Coordinator" means the Coordinator of Real Estate  
22 Appraisal of the Division of Professional Regulation of the  
23 Department of Financial and Professional Regulation.

24 "Department" means the Department of Financial and  
25 Professional Regulation.

26 "Federal financial institutions regulatory agencies" means

1 the Board of Governors of the Federal Reserve System, the  
2 Federal Deposit Insurance Corporation, the Office of the  
3 Comptroller of the Currency, the Consumer Financial Protection  
4 Bureau, and the National Credit Union Administration.

5 "Federally related transaction" means any real  
6 estate-related financial transaction in which a federal  
7 financial institutions regulatory agency engages in, contracts  
8 for, or regulates and requires the services of an appraiser.

9 "Financial institution" means any bank, savings bank,  
10 savings and loan association, credit union, mortgage broker,  
11 mortgage banker, licensee under the Consumer Installment Loan  
12 Act or the Sales Finance Agency Act, or a corporate fiduciary,  
13 subsidiary, affiliate, parent company, or holding company of  
14 any such licensee, or any institution involved in real estate  
15 financing that is regulated by state or federal law.

16 "Multi-state licensing system" means a web-based platform  
17 that allows an applicant to submit his or her application or  
18 license renewal application to the Department online.

19 "Person" means an individual, entity, sole proprietorship,  
20 corporation, limited liability company, partnership, and joint  
21 venture, foreign or domestic, except that when the context  
22 otherwise requires, the term may refer to more than one  
23 individual or other described entity.

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

26 "Real estate related financial transaction" means any

1 transaction involving:

2 (1) the sale, lease, purchase, investment in, or  
3 exchange of real property, including interests in property  
4 or the financing thereof;

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

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

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

12 "Secretary" means the Secretary of Financial and  
13 Professional Regulation.

14 "State certified general real estate appraiser" means an  
15 appraiser who holds a license of this classification under this  
16 Act and such classification applies to the appraisal of all  
17 types of real property without restrictions as to the scope of  
18 practice.

19 "State certified residential real estate appraiser" means  
20 an appraiser who holds a license of this classification under  
21 this Act and such classification applies to the appraisal of  
22 one to 4 units of residential real property without regard to  
23 transaction value or complexity, but with restrictions as to  
24 the scope of practice in a federally related transaction in  
25 accordance with Title XI, the provisions of USPAP, criteria  
26 established by the AQB, and further defined by rule.

1 "Supervising appraiser" means either (i) an appraiser who  
2 holds a valid license under this Act as either a State  
3 certified general real estate appraiser or a State certified  
4 residential real estate appraiser, who co-signs an appraisal  
5 report for an associate real estate trainee appraiser or (ii) a  
6 State certified general real estate appraiser who holds a valid  
7 license under this Act who co-signs an appraisal report for a  
8 State certified residential real estate appraiser on  
9 properties other than one to 4 units of residential real  
10 property without regard to transaction value or complexity.

11 "Title XI" means Title XI of the federal Financial  
12 Institutions Reform, Recovery and Enforcement Act of 1989.

13 "USPAP" means the Uniform Standards of Professional  
14 Appraisal Practice as promulgated by the Appraisal Standards  
15 Board pursuant to Title XI and by rule.

16 "Valuation services" means services pertaining to aspects  
17 of property value.

18 (Source: P.A. 97-602, eff. 8-26-11; 98-1109, eff. 1-1-15.)

19 (225 ILCS 458/5-7 new)

20 Sec. 5-7. Multi-state licensing system. The Secretary may  
21 require participation in a third-party, multi-state licensing  
22 system for licensing under this Act. The multi-state licensing  
23 system may share regulatory information and maintain records in  
24 compliance with the provisions of this Act. The multi-state  
25 licensing system may charge an applicant an administration fee.



1 (225 ILCS 458/5-10)

2 (Section scheduled to be repealed on January 1, 2022)

3 Sec. 5-10. Application for State certified general real  
4 estate appraiser.

5 (a) Every person who desires to obtain a State certified  
6 general real estate appraiser license shall:

7 (1) apply to the Department on forms provided by the  
8 Department, or through a multi-state licensing system as  
9 designated by the Secretary, accompanied by the required  
10 fee;

11 (2) be at least 18 years of age;

12 (3) (blank);

13 (4) personally take and pass an examination authorized  
14 by the Department and endorsed by the AQB;

15 (5) prior to taking the examination, provide evidence  
16 to the Department, or through a multi-state licensing  
17 system as designated by the Secretary, in Modular Course  
18 format, with each module conforming to the Required Core  
19 Curriculum established and adopted by the AQB, that he or  
20 she has successfully completed the prerequisite classroom  
21 hours of instruction in appraising as established by the  
22 AQB and by rule; and

23 (6) prior to taking the examination, provide evidence  
24 to the Department, or through a multi-state licensing  
25 system as designated by the Secretary, that he or she has

1           successfully completed the prerequisite experience and  
2           educational requirements in appraising as established by  
3           AQB and by rule.

4           (b) Applicants must provide evidence to the Department, or  
5           through a multi-state licensing system as designated by the  
6           Secretary, of holding a Bachelor's degree or higher from an  
7           accredited college or university.

8           (Source: P.A. 98-1109, eff. 1-1-15.)

9           (225 ILCS 458/5-15)

10          (Section scheduled to be repealed on January 1, 2022)

11          Sec. 5-15. Application for State certified residential  
12          real estate appraiser. Every person who desires to obtain a  
13          State certified residential real estate appraiser license  
14          shall:

15               (1) apply to the Department on forms provided by the  
16               Department, or through a multi-state licensing system as  
17               designated by the Secretary, accompanied by the required  
18               fee;

19               (2) be at least 18 years of age;

20               (3) (blank);

21               (4) personally take and pass an examination authorized  
22               by the Department and endorsed by the AQB;

23               (5) prior to taking the examination, provide evidence  
24               to the Department, or through a multi-state licensing  
25               system as designated by the Secretary, in Modular Course

1 format, with each module conforming to the Required Core  
2 Curriculum established and adopted by the AQB, that he or  
3 she has successfully completed the prerequisite classroom  
4 hours of instruction in appraising as established by the  
5 AQB and by rule; and

6 (6) prior to taking the examination, provide evidence  
7 to the Department, or through a multi-state licensing  
8 system as designated by the Secretary, that he or she has  
9 successfully completed the prerequisite experience and  
10 educational requirements as established by AQB and by rule.

11 (Source: P.A. 100-201, eff. 8-18-17.)

12 (225 ILCS 458/5-20)

13 (Section scheduled to be repealed on January 1, 2022)

14 Sec. 5-20. Application for associate real estate trainee  
15 appraiser. Every person who desires to obtain an associate real  
16 estate trainee appraiser license shall:

17 (1) apply to the Department on forms provided by the  
18 Department, or through a multi-state licensing system as  
19 designated by the Secretary, accompanied by the required  
20 fee;

21 (2) be at least 18 years of age;

22 (3) provide evidence of having attained a high school  
23 diploma or completed an equivalent course of study as  
24 determined by an examination conducted or accepted by the  
25 Illinois State Board of Education;

1 (4) personally take and pass an examination authorized  
2 by the Department; and

3 (5) prior to taking the examination, provide evidence  
4 to the Department, or through a multi-state licensing  
5 system as designated by the Secretary, that he or she has  
6 successfully completed the prerequisite qualifying and any  
7 conditional education requirements as established by rule.

8 (Source: P.A. 98-1109, eff. 1-1-15.)

9 (225 ILCS 458/5-22)

10 (Section scheduled to be repealed on January 1, 2022)

11 Sec. 5-22. Criminal history records check.

12 (a) Each applicant for licensure by examination or  
13 restoration shall have his or her fingerprints submitted to the  
14 Department of State Police in an electronic format that  
15 complies with the form and manner for requesting and furnishing  
16 criminal history record information as prescribed by the  
17 Department of State Police. These fingerprints shall be checked  
18 against the Department of State Police and Federal Bureau of  
19 Investigation criminal history record databases now and  
20 hereafter filed. The Department of State Police shall charge  
21 applicants a fee for conducting the criminal history records  
22 check, which shall be deposited into the State Police Services  
23 Fund and shall not exceed the actual cost of the records check.  
24 The Department of State Police shall furnish, pursuant to  
25 positive identification, records of Illinois convictions to

1 the Department. The Department may require applicants to pay a  
2 separate fingerprinting fee, either to the Department or to a  
3 vendor. The Department may adopt any rules necessary to  
4 implement this Section.

5 (b) The Secretary may designate a multi-state licensing  
6 system to perform the functions described in subsection (a).  
7 The Department may require applicants to pay a separate  
8 fingerprinting fee, either to the Department or to the  
9 multi-state licensing system. The Department may adopt any  
10 rules necessary to implement this subsection.

11 (Source: P.A. 98-1109, eff. 1-1-15.)

12 (225 ILCS 458/5-25)

13 (Section scheduled to be repealed on January 1, 2022)

14 Sec. 5-25. Renewal of license.

15 (a) The expiration date and renewal period for a State  
16 certified general real estate appraiser license or a State  
17 certified residential real estate appraiser license issued  
18 under this Act shall be set by rule. Except as otherwise  
19 provided in subsections (b) and (f) of this Section, the holder  
20 of a license may renew the license within 90 days preceding the  
21 expiration date by:

22 (1) completing and submitting to the Department, or  
23 through a multi-state licensing system as designated by the  
24 Secretary, a renewal application form as provided by the  
25 Department;

1 (2) paying the required fees; and

2 (3) providing evidence to the Department, or through a  
3 multi-state licensing system as designated by the  
4 Secretary, of successful completion of the continuing  
5 education requirements through courses approved by the  
6 Department from education providers licensed by the  
7 Department, as established by the AQB and by rule.

8 (b) A State certified general real estate appraiser or  
9 State certified residential real estate appraiser whose  
10 license under this Act has expired may renew the license for a  
11 period of 2 years following the expiration date by complying  
12 with the requirements of paragraphs (1), (2), and (3) of  
13 subsection (a) of this Section and paying any late penalties  
14 established by rule.

15 (c) (Blank).

16 (d) The expiration date and renewal period for an associate  
17 real estate trainee appraiser license issued under this Act  
18 shall be set by rule. Except as otherwise provided in  
19 subsections (e) and (f) of this Section, the holder of an  
20 associate real estate appraiser license may renew the license  
21 within 90 days preceding the expiration date by:

22 (1) completing and submitting to the Department, or  
23 through a multi-state licensing system as designated by the  
24 Secretary, a renewal application form as provided by the  
25 Department;

26 (2) paying the required fees; and

1           (3) providing evidence to the Department, or through a  
2           multi-state licensing system as designated by the  
3           Secretary, of successful completion of the continuing  
4           education requirements through courses approved by the  
5           Department from education providers approved by the  
6           Department, as established by rule.

7           (e) Any associate real estate appraiser trainee whose  
8           license under this Act has expired may renew the license for a  
9           period of 2 years following the expiration date by complying  
10          with the requirements of paragraphs (1), (2), and (3) of  
11          subsection (d) of this Section and paying any late penalties as  
12          established by rule. An associate real estate trainee appraiser  
13          license may not be renewed more than 2 times.

14          (f) Notwithstanding subsections (c) and (e), an appraiser  
15          whose license under this Act has expired may renew or convert  
16          the license without paying any lapsed renewal fees or late  
17          penalties if the license expired while the appraiser was:

18                 (1) on active duty with the United States Armed  
19                 Services;

20                 (2) serving as the Coordinator of Real Estate Appraisal  
21                 or an employee of the Department who was required to  
22                 surrender his or her license during the term of employment.

23          Application for renewal must be made within 2 years  
24          following the termination of the military service or related  
25          education, training, or employment. The licensee shall furnish  
26          the Department with an affidavit that he or she was so engaged.

1 (g) The Department shall provide reasonable care and due  
2 diligence to ensure that each licensee under this Act is  
3 provided with a renewal application at least 90 days prior to  
4 the expiration date, but each licensee is responsible to timely  
5 renew or convert his or her license prior to its expiration  
6 date.

7 (Source: P.A. 96-844, eff. 12-23-09.)

8 (225 ILCS 458/5-55)

9 (Section scheduled to be repealed on January 1, 2022)

10 Sec. 5-55. Fees.

11 (a) The Department shall establish rules for fees to be  
12 paid by applicants and licensees to cover the reasonable costs  
13 of the Department in administering and enforcing the provisions  
14 of this Act. The Department, with the advice of the Board, may  
15 also establish rules for general fees to cover the reasonable  
16 expenses of carrying out other functions and responsibilities  
17 under this Act.

18 (b) The administration fee charged by the multi-state  
19 licensing system shall be paid directly to the multi-state  
20 licensing system.

21 (Source: P.A. 96-844, eff. 12-23-09; 97-602, eff. 8-26-11.)

22 (225 ILCS 458/20-5)

23 (Section scheduled to be repealed on January 1, 2022)

24 Sec. 20-5. Education providers.



1           (a) Beginning July 1, 2002, only education providers  
2 licensed or otherwise approved by the Department may provide  
3 the qualifying and continuing education courses required for  
4 licensure under this Act.

5           (b) A person or entity seeking to be licensed as an  
6 education provider under this Act shall provide satisfactory  
7 evidence of the following:

8                 (1) a sound financial base for establishing,  
9 promoting, and delivering the necessary courses;

10                (2) a sufficient number of qualified instructors;

11                (3) adequate support personnel to assist with  
12 administrative matters and technical assistance;

13                (4) a written policy dealing with procedures for  
14 management of grievances and fee refunds;

15                (5) a qualified administrator, who is responsible for  
16 the administration of the education provider, courses, and  
17 the actions of the instructors; and

18                (6) any other requirements as provided by rule.

19           (c) All applicants for an education provider's license  
20 shall make initial application to the Department on forms  
21 provided by the Department, or through a multi-state licensing  
22 system as designated by the Secretary, and pay the appropriate  
23 fee as provided by rule. The term, expiration date, and renewal  
24 of an education provider's license shall be established by  
25 rule.

26           (d) An education provider shall provide each successful

1 course participant with a certificate of completion signed by  
2 the school administrator. The format and content of the  
3 certificate shall be specified by rule.

4 (e) All education providers shall provide to the Department  
5 a monthly roster of all successful course participants as  
6 provided by rule.

7 (Source: P.A. 98-1109, eff. 1-1-15.)

8 (225 ILCS 458/20-10)

9 (Section scheduled to be repealed on January 1, 2022)

10 Sec. 20-10. Course approval.

11 (a) Only courses offered by licensed education providers  
12 and approved by the Department, courses approved by the AQB, or  
13 courses approved by jurisdictions regulated by the Appraisal  
14 Subcommittee shall be used to meet the requirements of this Act  
15 and rules.

16 (b) An education provider licensed under this Act may  
17 submit courses to the Department, or through a multi-state  
18 licensing system as designated by the Secretary, for approval.  
19 The criteria, requirements, and fees for courses shall be  
20 established by rule in accordance with this Act and the  
21 criteria established by the AQB.

22 (c) For each course approved, the Department shall issue a  
23 license to the education provider. The term, expiration date,  
24 and renewal of a course approval shall be established by rule.

25 (d) An education provider must use an instructor for each

1 course approved by the Department who (i) holds a valid real  
2 estate appraisal license in good standing as a State certified  
3 general real estate appraiser or a State certified residential  
4 real estate appraiser in Illinois or any other jurisdiction  
5 monitored by the Appraisal Subcommittee, (ii) holds a valid  
6 teaching certificate issued by the State of Illinois, (iii) is  
7 a faculty member in good standing with an accredited college or  
8 university or community college, or (iv) is an approved  
9 appraisal instructor from an appraisal organization that is a  
10 member of the Appraisal Foundation.

11 (Source: P.A. 98-1109, eff. 1-1-15.)

12 Section 10. The Appraisal Management Company Registration  
13 Act is amended by changing Sections 5, 10, 15, 20, 25, 35, 40,  
14 55, 65, and 160 and by adding Sections 17, 32, 37, 43, 47, 67,  
15 68, 163, and 177 as follows:

16 (225 ILCS 459/5)

17 Sec. 5. Findings. The General Assembly finds that: It is  
18 the intent of the General Assembly that this Act provide for  
19 the regulation of those persons or entities engaged as  
20 appraisal management companies for the protection of the public  
21 and for the maintenance of high standards of professional  
22 conduct by those registered as appraisal management companies  
23 in one to four family real estate transactions and to ensure  
24 appraisal independence in the determination of real estate

1 valuations.

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

3 (225 ILCS 459/10)

4 Sec. 10. Definitions. In this Act:

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

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

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

19 "Appraisal firm" means an appraisal entity that is 100%  
20 owned and controlled by a person or persons licensed in  
21 Illinois as a certified general real estate appraiser or a  
22 certified residential real estate appraiser. An appraisal firm  
23 does not include an appraisal management company.

24 "Appraisal management company" means any corporation,  
25 limited liability company, partnership, sole proprietorship,

1 subsidiary, unit, or other business entity that directly or  
2 indirectly ~~performs the following appraisal management~~  
3 ~~services:~~ (1) provides appraisal management services to  
4 creditors or secondary mortgage market participants; (2)  
5 provides appraisal management services in connection with  
6 valuing the consumer's principal dwelling as security for a  
7 consumer credit transaction (including consumer credit  
8 transactions incorporated into securitizations); (3) within a  
9 given year, oversees an appraiser panel of any size of  
10 State-certified appraisers in Illinois; and (4) any appraisal  
11 management company that, within a given year, oversees an  
12 appraiser panel of 16 or more State-certified appraisers in  
13 Illinois or 25 or more State-certified or State-licensed  
14 appraisers in 2 or more jurisdictions shall be subject to the  
15 appraisal management company national registry fee in addition  
16 to the appraiser panel fee. "Appraisal management company"  
17 includes a hybrid entity. ~~administers networks of independent~~  
18 ~~contractors or employee appraisers to perform real estate~~  
19 ~~appraisal assignments for clients;~~ (2) ~~receives requests for~~  
20 ~~real estate appraisal services from clients and, for a fee paid~~  
21 ~~by the client, enters into an agreement with one or more~~  
22 ~~independent appraisers to perform the real estate appraisal~~  
23 ~~services contained in the request;~~ or (3) ~~otherwise serves as a~~  
24 ~~third-party broker of appraisal management services between~~  
25 ~~clients and appraisers.~~

26 "Appraisal management company national registry fee" means

1 the fee implemented pursuant to Title XI of the federal  
2 Financial Institutions Reform, Recovery and Enforcement Act of  
3 1989 for an appraiser management company's national registry.

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

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

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

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

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

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

26 "Appraiser panel fee" means the amount collected from a

1 registrant that, where applicable, includes an appraisal  
2 management company's national registry fee.

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

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

9 "Appraisal subcommittee" means the appraisal subcommittee  
10 of the Federal Financial Institutions Examination Council as  
11 established by Title XI.

12 "Appraiser" means a person who performs real estate or real  
13 property appraisals.

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

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

21 ~~"Board" means the Real Estate Appraisal Administration and~~  
22 ~~Disciplinary Board.~~

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

25 "Controlling Person" means:

26 (1) an owner, officer, or director of an entity seeking

1 to offer appraisal management services;

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

5 (A) enter into a contractual relationship with a  
6 client for the performance of an appraisal management  
7 service or appraisal practice service; and

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

10 (3) an individual who possesses, directly or  
11 indirectly, the power to direct or cause the direction of  
12 the management or policies of an appraisal management  
13 company; or.

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

17 "Coordinator" means the Coordinator of the Appraisal  
18 Management Company Registration Unit of the Department or his  
19 or her designee.

20 "Covered transaction" means a consumer credit transaction  
21 secured by a consumer's principal dwelling.

22 "Department" means the Department of Financial and  
23 Professional Regulation.

24 "Email address of record" means the designated email  
25 address recorded by the Department in the applicant's  
26 application file or the registrant's registration file



1 maintained by the Department's registration maintenance unit.

2 "Entity" means a corporation, a limited liability company,  
3 partnership, a sole proprietorship, or other entity providing  
4 services or holding itself out to provide services as an  
5 appraisal management company or an appraisal management  
6 service.

7 "End-user client" means any person who utilizes or engages  
8 the services of an appraiser through an appraisal management  
9 company.

10 "Federally regulated appraisal management company" means  
11 an appraisal management company that is owned and controlled by  
12 an insured depository institution, as defined in 12 U.S.C.  
13 1813, or an insured credit union, as defined in 12 U.S.C. 1752,  
14 and regulated by the Office of the Comptroller of the Currency,  
15 the Federal Reserve Board, the National Credit Union  
16 Association, or the Federal Deposit Insurance Corporation.

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

24 "Foreign appraisal management company" means any appraisal  
25 management company organized under the laws of any other state  
26 of the United States, the District of Columbia, or any other

1 jurisdiction of the United States.

2 "Hybrid entity" means an appraisal management company that  
3 hires an appraiser as an employee to perform an appraisal and  
4 engages an independent contractor to perform an appraisal.

5 "Multi-state licensing system" means a web-based platform  
6 that allows an applicant to submit his or her application or  
7 registration renewal to the Department online.

8 "Person" means individuals, entities, sole  
9 proprietorships, corporations, limited liability companies,  
10 and alien, foreign, or domestic partnerships, ~~foreign or~~  
11 ~~domestic~~, except that when the context otherwise requires, the  
12 term may refer to a single individual or other described  
13 entity.

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

19 "Principal office" means the actual, physical business  
20 address, which shall not be a post office box or a virtual  
21 business address, of a registrant, at which (i) the Department  
22 may contact the registrant and (ii) records required under this  
23 Act are maintained.

24 "Qualified to transact business in this State" means being  
25 in compliance with the requirements of the Business Corporation  
26 Act of 1983.

1 "Quality control review" means a review of an appraisal  
2 report for compliance and completeness, including grammatical,  
3 typographical, or other similar errors, unrelated to  
4 developing an opinion of value.

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

7 "Real estate related financial transaction" means any  
8 transaction involving:

9 (1) the sale, lease, purchase, investment in, or  
10 exchange of real property, including interests in property  
11 or the financing thereof;

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

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

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

19 "Secretary" means the Secretary of Financial and  
20 Professional Regulation.

21 "USPAP" means the Uniform Standards of Professional  
22 Appraisal Practice as adopted by the Appraisal Standards Board  
23 under Title XI.

24 "Valuation" means any estimate of the value of real  
25 property in connection with a creditor's decision to provide  
26 credit, including those values developed under a policy of a

1 government sponsored enterprise or by an automated valuation  
2 model or other methodology or mechanism.

3 "Written notice" means a communication transmitted by mail  
4 or by electronic means that can be verified between an  
5 appraisal management company and a licensed or certified real  
6 estate appraiser.

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

8 (225 ILCS 459/15)

9 Sec. 15. Exemptions.

10 (a) Nothing in this Act shall apply to any of the  
11 following:

12 (1) an agency of the federal, State, county, or  
13 municipal government or an officer or employee of a  
14 government agency, or person, described in this Section  
15 when acting within the scope of employment of the officer  
16 or employee;

17 (2) a corporate relocation company when the appraisal  
18 is not used for mortgage purposes and the end user client  
19 is an employer company;

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

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

1 (5) an appraiser that enters into an agreement, whether  
2 written or otherwise, with another appraiser for the  
3 performance of an appraisal, and upon the completion of the  
4 appraisal, the report of the appraiser performing the  
5 appraisal is signed by both the appraiser who completed the  
6 appraisal and the appraiser who requested the completion of  
7 the appraisal, except that an appraisal management company  
8 may not avoid the requirement of registration under this  
9 Act by requiring an employee of the appraisal management  
10 company who is an appraiser to sign an appraisal that was  
11 completed by another appraiser who is part of the appraisal  
12 panel of the appraisal management company;

13 (6) any person acting as an agent of the Illinois  
14 Department of Transportation in the acquisition or  
15 relinquishment of land for transportation issues to the  
16 extent of their contract scope; ~~or~~

17 (7) a design professional entity when the appraisal is  
18 not used for mortgage purposes and the end user client is  
19 an agency of State government or a unit of local  
20 government; ~~or~~

21 (8) an appraiser firm whose ownership is appropriately  
22 certified under the Real Estate Appraiser Licensing Act of  
23 2002; or

24 (9) an appraisal management company solely engaged in  
25 non-residential appraisal management services.

26 (b) A federally regulated appraisal management company

1 shall register with the Department for the sole purpose of  
2 collecting required information for, and to pay all fees  
3 associated with, the State of Illinois' obligation to register  
4 the federally regulated appraisal management company with the  
5 Appraisal Management Companies National Registry, but the  
6 federally regulated appraisal management company is otherwise  
7 exempt from all other provisions in this Act.

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

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

17 (225 ILCS 459/17 new)

18 Sec. 17. Address of record; email address of record. All  
19 applicants and registrants shall:

20 (1) provide a valid address and email address to the  
21 Department, which shall serve as the address of record and  
22 email address of record, respectively, at the time of  
23 application for registration or renewal of a registration;  
24 and

25 (2) inform the Department of any change of address of

1 record or email address of record within 14 days after such  
2 change either through the Department's website or through a  
3 multi-state registration system as designated by the  
4 Secretary.

5 (225 ILCS 459/20)

6 Sec. 20. Restrictions and limitations. Beginning January  
7 1, 2012, it is unlawful for a person or entity to act or assume  
8 to act as an appraisal management company as defined in this  
9 Act, to engage in the business of appraisal management service,  
10 or to advertise or hold himself or herself out to be a  
11 registered appraisal management company without first  
12 obtaining a registration issued by the Department under this  
13 Act. A person or entity that violates this Section is guilty of  
14 a Class A misdemeanor for the first offense and a Class 4  
15 felony for second and subsequent offenses.

16 ~~Persons practicing as an appraisal management company in~~  
17 ~~Illinois as of the effective date of this Act may continue to~~  
18 ~~practice as provided in this Act until the Department has~~  
19 ~~adopted rules implementing this Act. To continue practicing as~~  
20 ~~an appraisal management company after the adoption of rules,~~  
21 ~~persons shall apply for registration within 180 days after the~~  
22 ~~effective date of the rules. If an application is received~~  
23 ~~during the 180-day period, the person may continue to practice~~  
24 ~~until the Department acts to grant or deny registration. If an~~  
25 ~~application is not filed within the 180 day period, the person~~

1 ~~must cease the practice at the conclusion of the 180-day period~~  
2 ~~and until the Department acts to grant a registration to the~~  
3 ~~person.~~

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

5 (225 ILCS 459/25)

6 Sec. 25. Powers and duties of the Department. Subject to  
7 the provisions of this Act:

8 (1) The Department may ascertain the qualifications  
9 and fitness of applicants for registration and pass upon  
10 the qualifications of applicants for registration.

11 (2) The Department may conduct hearings on proceedings  
12 to refuse to issue or renew or to revoke registrations or  
13 suspend, place on probation, or reprimand persons or  
14 otherwise discipline individuals or entities subject to  
15 this Act.

16 (3) The Department may adopt ~~formulate~~ all rules  
17 required for the administration of this Act. ~~With the~~  
18 ~~exception of emergency rules, any proposed rules,~~  
19 ~~amendments, second notice materials, and adopted rule or~~  
20 ~~amendment materials or policy statements concerning~~  
21 ~~appraisal management companies shall be presented to the~~  
22 ~~Real Estate Appraisal Administration and Disciplinary~~  
23 ~~Board for review and comment. The recommendations of the~~  
24 ~~Board shall be presented to the Secretary for consideration~~  
25 ~~in making final decisions.~~



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

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

13           (225 ILCS 459/32 new)

14           Sec. 32. Multi-state licensing system. The Secretary may  
15           require participation in a third-party, multi-state licensing  
16           system for registration under this Act. The multi-state  
17           licensing system may share regulatory information and maintain  
18           records in compliance with the provisions of this Act. The  
19           multi-state licensing system may charge the applicant an  
20           administration fee.

21           (225 ILCS 459/35)

22           Sec. 35. Application for original registration.  
23           Applications for original registration shall be made to the  
24           Department on forms prescribed by the Department, or through a

1 multi-state licensing system as designated by the Secretary,  
2 and accompanied by the required fee. All applications shall  
3 contain the information that, in the judgment of the  
4 Department, will enable the Department to pass on the  
5 qualifications of the applicant to be registered to practice as  
6 set by rule.

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

8 (225 ILCS 459/37 new)

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

13 (225 ILCS 459/40)

14 Sec. 40. Qualifications for registration.

15 (a) The Department may issue a certification of  
16 registration to practice under this Act to any applicant who is  
17 qualified to do business in this State and applies to the  
18 Department on forms provided by the Department, or through a  
19 multi-state licensing system as designated by the Secretary,  
20 pays the required non-refundable fees ~~fee~~, is qualified to  
21 transact business in this State, and ~~who~~ provides the  
22 following:

23 (1) the business name of the applicant seeking  
24 registration;

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

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

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

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

15           (6) a certification that the applicant will utilize  
16 Illinois licensed appraisers to provide appraisal services  
17 within the State of Illinois;

18           (7) a certification that the applicant has a system in  
19 place utilizing a licensed Illinois appraiser to review the  
20 work of all employed and independent appraisers that are  
21 performing real estate appraisal services in Illinois for  
22 the appraisal management company on a periodic basis,  
23 except for a quality control review, to verify that the  
24 real estate appraisal assignments are being conducted in  
25 accordance with USPAP;

26           (8) a certification that the applicant maintains a

1 detailed record of each service request that it receives  
2 and the independent appraiser that performs the real estate  
3 appraisal services for the appraisal management company;

4 (9) a certification that the employees of the appraisal  
5 management company working on behalf of the appraisal  
6 management company directly involved in providing  
7 appraisal management services, will be appropriately  
8 trained and familiar with the appraisal process to  
9 completely provide appraisal management services;

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

12 (11) a certification that the applicant shall comply  
13 with all other requirements of this Act and rules  
14 established for the implementation of this Act.

15 (b) Applicants have 3 years from the date of application to  
16 complete the application process. If the process has not been  
17 completed in 3 years, the application shall be denied, the fee  
18 shall be forfeited, and the applicant must reapply and meet the  
19 requirements in effect at the time of reapplication.

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

21 (225 ILCS 459/43 new)

22 Sec. 43. Application denial. If an application is denied,  
23 the applicant may, within 20 days after the date of the notice  
24 of denial, make a written request to the Secretary for a  
25 hearing on the application, and the Secretary shall set a time

1 and place for the hearing. The hearing shall be set for a date  
2 after the receipt by the Secretary of the request for hearing,  
3 and notice of the time and place of the hearing shall be  
4 communicated to the applicant at least 10 days before the date  
5 of the hearing. The applicant shall pay the actual cost of  
6 making the transcript of the hearing before the Secretary  
7 issues his or her decision following the hearing. If, following  
8 the hearing, the application is denied, the Secretary shall  
9 prepare and keep on file in his or her office a written order  
10 of denial thereof that shall contain his or her findings and  
11 the reasons supporting the denial and shall communicate a copy  
12 to the applicant in a manner prescribed by the Department. A  
13 decision may be reviewed as provided in Section 135.

14 (225 ILCS 459/47 new)

15 Sec. 47. Annual report; investigation; costs. Each  
16 registrant shall annually file a report with the Secretary for  
17 the calendar year period from January 1 through December 31,  
18 giving relevant information as the Secretary may reasonably  
19 require concerning, and for the purpose of examination for  
20 compliance with federal and State regulations, the business and  
21 operations during the preceding fiscal year period of each  
22 registered appraisal management company conducted by the  
23 registrant within the State. The report shall be made under  
24 oath and shall be in the form prescribed by rule. The Secretary  
25 may, at any time, investigate a registrant and every person,

1 partnership, association, limited liability company,  
2 corporation, or other business entity who or which is engaged  
3 in the business of operating an appraisal management company.  
4 For that purpose, the Secretary shall have free access to the  
5 offices and places of business and to records of all persons,  
6 firms, partnerships, associations, limited liability companies  
7 and members thereof, and corporations and to the officers and  
8 directors thereof that relate to the appraisal management  
9 company. The investigation may be conducted in conjunction with  
10 representatives of other State agencies or agencies of another  
11 state or of the United States as determined by the Secretary.  
12 The Secretary may require by subpoena the attendance of and  
13 examine under oath all persons whose testimony he or she may  
14 require relative to the appraisal management company, and, in  
15 those cases, the Secretary, or a representative whom he or she  
16 may designate, may administer oaths to all persons called as  
17 witnesses, and the Secretary, or a representative of the  
18 Secretary, may conduct an audit, and there shall be paid to the  
19 Secretary for each audit a fee, to be established by rule, for  
20 each day or part thereof for each representative designated and  
21 required to conduct the audit.

22 (225 ILCS 459/55)

23 Sec. 55. Fees.

24 (a) The fees for the administration and enforcement of this  
25 Act, including, but not limited to, original registration fees,

1 renewal fees, appraiser panel fees, appraiser management  
2 company national registry fees, and restoration fees, shall be  
3 set by the Department by rule. The fees shall not be  
4 refundable.

5 (b) All fees and other moneys collected under this Act  
6 shall be deposited in the Appraisal Administration Fund, except  
7 as provided in subsection (d) of this Section.

8 (c) The Department shall establish by rule a process for  
9 calculating, collecting, and paying appraiser panel fees and,  
10 where applicable, appraiser management company national  
11 registry fees in a manner consistent with Title XI of the  
12 federal Financial Institutions Reform, Recovery, and  
13 Enforcement Act of 1989.

14 (d) The administration fee charged by the multi-state  
15 licensing system shall be paid directly to the multi-state  
16 licensing system.

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

18 (225 ILCS 459/65)

19 Sec. 65. Disciplinary actions.

20 (a) The Department may refuse to issue or renew, or may  
21 revoke, suspend, place on probation, reprimand, or take other  
22 disciplinary or non-disciplinary action as the Department may  
23 deem appropriate, including imposing fines not to exceed  
24 \$25,000 for each violation, with regard to any registration for  
25 any one or combination of the following:

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

3           (2) Violations of this Act, or of the rules adopted  
4 under this Act.

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

11           (4) Making any misrepresentation for the purpose of  
12 obtaining registration or violating any provision of this  
13 Act or the rules adopted under this Act pertaining to  
14 advertising.

15           (5) Professional incompetence.

16           (6) Gross malpractice.

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

19           (8) Failing, within 30 days after requested, to provide  
20 information in response to a written request made by the  
21 Department.

22           (9) Engaging in dishonorable, unethical, or  
23 unprofessional conduct of a character likely to deceive,  
24 defraud, or harm the public.

25           (10) Discipline by another state, District of  
26 Columbia, territory, or foreign nation, if at least one of



1 the grounds for the discipline is the same or substantially  
2 equivalent to those set forth in this Section.

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

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

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

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

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

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

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

20 (18) Failure to pay appraiser panel fees or appraisal  
21 management company national registry fees.

22 (b) The Department may refuse to issue or may suspend  
23 without hearing as provided for in the Civil Administrative  
24 Code the registration of any person who fails to file a return,  
25 or to pay the tax, penalty or interest shown in a filed return,  
26 or to pay any final assessment of the tax, penalty, or interest

1 as required by any tax Act administered by the Illinois  
2 Department of Revenue, until such time as the requirements of  
3 any such tax Act are satisfied.

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

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

18 (225 ILCS 459/67 new)

19 Sec. 67. Good moral character. If an applicant, or an  
20 ownership interest of the applicant, has had a license or  
21 registration revoked on a prior occasion, has been found to  
22 have committed any of the practices enumerated in Section 65,  
23 has been convicted of or entered a plea of guilty or nolo  
24 contendere to forgery, embezzlement, obtaining money under  
25 false pretenses, larceny, extortion, conspiracy to defraud, or

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

17 (225 ILCS 459/68 new)

18 Sec. 68. Criminal history records background check. Each  
19 individual applicant or controlling person on behalf of a  
20 business entity that applies for registration or restoration  
21 shall have his or her fingerprints submitted to the Department  
22 of State Police in an electronic format that complies with the  
23 form and manner for requesting and furnishing criminal history  
24 record information as prescribed by the Department of State  
25 Police, or through a multi-state licensing system as designated

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

15 (225 ILCS 459/160)

16 Sec. 160. Business practice provisions; standards of  
17 practice.

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

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

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

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

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

21           (e) Appraisal management companies or employees of an  
22 appraisal management company involved in a real estate  
23 transaction who have a reasonable basis to believe that an  
24 appraiser involved in the preparation of an appraisal for the  
25 real estate transaction has failed to comply with the Uniform  
26 Standards of Professional Appraisal Practice, has violated

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

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

22 (g) No appraisal management company procuring or  
23 facilitating an appraisal may have a direct or indirect  
24 interest, financial or otherwise, in the real estate or the  
25 transaction that is the subject of the appraisal, as defined by  
26 the federal Dodd-Frank Wall Street Reform and Consumer

1 Protection Act, any amendments thereto, or successor acts or  
2 other applicable provisions of federal law or regulations.

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

4 (225 ILCS 459/163 new)

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

1 at any time during the 12 months after the appraiser's removal,  
2 the removal would be deemed not to have occurred and the  
3 appraiser is deemed to have been part of the appraisal  
4 management company's appraiser panel without interruption.

5 (225 ILCS 459/177 new)

6 Sec. 177. Administrator, executor, or guardian. If the  
7 ownership of an appraisal management company registered under  
8 this Act is held or contained in an estate subject to the  
9 control and supervision of an administrator, executor, or  
10 guardian appointed, approved, or by a court of the State of  
11 Illinois, having jurisdiction so to do, the administrator,  
12 executor, or guardian may, upon the entry of an order by the  
13 court granting leave to continue the operation of the appraisal  
14 management company, apply to the Secretary for a registration  
15 under this Act. If the administrator, executor, or guardian  
16 applies for an appraisal management company registration  
17 pursuant to this Section and complies with all of the  
18 provisions of this Act relating to the application for an  
19 appraisal management company registration, the Secretary may  
20 issue to the applicant an appraisal management company  
21 registration. An appraisal management company registration  
22 issued to an appraisal management company, for which an  
23 application for a registration is sought under this Section, if  
24 not previously surrendered, lapsed, or revoked, shall be  
25 surrendered, revoked, or otherwise terminated before a



1 registration is issued pursuant to the application made under  
2 this Section.

3 Section 99. Effective date. This Act takes effect upon  
4 becoming law.