

AN ACT concerning regulation.

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

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

(225 ILCS 458/1-10)

(Section scheduled to be repealed on January 1, 2022)

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

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

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

website or by contacting the Department.

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

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

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

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

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

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

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

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

"Appraisal report" means any communication, written or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Federal financial institutions regulatory agencies" means

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

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

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

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

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

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

"Real estate related financial transaction" means any

transaction involving:

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

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

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

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

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

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

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

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

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

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

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

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

(225 ILCS 458/5-7 new)

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

(225 ILCS 458/5-10)

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

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

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

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

(2) be at least 18 years of age;

(3) (blank);

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

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

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

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

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

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

(225 ILCS 458/5-15)

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

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

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

(2) be at least 18 years of age;

(3) (blank);

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

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

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

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

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

(225 ILCS 458/5-20)

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

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

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

(2) be at least 18 years of age;

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

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

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

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

(225 ILCS 458/5-22)

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

Sec. 5-22. Criminal history records check.

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

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

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

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

(225 ILCS 458/5-25)

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

Sec. 5-25. Renewal of license.

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

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

(2) paying the required fees; and

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

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

(c) (Blank).

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

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

(2) paying the required fees; and

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

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

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

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

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

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

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

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

(225 ILCS 458/5-55)

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

Sec. 5-55. Fees.

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

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

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

(225 ILCS 458/20-5)

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

Sec. 20-5. Education providers.

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

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

- (1) a sound financial base for establishing, promoting, and delivering the necessary courses;
- (2) a sufficient number of qualified instructors;
- (3) adequate support personnel to assist with administrative matters and technical assistance;
- (4) a written policy dealing with procedures for management of grievances and fee refunds;
- (5) a qualified administrator, who is responsible for the administration of the education provider, courses, and the actions of the instructors; and
- (6) any other requirements as provided by rule.

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

(d) An education provider shall provide each successful

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

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

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

(225 ILCS 458/20-10)

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

Sec. 20-10. Course approval.

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

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

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

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

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

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

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

(225 ILCS 459/5)

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

valuations.

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

(225 ILCS 459/10)

Sec. 10. Definitions. In this Act:

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

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

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

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

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

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

"Appraisal management company national registry fee" means

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

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

- (1) recruiting, selecting, and retaining appraisers;
- (2) contracting with State-certified or State-licensed appraisers to perform appraisal assignments;
- (3) managing the process of having an appraisal performed, including providing administrative services such as receiving appraisal orders and appraisal reports; submitting completed appraisal reports to creditors and secondary market participants; collecting compensation from creditors, underwriters, or secondary market participants for services provided; or paying appraisers for services performed; or
- (4) reviewing and verifying the work of appraisers.

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

"Appraiser panel fee" means the amount collected from a

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

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

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

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

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

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

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

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

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

"Controlling Person" means:

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

to offer appraisal management services;

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

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

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

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

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

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

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

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

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

maintained by the Department's registration maintenance unit.

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

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

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

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

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

jurisdiction of the United States.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(225 ILCS 459/15)

Sec. 15. Exemptions.

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

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

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

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

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

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

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

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

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

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

(b) A federally regulated appraisal management company

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

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

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

(225 ILCS 459/17 new)

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

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

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

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

(225 ILCS 459/20)

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

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

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

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

(225 ILCS 459/25)

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

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

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

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

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

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

(225 ILCS 459/32 new)

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

(225 ILCS 459/35)

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

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

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

(225 ILCS 459/37 new)

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

(225 ILCS 459/40)

Sec. 40. Qualifications for registration.

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

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

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

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

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

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

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

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

(8) a certification that the applicant maintains a

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

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

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

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

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

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

(225 ILCS 459/43 new)

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

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

(225 ILCS 459/47 new)

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

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

(225 ILCS 459/55)

Sec. 55. Fees.

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

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

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

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

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

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

(225 ILCS 459/65)

Sec. 65. Disciplinary actions.

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

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

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

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

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

(5) Professional incompetence.

(6) Gross malpractice.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(225 ILCS 459/67 new)

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

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

(225 ILCS 459/68 new)

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

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

(225 ILCS 459/160)

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

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

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

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

(d) Each entity registered under this Act shall designate a controlling person who is responsible to assure that the company operates in compliance with this Act. The company shall file a form provided by the Department indicating the company's designation of the controlling person and such individual's acceptance of the responsibility. A registrant shall notify the Department of any change in its controlling person within 30 days. Any registrant who does not comply with this subsection (d) shall have its registration suspended under the provisions set forth in this Act until the registrant complies with this Section. Any individual registrant who operates as a sole proprietorship shall be considered a designated controlling person for the purposes of this Act.

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

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

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

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

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

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

(225 ILCS 459/163 new)

Sec. 163. Appraiser panel; annual size calculation. An appraiser is deemed part of the appraisal management company's appraiser panel as of the earliest date the appraisal management company accepts the appraiser for consideration for future appraisal assignments in covered transactions or engages the appraiser to perform one or more appraisal assignments on behalf of a creditor or secondary mortgage market participant in a covered transaction, including an affiliate of such a creditor or participant. An appraiser is considered to be part of the appraisal management company's appraiser panel if deemed to remain on the panel until: (1) the date on which the appraisal management company sends written notice to the appraiser removing the appraiser from the appraiser panel; (2) the date the appraisal management company receives written notice from the appraiser asking to be removed from the appraiser panel; or (3) the date the appraisal management company receives notice of the death or incapacity of the appraiser. If an appraiser is removed from an appraisal management company's appraiser panel but the appraisal management company subsequently accepts the appraiser for consideration for future assignments or engages the appraiser

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

(225 ILCS 459/177 new)

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

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

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