



Rep. Michael J. Zalewski

Filed: 5/24/2018

10000SB2617ham001

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1 AMENDMENT TO SENATE BILL 2617

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2617 by replacing  
3 everything after the enacting clause with the following:

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9 (Section scheduled to be repealed on January 1, 2022)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

1 recognized by the U.S. Secretary of Education.

2 "Address of record" means the designated address recorded  
3 by the Department in the applicant's or licensee's application  
4 file or license file as maintained by the Department's  
5 licensure maintenance unit. It is the duty of the applicant or  
6 licensee to inform the Department of any change of address and  
7 those changes must be made either through the Department's  
8 website or by contacting the Department.

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

11 "Appraisal" means (noun) the act or process of developing  
12 an opinion of value; an opinion of value (adjective) of or  
13 pertaining to appraising and related functions, such as  
14 appraisal practice or appraisal services.

15 "Appraisal assignment" means a valuation service provided  
16 as a consequence of an agreement between an appraiser and a  
17 client.

18 "Appraisal consulting" means the act or process of  
19 developing an analysis, recommendation, or opinion to solve a  
20 problem, where an opinion of value is a component of the  
21 analysis leading to the assignment results.

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

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

1 ~~clients and appraisers. "Appraisal management company" does~~  
2 ~~not include an appraisal firm.~~

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

7 "Appraisal report" means any communication, written or  
8 oral, of an appraisal or appraisal review that is transmitted  
9 to a client upon completion of an assignment.

10 "Appraisal review" means the act or process of developing  
11 and communicating an opinion about the quality of another  
12 appraiser's work that was performed as part of an appraisal,  
13 appraisal review, or appraisal assignment.

14 "Appraisal Subcommittee" means the Appraisal Subcommittee  
15 of the Federal Financial Institutions Examination Council as  
16 established by Title XI.

17 "Appraiser" means a person who performs real estate or real  
18 property appraisals.

19 "AQB" means the Appraisal Qualifications Board of the  
20 Appraisal Foundation.

21 "Associate real estate trainee appraiser" means an  
22 entry-level appraiser who holds a license of this  
23 classification under this Act with restrictions as to the scope  
24 of practice in accordance with this Act.

25 "Board" means the Real Estate Appraisal Administration and  
26 Disciplinary Board.

1 "Broker price opinion" means an estimate or analysis of the  
2 probable selling price of a particular interest in real estate,  
3 which may provide a varying level of detail about the  
4 property's condition, market, and neighborhood and information  
5 on comparable sales. The activities of a real estate broker or  
6 managing broker engaging in the ordinary course of business as  
7 a broker, as defined in this Section, shall not be considered a  
8 broker price opinion if no compensation is paid to the broker  
9 or managing broker, other than compensation based upon the sale  
10 or rental of real estate.

11 "Classroom hour" means 50 minutes of instruction out of  
12 each 60 minute segment of coursework.

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

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

1 the sale or rental of real estate.

2 "Coordinator" means the Coordinator of Real Estate  
3 Appraisal of the Division of Professional Regulation of the  
4 Department of Financial and Professional Regulation.

5 "Department" means the Department of Financial and  
6 Professional Regulation.

7 "Federal financial institutions regulatory agencies" means  
8 the Board of Governors of the Federal Reserve System, the  
9 Federal Deposit Insurance Corporation, the Office of the  
10 Comptroller of the Currency, the Consumer Financial Protection  
11 Bureau, and the National Credit Union Administration.

12 "Federally related transaction" means any real  
13 estate-related financial transaction in which a federal  
14 financial institutions regulatory agency engages in, contracts  
15 for, or regulates and requires the services of an appraiser.

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

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

26 "Person" means an individual, entity, sole proprietorship,

1 corporation, limited liability company, partnership, and joint  
2 venture, foreign or domestic, except that when the context  
3 otherwise requires, the term may refer to more than one  
4 individual or other described entity.

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 "State certified general real estate appraiser" means an  
22 appraiser who holds a license of this classification under this  
23 Act and such classification applies to the appraisal of all  
24 types of real property without restrictions as to the scope of  
25 practice.

26 "State certified residential real estate appraiser" means

1 an appraiser who holds a license of this classification under  
2 this Act and such classification applies to the appraisal of  
3 one to 4 units of residential real property without regard to  
4 transaction value or complexity, but with restrictions as to  
5 the scope of practice in a federally related transaction in  
6 accordance with Title XI, the provisions of USPAP, criteria  
7 established by the AQB, and further defined by rule.

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

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

20 "USPAP" means the Uniform Standards of Professional  
21 Appraisal Practice as promulgated by the Appraisal Standards  
22 Board pursuant to Title XI and by rule.

23 "Valuation services" means services pertaining to aspects  
24 of property value.

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



1 (225 ILCS 458/5-7 new)

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

8 (225 ILCS 458/5-10)

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

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

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

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

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

19 (3) (blank);

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

22 (5) prior to taking the examination, provide evidence  
23 to the Department, or through a multi-state licensing  
24 system as designated by the Secretary, in Modular Course  
25 format, with each module conforming to the Required Core

1 Curriculum established and adopted by the AQB, that he or  
2 she has successfully completed the prerequisite classroom  
3 hours of instruction in appraising as established by the  
4 AQB and by rule; and

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

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

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

16 (225 ILCS 458/5-15)

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

18 Sec. 5-15. Application for State certified residential  
19 real estate appraiser. Every person who desires to obtain a  
20 State certified residential real estate appraiser license  
21 shall:

22 (1) apply to the Department on forms provided by the  
23 Department, or through a multi-state licensing system as  
24 designated by the Secretary, accompanied by the required  
25 fee;

- 1           (2) be at least 18 years of age;
- 2           (3) (blank);
- 3           (4) personally take and pass an examination authorized
- 4 by the Department and endorsed by the AQB;
- 5           (5) prior to taking the examination, provide evidence
- 6 to the Department, or through a multi-state licensing
- 7 system as designated by the Secretary, in Modular Course
- 8 format, with each module conforming to the Required Core
- 9 Curriculum established and adopted by the AQB, that he or
- 10 she has successfully completed the prerequisite classroom
- 11 hours of instruction in appraising as established by the
- 12 AQB and by rule; and
- 13           (6) prior to taking the examination, provide evidence
- 14 to the Department, or through a multi-state licensing
- 15 system as designated by the Secretary, that he or she has
- 16 successfully completed the prerequisite experience and
- 17 educational requirements as established by AQB and by rule.
- 18 (Source: P.A. 100-201, eff. 8-18-17.)

19           (225 ILCS 458/5-20)

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

21           Sec. 5-20. Application for associate real estate trainee

22 appraiser. Every person who desires to obtain an associate real

23 estate trainee appraiser license shall:

- 24           (1) apply to the Department on forms provided by the
- 25 Department, or through a multi-state licensing system as

1       designated by the Secretary, accompanied by the required  
2       fee;

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

4           (3) provide evidence of having attained a high school  
5       diploma or completed an equivalent course of study as  
6       determined by an examination conducted or accepted by the  
7       Illinois State Board of Education;

8           (4) personally take and pass an examination authorized  
9       by the Department; and

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

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

16       (225 ILCS 458/5-22)

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

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

19       (a) Each applicant for licensure by examination or  
20       restoration shall have his or her fingerprints submitted to the  
21       Department of State Police in an electronic format that  
22       complies with the form and manner for requesting and furnishing  
23       criminal history record information as prescribed by the  
24       Department of State Police. These fingerprints shall be checked  
25       against the Department of State Police and Federal Bureau of

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

12 (b) The Secretary may designate a multi-state licensing  
13 system to perform the functions described in subsection (a).  
14 The Department may require applicants to pay a separate  
15 fingerprinting fee, either to the Department or to the  
16 multi-state licensing system. The Department may adopt any  
17 rules necessary to implement this subsection.

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

19 (225 ILCS 458/5-25)

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

21 Sec. 5-25. Renewal of license.

22 (a) The expiration date and renewal period for a State  
23 certified general real estate appraiser license or a State  
24 certified residential real estate appraiser license issued  
25 under this Act shall be set by rule. Except as otherwise

1 provided in subsections (b) and (f) of this Section, the holder  
2 of a license may renew the license within 90 days preceding the  
3 expiration date by:

4 (1) completing and submitting to the Department, or  
5 through a multi-state licensing system as designated by the  
6 Secretary, a renewal application form as provided by the  
7 Department;

8 (2) paying the required fees; and

9 (3) providing evidence to the Department, or through a  
10 multi-state licensing system as designated by the  
11 Secretary, of successful completion of the continuing  
12 education requirements through courses approved by the  
13 Department from education providers licensed by the  
14 Department, as established by the AQB and by rule.

15 (b) A State certified general real estate appraiser or  
16 State certified residential real estate appraiser whose  
17 license under this Act has expired may renew the license for a  
18 period of 2 years following the expiration date by complying  
19 with the requirements of paragraphs (1), (2), and (3) of  
20 subsection (a) of this Section and paying any late penalties  
21 established by rule.

22 (c) (Blank).

23 (d) The expiration date and renewal period for an associate  
24 real estate trainee appraiser license issued under this Act  
25 shall be set by rule. Except as otherwise provided in  
26 subsections (e) and (f) of this Section, the holder of an

1 associate real estate appraiser license may renew the license  
2 within 90 days preceding the expiration date by:

3 (1) completing and submitting to the Department, or  
4 through a multi-state licensing system as designated by the  
5 Secretary, a renewal application form as provided by the  
6 Department;

7 (2) paying the required fees; and

8 (3) providing evidence to the Department, or through a  
9 multi-state licensing system as designated by the  
10 Secretary, of successful completion of the continuing  
11 education requirements through courses approved by the  
12 Department from education providers approved by the  
13 Department, as established by rule.

14 (e) Any associate real estate appraiser trainee whose  
15 license under this Act has expired may renew the license for a  
16 period of 2 years following the expiration date by complying  
17 with the requirements of paragraphs (1), (2), and (3) of  
18 subsection (d) of this Section and paying any late penalties as  
19 established by rule. An associate real estate trainee appraiser  
20 license may not be renewed more than 2 times.

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

25 (1) on active duty with the United States Armed  
26 Services;

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

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

8           (g) The Department shall provide reasonable care and due  
9           diligence to ensure that each licensee under this Act is  
10          provided with a renewal application at least 90 days prior to  
11          the expiration date, but each licensee is responsible to timely  
12          renew or convert his or her license prior to its expiration  
13          date.

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

15           (225 ILCS 458/5-55)

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

17           Sec. 5-55. Fees.

18          (a) The Department shall establish rules for fees to be  
19          paid by applicants and licensees to cover the reasonable costs  
20          of the Department in administering and enforcing the provisions  
21          of this Act. The Department, with the advice of the Board, may  
22          also establish rules for general fees to cover the reasonable  
23          expenses of carrying out other functions and responsibilities  
24          under this Act.

25          (b) The administration fee charged by the multi-state



1 licensing system shall be paid directly to the multi-state  
2 licensing system.

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

4 (225 ILCS 458/20-5)

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

6 Sec. 20-5. Education providers.

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

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

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

16 (2) a sufficient number of qualified instructors;

17 (3) adequate support personnel to assist with  
18 administrative matters and technical assistance;

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

21 (5) a qualified administrator, who is responsible for  
22 the administration of the education provider, courses, and  
23 the actions of the instructors; and

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

25 (c) All applicants for an education provider's license

1 shall make initial application to the Department on forms  
2 provided by the Department, or through a multi-state licensing  
3 system as designated by the Secretary, and pay the appropriate  
4 fee as provided by rule. The term, expiration date, and renewal  
5 of an education provider's license shall be established by  
6 rule.

7 (d) An education provider shall provide each successful  
8 course participant with a certificate of completion signed by  
9 the school administrator. The format and content of the  
10 certificate shall be specified by rule.

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

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

15 (225 ILCS 458/20-10)

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

17 Sec. 20-10. Course approval.

18 (a) Only courses offered by licensed education providers  
19 and approved by the Department, courses approved by the AQB, or  
20 courses approved by jurisdictions regulated by the Appraisal  
21 Subcommittee shall be used to meet the requirements of this Act  
22 and rules.

23 (b) An education provider licensed under this Act may  
24 submit courses to the Department, or through a multi-state  
25 licensing system as designated by the Secretary, for approval.

1 The criteria, requirements, and fees for courses shall be  
2 established by rule in accordance with this Act and the  
3 criteria established by the AQB.

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

7 (d) An education provider must use an instructor for each  
8 course approved by the Department who (i) holds a valid real  
9 estate appraisal license in good standing as a State certified  
10 general real estate appraiser or a State certified residential  
11 real estate appraiser in Illinois or any other jurisdiction  
12 monitored by the Appraisal Subcommittee, (ii) holds a valid  
13 teaching certificate issued by the State of Illinois, (iii) is  
14 a faculty member in good standing with an accredited college or  
15 university or community college, or (iv) is an approved  
16 appraisal instructor from an appraisal organization that is a  
17 member of the Appraisal Foundation.

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

19 Section 10. The Appraisal Management Company Registration  
20 Act is amended by changing Sections 5, 10, 15, 20, 25, 35, 40,  
21 55, 65, and 160 and by adding Sections 17, 32, 37, 43, 47, 67,  
22 68, 163, and 177 as follows:

23 (225 ILCS 459/5)

24 Sec. 5. Findings. The General Assembly finds that: It is

1 the intent of the General Assembly that this Act provide for  
2 the regulation of those persons or entities engaged as  
3 appraisal management companies for the protection of the public  
4 and for the maintenance of high standards of professional  
5 conduct by those registered as appraisal management companies  
6 in one to four family real estate transactions and to ensure  
7 appraisal independence in the determination of real estate  
8 valuations.

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

10 (225 ILCS 459/10)

11 Sec. 10. Definitions. In this Act:

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

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

23 "Appraisal" means (noun) the act or process of developing  
24 an opinion of value; an opinion of value (adjective) of or  
25 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 ~~performs the following appraisal management~~  
10 ~~services:~~ (1) provides appraisal management services to  
11 creditors or secondary mortgage market participants; (2)  
12 provides appraisal management services in connection with  
13 valuing the consumer's principal dwelling as security for a  
14 consumer credit transaction (including consumer credit  
15 transactions incorporated into securitizations); (3) within a  
16 given year, oversees an appraiser panel of any size of  
17 State-certified appraisers in Illinois; and (4) any appraisal  
18 management company that, within a given year, oversees an  
19 appraiser panel of 16 or more State-certified appraisers in  
20 Illinois or 25 or more State-certified or State-licensed  
21 appraisers in 2 or more jurisdictions shall be subject to the  
22 appraisal management company national registry fee in addition  
23 to the appraiser panel fee. "Appraisal management company"  
24 includes a hybrid entity. ~~administers networks of independent~~  
25 ~~contractors or employee appraisers to perform real estate~~  
26 ~~appraisal assignments for clients;~~ (2) ~~receives requests for~~

1 ~~real estate appraisal services from clients and, for a fee paid~~  
2 ~~by the client, enters into an agreement with one or more~~  
3 ~~independent appraisers to perform the real estate appraisal~~  
4 ~~services contained in the request; or (3) otherwise serves as a~~  
5 ~~third party broker of appraisal management services between~~  
6 ~~clients and appraisers.~~

7 "Appraisal management company national registry fee" means  
8 the fee implemented pursuant to Title XI of the federal  
9 Financial Institutions Reform, Recovery and Enforcement Act of  
10 1989 for an appraiser management company's national registry.

11 "Appraisal management services" means one or more of the  
12 following:

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

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

16 (3) managing the process of having an appraisal  
17 performed, including providing administrative services  
18 such as receiving appraisal orders and appraisal reports;  
19 submitting completed appraisal reports to creditors and  
20 secondary market participants; collecting compensation  
21 from creditors, appraisers, or secondary market  
22 participants for services provided; or paying appraisers  
23 for services performed; or

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

25 "Appraiser panel" means a network, list, or roster of  
26 licensed or certified appraisers approved by the appraisal

1 management company or by the end-user client to perform  
2 appraisals for the appraisal management company. "Appraiser  
3 panel" includes both appraisers accepted by an appraisal  
4 management company for consideration for future appraisal  
5 assignments and appraisers engaged by an appraisal management  
6 company to perform one or more appraisals.

7 "Appraiser panel fee" means the amount collected from a  
8 registrant that, where applicable, includes an appraisal  
9 management company's national registry fee.

10 "Appraisal report" means a written appraisal by an  
11 appraiser to a client.

12 "Appraisal practice service" means valuation services  
13 performed by an individual acting as an appraiser, including,  
14 but not limited to, appraisal, or appraisal review, ~~or~~  
15 ~~appraisal consulting.~~

16 "Appraisal subcommittee" means the appraisal subcommittee  
17 of the Federal Financial Institutions Examination Council as  
18 established by Title XI.

19 "Appraiser" means a person who performs real estate or real  
20 property appraisals.

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

23 "Audit" includes, but is not limited to, an annual or  
24 special audit, visit, or review necessary under this Act or  
25 required by the Secretary or the Secretary's authorized  
26 representative in carrying out the duties and responsibilities

1 under this Act.

2 ~~"Board" means the Real Estate Appraisal Administration and~~  
3 ~~Disciplinary Board.~~

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

6 "Controlling Person" means:

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

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

12 (A) enter into a contractual relationship with a  
13 client for the performance of an appraisal management  
14 service or appraisal practice service; and

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

17 (3) an individual who possesses, directly or  
18 indirectly, the power to direct or cause the direction of  
19 the management or policies of an appraisal management  
20 company; or

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

24 "Coordinator" means the Coordinator of the Appraisal  
25 Management Company Registration Unit of the Department or his  
26 or her designee.



1       "Covered transaction" means a consumer credit transaction  
2 secured by a consumer's principal dwelling.

3       "Department" means the Department of Financial and  
4 Professional Regulation.

5       "Email address of record" means the designated email  
6 address recorded by the Department in the applicant's  
7 application file or the registrant's registration file  
8 maintained by the Department's registration maintenance unit.

9       "Entity" means a corporation, a limited liability company,  
10 partnership, a sole proprietorship, or other entity providing  
11 services or holding itself out to provide services as an  
12 appraisal management company or an appraisal management  
13 service.

14       "End-user client" means any person who utilizes or engages  
15 the services of an appraiser through an appraisal management  
16 company.

17       "Federally regulated appraisal management company" means  
18 an appraisal management company that is owned and controlled by  
19 an insured depository institution, as defined in 12 U.S.C.  
20 1813, or an insured credit union, as defined in 12 U.S.C. 1752,  
21 and regulated by the Office of the Comptroller of the Currency,  
22 the Federal Reserve Board, the National Credit Union  
23 Association, or the Federal Deposit Insurance Corporation.

24       "Financial institution" means any bank, savings bank,  
25 savings and loan association, credit union, mortgage broker,  
26 mortgage banker, registrant under the Consumer Installment

1 Loan Act or the Sales Finance Agency Act, or a corporate  
2 fiduciary, subsidiary, affiliate, parent company, or holding  
3 company of any registrant, or any institution involved in real  
4 estate financing that is regulated by State or federal law.

5 "Foreign appraisal management company" means any appraisal  
6 management company organized under the laws of any other state  
7 of the United States, the District of Columbia, or any other  
8 jurisdiction of the United States.

9 "Hybrid entity" means an appraisal management company that  
10 hires an appraiser as an employee to perform an appraisal and  
11 engages an independent contractor to perform an appraisal.

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

15 "Person" means individuals, entities, sole  
16 proprietorships, corporations, limited liability companies,  
17 and alien, foreign, or domestic partnerships, ~~foreign or~~  
18 ~~domestic~~, except that when the context otherwise requires, the  
19 term may refer to a single individual or other described  
20 entity.

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

26 "Principal office" means the actual, physical business

1 address, which shall not be a post office box or a virtual  
2 business address, of a registrant, at which (i) the Department  
3 may contact the registrant and (ii) records required under this  
4 Act are maintained.

5 "Qualified to transact business in this State" means being  
6 in compliance with the requirements of the Business Corporation  
7 Act of 1983.

8 "Quality control review" means a review of an appraisal  
9 report for compliance and completeness, including grammatical,  
10 typographical, or other similar errors, unrelated to  
11 developing an opinion of value.

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

14 "Real estate related financial transaction" means any  
15 transaction involving:

16 (1) the sale, lease, purchase, investment in, or  
17 exchange of real property, including interests in property  
18 or the financing thereof;

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

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

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

26 "Secretary" means the Secretary of Financial and

1 Professional Regulation.

2 "USPAP" means the Uniform Standards of Professional  
3 Appraisal Practice as adopted by the Appraisal Standards Board  
4 under Title XI.

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

10 "Written notice" means a communication transmitted by mail  
11 or by electronic means that can be verified between an  
12 appraisal management company and a licensed or certified real  
13 estate appraiser.

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

15 (225 ILCS 459/15)

16 Sec. 15. Exemptions.

17 (a) Nothing in this Act shall apply to any of the  
18 following:

19 (1) an agency of the federal, State, county, or  
20 municipal government or an officer or employee of a  
21 government agency, or person, described in this Section  
22 when acting within the scope of employment of the officer  
23 or employee;

24 (2) a corporate relocation company when the appraisal  
25 is not used for mortgage purposes and the end user client

1 is an employer company;

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

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

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

20 (6) any person acting as an agent of the Illinois  
21 Department of Transportation in the acquisition or  
22 relinquishment of land for transportation issues to the  
23 extent of their contract scope; ~~or~~

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

1 government; ~~+~~

2 (8) an appraiser firm whose ownership is appropriately  
3 certified under the Real Estate Appraiser Licensing Act of  
4 2002; or

5 (9) an appraisal management company solely engaged in  
6 non-residential appraisal management services.

7 (b) A federally regulated appraisal management company  
8 shall register with the Department for the sole purpose of  
9 collecting required information for, and to pay all fees  
10 associated with, the State of Illinois' obligation to register  
11 the federally regulated appraisal management company with the  
12 Appraisal Management Companies National Registry, but the  
13 federally regulated appraisal management company is otherwise  
14 exempt from all other provisions in 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 459/32 new)

21 Sec. 32. Multi-state licensing system. The Secretary may  
22 require participation in a third-party, multi-state licensing  
23 system for registration under this Act. The multi-state  
24 licensing system may share regulatory information and maintain  
25 records in compliance with the provisions of this Act. The

1 multi-state licensing system may charge the applicant an  
2 administration fee.

3 (225 ILCS 459/35)

4 Sec. 35. Application for original registration.  
5 Applications for original registration shall be made to the  
6 Department on forms prescribed by the Department, or through a  
7 multi-state licensing system as designated by the Secretary,  
8 and accompanied by the required fee. All applications shall  
9 contain the information that, in the judgment of the  
10 Department, will enable the Department to pass on the  
11 qualifications of the applicant to be registered to practice as  
12 set by rule.

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

14 (225 ILCS 459/37 new)

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

19 (225 ILCS 459/40)

20 Sec. 40. Qualifications for registration.

21 (a) The Department may issue a certification of  
22 registration to practice under this Act to any applicant who is  
23 qualified to do business in this State and applies to the

1 Department on forms provided by the Department, or through a  
2 multi-state licensing system as designated by the Secretary,  
3 pays the required non-refundable fees ~~fee~~, is qualified to  
4 transact business in this State, and ~~who~~ provides the  
5 following:

6 (1) the business name of the applicant seeking  
7 registration;

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

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

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

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

22 (6) a certification that the applicant will utilize  
23 Illinois licensed appraisers to provide appraisal services  
24 within the State of Illinois;

25 (7) a certification that the applicant has a system in  
26 place utilizing a licensed Illinois appraiser to review the

1 work of all employed and independent appraisers that are  
2 performing real estate appraisal services in Illinois for  
3 the appraisal management company on a periodic basis,  
4 except for a quality control review, to verify that the  
5 real estate appraisal assignments are being conducted in  
6 accordance with USPAP;

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

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

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

19 (11) a certification that the applicant shall comply  
20 with all other requirements of this Act and rules  
21 established for the implementation of this Act.

22 (b) Applicants have 3 years from the date of application to  
23 complete the application process. If the process has not been  
24 completed in 3 years, the application shall be denied, the fee  
25 shall be forfeited, and the applicant must reapply and meet the  
26 requirements in effect at the time of reapplication.

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

2 (225 ILCS 459/43 new)

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

20 (225 ILCS 459/47 new)

21 Sec. 47. Annual report; investigation; costs. Each  
22 registrant shall annually file a report with the Secretary for  
23 the calendar year period from January 1 through December 31,  
24 giving relevant information as the Secretary may reasonably

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

1 each day or part thereof for each representative designated and  
2 required to conduct the audit.

3 (225 ILCS 459/55)

4 Sec. 55. Fees.

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

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

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

20 (d) The administration fee charged by the multi-state  
21 licensing system shall be paid directly to the multi-state  
22 licensing system.

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

24 (225 ILCS 459/65)

1           Sec. 65. Disciplinary actions.

2           (a) The Department may refuse to issue or renew, or may  
3           revoke, suspend, place on probation, reprimand, or take other  
4           disciplinary or non-disciplinary action as the Department may  
5           deem appropriate, including imposing fines not to exceed  
6           \$25,000 for each violation, with regard to any registration for  
7           any one or combination of the following:

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

10                   (2) Violations of this Act, or of the rules adopted  
11           under this Act.

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

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

22                   (5) Professional incompetence.

23                   (6) Gross malpractice.

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

26                   (8) Failing, within 30 days after requested, to provide



1 information in response to a written request made by the  
2 Department.

3 (9) Engaging in dishonorable, unethical, or  
4 unprofessional conduct of a character likely to deceive,  
5 defraud, or harm the public.

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

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

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

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

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

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

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

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

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

3           (b) The Department may refuse to issue or may suspend  
4 without hearing as provided for in the Civil Administrative  
5 Code the registration of any person who fails to file a return,  
6 or to pay the tax, penalty or interest shown in a filed return,  
7 or to pay any final assessment of the tax, penalty, or interest  
8 as required by any tax Act administered by the Illinois  
9 Department of Revenue, until such time as the requirements of  
10 any such tax Act are satisfied.

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

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

1       Sec. 67. Good moral character. If an applicant, or an  
2 ownership interest of the applicant, has had a license or  
3 registration revoked on a prior occasion, has been found to  
4 have committed any of the practices enumerated in Section 65,  
5 has been convicted of or entered a plea of guilty or nolo  
6 contendere to forgery, embezzlement, obtaining money under  
7 false pretenses, larceny, extortion, conspiracy to defraud, or  
8 a similar offense or offenses, or has been convicted of a  
9 felony involving moral turpitude in a court of competent  
10 jurisdiction in this State or any other state, district, or  
11 territory of the United States or of a foreign country, the  
12 Department may consider the prior revocation, conduct, or  
13 conviction in its determination of the applicant's moral  
14 character and whether to grant the applicant's registration. In  
15 its consideration of the prior revocation, conduct, or  
16 conviction, the Department shall take into account the nature  
17 of the conduct, any aggravating or extenuating circumstances,  
18 the time elapsed since the revocation, conduct, or conviction,  
19 the rehabilitation or restitution performed by the applicant,  
20 and any other factors that the Department deems relevant. When  
21 an applicant has made a false statement of material fact on his  
22 or her application, the false statement may in itself be  
23 sufficient grounds to revoke or refuse to issue a registration.

24       (225 ILCS 459/68 new)

25       Sec. 68. Criminal history records background check. Each

1 individual applicant or controlling person on behalf of a  
2 business entity that applies for registration or restoration  
3 shall have his or her fingerprints submitted to the Department  
4 of State Police in an electronic format that complies with the  
5 form and manner for requesting and furnishing criminal history  
6 record information as prescribed by the Department of State  
7 Police, or through a multi-state licensing system as designated  
8 by the Secretary. These fingerprints shall be checked against  
9 the Department of State Police and Federal Bureau of  
10 Investigation criminal history record databases now and  
11 hereafter filed. The Department of State Police shall charge  
12 applicants a fee for conducting the criminal history records  
13 background check, which shall be deposited into the State  
14 Police Services Fund and shall not exceed the actual cost of  
15 the criminal history records background check. The Department  
16 of State Police shall furnish, pursuant to positive  
17 identification, records of Illinois convictions to the  
18 Department. The Department may require an applicant to pay a  
19 separate fingerprinting fee, either to the Department or to a  
20 vendor. The Department may adopt any rules necessary to  
21 implement this Section.

22 (225 ILCS 459/160)

23 Sec. 160. Business practice provisions; standards of  
24 practice.

25 (a) The Department may adopt by rule the Uniform Standards

1 of Professional Appraisal Practice as published from time to  
2 time by the Appraisal Standards Board of the Appraisal  
3 Foundation. Appraisal management companies shall not interfere  
4 with adherence to the Uniform Standards of Professional  
5 Appraisal Practice or the Real Estate Appraiser Act of 2002 or  
6 a subsequent Act by individuals licensed under the respective  
7 Acts.

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

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

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

23 (d) shall have its registration suspended under the provisions  
24 set forth in this Act until the registrant complies with this  
25 Section. Any individual registrant who operates as a sole  
26 proprietorship shall be considered a designated controlling

1 person for the purposes of this Act.

2 (e) Appraisal management companies or employees of an  
3 appraisal management company involved in a real estate  
4 transaction who have a reasonable basis to believe that an  
5 appraiser involved in the preparation of an appraisal for the  
6 real estate transaction has failed to comply with the Uniform  
7 Standards of Professional Appraisal Practice, has violated  
8 this Act or its rules, or has otherwise engaged in unethical  
9 conduct shall report the matter to the Department. Any  
10 registrant, employee, or individual acting on behalf of a  
11 registrant, acting in good faith, and not in a willful and  
12 wanton manner, in complying with this Act by reporting the  
13 conduct to the Department shall not, as a result of such  
14 actions, be subject to criminal prosecution or civil damages.

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

1 be in compliance under the Final ~~Interim~~ Rule of the federal  
2 Dodd-Frank Wall Street Reform and Consumer Protection Act.

3 (g) No appraisal management company procuring or  
4 facilitating an appraisal may have a direct or indirect  
5 interest, financial or otherwise, in the real estate or the  
6 transaction that is the subject of the appraisal, as defined by  
7 the federal Dodd-Frank Wall Street Reform and Consumer  
8 Protection Act, any amendments thereto, or successor acts or  
9 other applicable provisions of federal law or regulations.

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

11 (225 ILCS 459/163 new)

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

1 receives written notice from the appraiser asking to be removed  
2 from the appraiser panel; or (3) the date the appraisal  
3 management company receives notice of the death or incapacity  
4 of the appraiser. If an appraiser is removed from an appraisal  
5 management company's appraiser panel but the appraisal  
6 management company subsequently accepts the appraiser for  
7 consideration for future assignments or engages the appraiser  
8 at any time during the 12 months after the appraiser's removal,  
9 the removal would be deemed not to have occurred and the  
10 appraiser is deemed to have been part of the appraisal  
11 management company's appraiser panel without interruption.

12 (225 ILCS 459/177 new)

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



1 appraisal management company registration, the Secretary may  
2 issue to the applicant an appraisal management company  
3 registration. An appraisal management company registration  
4 issued to an appraisal management company, for which an  
5 application for a registration is sought under this Section, if  
6 not previously surrendered, lapsed, or revoked, shall be  
7 surrendered, revoked, or otherwise terminated before a  
8 registration is issued pursuant to the application made under  
9 this Section.

10 Section 99. Effective date. This Act takes effect upon  
11 becoming law."