**Section 1000.510 Appraisals**

a) An association shall not make a loan on the security of real estate nor purchase an installment contract for the sale of real estate, unless such loan or contract purchase is based upon an appraisal made for and at the direction of the association. The association's board of directors shall designate either a qualified fee appraiser or the association's appraisal committee to make such appraisal. Loans guaranteed or insured wholly or in part by the United States or any of its instrumentalities shall be appraised in a manner prescribed by the guarantor or the insurer.

b) For every appraisal that is made, there shall be attached to such appraisal a copy of a letter of direction from the association to the appraiser establishing general specifications of data to be included in the appraisal and a letter of transmittal directed to the association.

c) Every appraisal shall be prepared in a manner consistent with generally accepted appraisal practices established by the American Institute of Real Estate Appraisers or the Society of Real Estate Appraisers. The appraisal shall be kept on file at the association. A copy of the appraisal shall be furnished to the Director upon request.

d) Before relying upon an appraisal by a qualified fee appraiser, the association shall require the appraiser to file with the association a completed form as prescribed by the Director. Such form shall indicate the experience and qualifications of the appraiser.

e) An association shall not rely upon an appraisal made by a qualified fee appraiser, unless the appraiser has had at least 5 years of actual appraisal experience and the association has complied with subsection (d) of this Section.

f) Each examination of an association may include a review of each appraiser's qualifications. Any adverse findings shall be made known to the association and the appraiser. The Director may object to or request the qualifications of any appraiser when:

1) the Director has verified independent data which raises a question as to the veracity of the appraiser's stated qualifications; or

2) a review of the appraiser's workproduct indicates a pattern of disregard for generally accepted appraisal practices either in form or substance.

g) No association shall knowingly utilize the services of an appraiser who has been declared by the Director to be unqualified to make appraisals for an Illinois-chartered savings and loan association.

h) The Director may order an appraisal of real estate when:

1) the association has relied upon an appraisal which is at variance with the requirements of this Subpart; or

2) the association has failed to obtain an appraisal in accordance with this Subpart.

i) Such appraisal shall be made by an appraiser selected by the association from candidates furnished by the Director. The Director will also furnish to the association the scope of the appraisal assignment applicable to the property to be appraised. Such appraisal shall be made at the expense of the association and paid when due.

(Source: Amended at 30 Ill. Reg. 18990, effective December 1, 2006)