



Rep. Angelo Saviano

Filed: 5/12/2011

09700SB1539ham004

LRB097 08574 CEL 55550 a

1 AMENDMENT TO SENATE BILL 1539

2 AMENDMENT NO. _____. Amend Senate Bill 1539 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Appraisal Management Company Registration Act.

6 Section 5. Findings. The General Assembly finds that: It
7 is the intent of the General Assembly that this Act provide for
8 the regulation of those persons or entities engaged as
9 appraisal management companies for the protection of the public
10 and for the maintenance of high standards of professional
11 conduct by those registered as appraisal management companies
12 and to ensure appraisal independence in the determination of
13 real estate valuations.

14 Section 10. Definitions. In this Act:

15 "Address of record" means the designated address recorded

1 by the Department in the applicant's or registrant's
2 application file or registration file maintained by the
3 Department's registration maintenance unit. It is the duty of
4 the applicant or registrant to inform the Department of any
5 change of address, and the changes must be made either through
6 the Department's website or by contacting the Department's
7 registration maintenance unit within a prescribed time period
8 as defined by rule.

9 "Applicant" means a person or entity who applies to the
10 Department for a registration 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.

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

19 "Appraisal management company" means any corporation,
20 limited liability company, partnership, sole proprietorship,
21 subsidiary, unit, or other business entity that directly or
22 indirectly performs the following appraisal management
23 services: (1) administers networks of independent contractors
24 or employee appraisers to perform real estate appraisal
25 assignments for clients; (2) receives requests for real estate
26 appraisal services from clients and, for a fee paid by the

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

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

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

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

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

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

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

20 "Controlling Person" means:

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

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

26 (A) enter into a contractual relationship with a

1 client for the performance of an appraisal management
2 service or appraisal practice service; and

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

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

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

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

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

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

22 "Financial institution" means any bank, savings bank,
23 savings and loan association, credit union, mortgage broker,
24 mortgage banker, registrant under the Consumer Installment
25 Loan Act or the Sales Finance Agency Act, or a corporate
26 fiduciary, subsidiary, affiliate, parent company, or holding

1 company of any registrant, or any institution involved in real
2 estate financing that is regulated by State or federal law.

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

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 Section 15. Exemptions. Nothing in this Act shall apply to
11 any of the following:

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

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

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

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

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

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

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

21 In the event that the Final Interim Rule of the federal
22 Dodd-Frank Wall Street Reform and Consumer Protection Act
23 provides that an appraisal management company is a subsidiary
24 owned and controlled by a financial institution regulated by a
25 federal financial institution's regulatory agency and is
26 exempt from State appraisal management company registration

1 requirements, the Department, shall, by rule, provide for the
2 implementation of such an exemption.

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

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

1 Section 25. Powers and duties of the Department. Subject
2 to the provisions of this Act:

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

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

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

21 (4) The Department may maintain rosters of the names
22 and addresses of all registrants, and all persons whose
23 registrations have been suspended, revoked, or denied
24 renewal for cause within the previous calendar year or
25 otherwise disciplined. These rosters shall be available

1 upon written request and payment of the required fee as
2 established by rule.

3 Section 30. Coordinator of Appraisal Management Company
4 Registration. The Coordinator of Real Estate Appraisal shall
5 serve as the Coordinator of Appraisal Management Company
6 Registration. The Coordinator shall have the same duties and
7 responsibilities in regards to appraisal management company
8 registration as the Coordinator has in regards to appraisal
9 licensure as set forth in the Real Estate Appraiser Licensing
10 Act of 2002.

11 Section 35. Application for original registration.
12 Applications for original registration shall be made to the
13 Department on forms prescribed by the Department and
14 accompanied by the required fee. All applications shall contain
15 the information that, in the judgment of the Department, will
16 enable the Department to pass on the qualifications of the
17 applicant to be registered to practice as set by rule.

18 Section 40. Qualifications for registration.

19 (a) The Department may issue a certification of
20 registration to practice under this Act to any applicant who
21 applies to the Department on forms provided by the Department,
22 pays the required non-refundable fee, and who provides the
23 following:

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

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

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

9 (4) the name, address, and contact information for any
10 individual or any corporation, partnership, limited
11 liability company, association, or other business
12 applicant that owns 10% or more of the appraisal management
13 company;

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

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

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

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

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

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

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

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

21 Section 45. Expiration and renewal of registration. The
22 expiration date and renewal period for each registration shall
23 be set by rule. A registrant whose registration has expired may
24 reinstate his or her registration at any time within 5 years
25 after the expiration thereof, by making a renewal application

1 and by paying the required fee.

2 Any registrant whose registration has expired for more than
3 5 years may have it restored by making application to the
4 Department, paying the required fee, and filing acceptable
5 proof of fitness to have the registration restored as set by
6 rule.

7 Section 50. Bonds of registrants. All registrants shall
8 maintain a bond in accordance with this Section. Each bond
9 shall be for the recovery of expenses, fines, or fees due to or
10 levied by the Department in accordance with this Act. The bond
11 shall be payable when the registrant fails to comply with any
12 provisions of this Act and shall be in the form of a surety
13 bond in the amount of \$25,000 as prescribed by the Department
14 by rule. The bond shall be payable to the Department and shall
15 be issued by an insurance company authorized to do business in
16 this State. A copy of the bond, including any and all riders
17 and endorsements executed subsequent to the effective date of
18 the bond, shall be placed on file with the Department within 10
19 days of the execution thereof. The bond may only be used for
20 the recovery of expenses or the collection of fines or fees due
21 to or levied by the Department and is not to be utilized for
22 any other purpose.

23 Section 55. Fees.

24 (a) The fees for the administration and enforcement of this

1 Act, including, but not limited to, original registration,
2 renewal, and restoration fees, shall be set by the Department
3 by rule. The fees shall not be refundable.

4 (b) All fees and other moneys collected under this Act
5 shall be deposited in the Appraisal Administration Fund.

6 Section 60. Returned checks; fines. Any person who
7 delivers a check or other payment to the Department that is
8 returned to the Department unpaid by the financial institution
9 upon which it is drawn shall pay to the Department, in addition
10 to the amount already owed to the Department, a fine of \$50.
11 The fines imposed by this Section are in addition to any other
12 discipline provided under this Act for unregistered practice or
13 practice on a nonrenewed registration. The Department shall
14 notify the person that payment of fees and fines shall be paid
15 to the Department by certified check or money order within 30
16 calendar days of the notification. If, after the expiration of
17 30 days after the date of the notification, the person has
18 failed to submit the necessary remittance, the Department shall
19 automatically terminate the registration or deny the
20 application, without hearing. If, after termination or denial,
21 the person seeks a registration, he or she shall apply to the
22 Department for restoration or issuance of the registration and
23 pay all fees and fines due to the Department. The Department
24 may establish a fee for the processing of an application for
25 restoration of a registration to pay all expenses of processing

1 this application. The Secretary may waive the fines due under
2 this Section in individual cases where the Secretary finds that
3 the fines would be unreasonable or unnecessarily burdensome.

4 Section 65. Disciplinary actions.

5 (a) The Department may refuse to issue or renew, or may
6 revoke, suspend, place on probation, reprimand, or take other
7 disciplinary or non-disciplinary action as the Department may
8 deem appropriate, including imposing fines not to exceed
9 \$25,000 for each violation, with regard to any registration for
10 any one or combination of the following:

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

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

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

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

25 (5) Professional incompetence.

1 (6) Gross malpractice.

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

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

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

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

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

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

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

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

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

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

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

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

13 Section 70. Injunctive action; cease and desist order.

14 (a) If any person violates the provisions of this Act, the
15 Secretary, in the name of the People of the State of Illinois,
16 through the Attorney General or the State's Attorney of the
17 county in which the violation is alleged to have occurred, may
18 petition for an order enjoining the violation or for an order
19 enforcing compliance with this Act. Upon the filing of a
20 verified petition, the court with appropriate jurisdiction may
21 issue a temporary restraining order, without notice or bond,
22 and may preliminarily and permanently enjoin the violation. If
23 it is established that the person has violated or is violating
24 the injunction, the court may punish the offender for contempt
25 of court. Proceedings under this Section are in addition to,

1 and not in lieu of, all other remedies and penalties provided
2 by this Act.

3 (b) Whenever, in the opinion of the Department, a person
4 violates any provision of this Act, the Department may issue a
5 rule to show cause why an order to cease and desist should not
6 be entered against that person. The rule shall clearly set
7 forth the grounds relied upon by the Department and shall allow
8 at least 7 days from the date of the rule to file an answer
9 satisfactory to the Department. Failure to answer to the
10 satisfaction of the Department shall cause an order to cease
11 and desist to be issued.

12 Section 75. Investigations; notice and hearing. The
13 Department may investigate the actions of any applicant or of
14 any person or persons rendering or offering to render any
15 services requiring registration under this Act or any person
16 holding or claiming to hold a registration as an appraisal
17 management company. The Department shall, before revoking,
18 suspending, placing on probation, reprimanding, or taking any
19 other disciplinary or non-disciplinary action under Section 65
20 of this Act, at least 30 days before the date set for the
21 hearing, (i) notify the accused in writing of the charges made
22 and the time and place for the hearing on the charges, (ii)
23 direct him or her to file a written answer to the charges with
24 the Department under oath within 20 days after the service on
25 him or her of the notice, and (iii) inform the accused that, if

1 he or she fails to answer, default will be taken against him or
2 her or that his or her registration may be suspended, revoked,
3 placed on probationary status, or other disciplinary action
4 taken with regard to the registration, including limiting the
5 scope, nature, or extent of his or her practice, as the
6 Department may consider proper. At the time and place fixed in
7 the notice, the Department shall proceed to hear the charges
8 and the parties or their counsel shall be accorded ample
9 opportunity to present any pertinent statements, testimony,
10 evidence, and arguments. The Department may continue the
11 hearing from time to time. In case the person, after receiving
12 the notice, fails to file an answer, his or her registration
13 may, in the discretion of the Department, be suspended,
14 revoked, placed on probationary status, or the Department may
15 take whatever disciplinary action considered proper, including
16 limiting the scope, nature, or extent of the person's practice
17 or the imposition of a fine, without a hearing, if the act or
18 acts charged constitute sufficient grounds for that action
19 under this Act. The written notice may be served by personal
20 delivery or by certified mail to the address specified by the
21 accused in his or her last notification with the Department.

22 Section 80. Record of proceedings; transcript. The
23 Department, at its expense, shall preserve a record of all
24 proceedings at the formal hearing of any case. The notice of
25 hearing, complaint, all other documents in the nature of

1 pleadings, written motions filed in the proceedings, the
2 transcripts of testimony, the report of the hearing officer,
3 and orders of the Department shall be in the record of the
4 proceeding. The Department shall furnish a transcript of the
5 record to any person interested in the hearing upon payment of
6 the fee required under Section 2105-115 of the Department of
7 Professional Regulation Law.

8 Section 85. Subpoenas; depositions; oaths. The Department
9 has the power to subpoena documents, books, records, or other
10 materials and to bring before it any person and to take
11 testimony either orally or by deposition, or both, with the
12 same fees and mileage and in the same manner as prescribed in
13 civil cases in the courts of this State.

14 The Secretary and the designated hearing officer have the
15 power to administer oaths to witnesses at any hearing that the
16 Department is authorized to conduct, and any other oaths
17 authorized in any Act administered by the Department.

18 Section 90. Compelling testimony. Any circuit court, upon
19 application of the Department or designated hearing officer may
20 enter an order requiring the attendance of witnesses and their
21 testimony, and the production of documents, papers, files,
22 books, and records in connection with any hearing or
23 investigation. The court may compel obedience to its order by
24 proceedings for contempt.

1 Section 95. Findings and recommendations. At the
2 conclusion of the hearing, the designated hearing officer shall
3 present to the Secretary a written report of his or her
4 findings of fact, conclusions of law, and recommendations. The
5 report shall contain a finding whether or not the accused
6 person violated this Act or its rules or failed to comply with
7 the conditions required in this Act or its rules. The hearing
8 officer shall specify the nature of any violations or failure
9 to comply and shall make his or her recommendations to the
10 Secretary. In making recommendations for any disciplinary
11 actions, the hearing officer may take into consideration all
12 facts and circumstances bearing upon the reasonableness of the
13 conduct of the accused and the potential for future harm to the
14 public, including, but not limited to, previous discipline of
15 the accused by the Department, intent, degree of harm to the
16 public and likelihood of harm in the future, any restitution
17 made by the accused, and whether the incident or incidents
18 contained in the complaint appear to be isolated or represent a
19 continuing pattern of conduct. In making his or her
20 recommendations for discipline, the hearing officer shall
21 endeavor to ensure that the severity of the discipline
22 recommended is reasonably related to the severity of the
23 violation. The report of findings of fact, conclusions of law,
24 and recommendation of the hearing officer shall be the basis
25 for the Department's order refusing to issue, restore, or renew

1 a registration, or otherwise disciplining a registrant. If the
2 Secretary disagrees with the recommendations of the hearing
3 officer, the Secretary may issue an order in contravention of
4 the hearing officer recommendations. The finding is not
5 admissible in evidence against the person in a criminal
6 prosecution brought for a violation of this Act, but the
7 hearing and finding are not a bar to a criminal prosecution
8 brought for a violation of this Act.

9 Section 100. Hearing officer; rehearing. At the conclusion
10 of the hearing, a copy of the hearing officer's report shall be
11 served upon the applicant or registrant by the Department,
12 either personally or as provided in this Act for the service of
13 a notice of hearing. Within 20 days after service, the
14 applicant or registrant may present to the Department a motion
15 in writing for a rehearing, which shall specify the particular
16 grounds for rehearing. The Department may respond to the motion
17 for rehearing within 20 days after its service on the
18 Department. If no motion for rehearing is filed, then upon the
19 expiration of the time specified for filing such a motion, or
20 if a motion for rehearing is denied, then upon denial, the
21 Secretary may enter an order in accordance with recommendations
22 of the hearing officer except as provided in Section 105 or 110
23 of this Act. If the applicant or registrant orders from the
24 reporting service and pays for a transcript of the record
25 within the time for filing a motion for rehearing, the 20-day

1 period within which a motion may be filed shall commence upon
2 the delivery of the transcript to the applicant or registrant.

3 Section 105. Secretary; rehearing. Whenever the Secretary
4 believes that substantial justice has not been done in the
5 revocation, suspension, or refusal to issue, restore, or renew
6 a registration, or other discipline of an applicant or
7 registrant, he or she may order a rehearing by the same or
8 other hearing officers.

9 Section 110. Appointment of a hearing officer. The
10 Secretary has the authority to appoint any attorney licensed to
11 practice law in the State to serve as the hearing officer in
12 any action for refusal to issue, restore, or renew a
13 registration or to discipline a registrant. The hearing officer
14 has full authority to conduct the hearing. The hearing officer
15 shall report his or her findings of fact, conclusions of law,
16 and recommendations to the Secretary. If the Secretary
17 disagrees with the recommendation of the hearing officer, the
18 Secretary may issue an order in contravention of the
19 recommendation.

20 Section 115. Order or certified copy; prima facie proof.
21 An order or certified copy thereof, over the seal of the
22 Department and purporting to be signed by the Secretary, is
23 prima facie proof that:

1 (1) the signature is the genuine signature of the
2 Secretary; and

3 (2) the Secretary is duly appointed and qualified.

4 Section 120. Restoration of suspended or revoked
5 registration. At any time after the successful completion of a
6 term of suspension or revocation of a registration, the
7 Department may restore it to the registrant, upon the written
8 recommendation of the hearing officer, unless after an
9 investigation and a hearing the Secretary determines that
10 restoration is not in the public interest.

11 Section 125. Surrender of registration. Upon the
12 revocation or suspension of a registration, the registrant
13 shall immediately surrender his or her registration to the
14 Department. If the registrant fails to do so, the Department
15 has the right to seize the registration.

16 Section 130. Summary suspension of a registration. The
17 Secretary may summarily suspend the registration of any
18 registrant under this Act without a hearing, simultaneously
19 with the institution of proceedings for a hearing provided for
20 in Section 75 of this Act, if the Secretary finds that evidence
21 in the Secretary's possession indicates that the continuation
22 of practice by the registrant would constitute an imminent
23 danger to the public. In the event that the Secretary summarily

1 suspends the registration of a registrant under this Section
2 without a hearing, a hearing must be commenced within 30 days
3 after the suspension has occurred and concluded as
4 expeditiously as practical.

5 Section 135. Administrative review; venue.

6 (a) All final administrative decisions of the Department
7 are subject to judicial review under the Administrative Review
8 Law and its rules. The term "administrative decision" is
9 defined as in Section 3-101 of the Code of Civil Procedure.

10 (b) Proceedings for judicial review shall be commenced in
11 the circuit court of the county in which the party applying for
12 review resides, but if the party is not a resident of Illinois,
13 the venue shall be in Sangamon County.

14 Section 140. Certifications of record; costs. The
15 Department shall not be required to certify any record to the
16 court, to file an answer in court, or to otherwise appear in
17 any court in a judicial review proceeding unless and until the
18 Department has received from the plaintiff payment of the costs
19 of furnishing and certifying the record, which costs shall be
20 determined by the Department. Failure on the part of the
21 plaintiff to file the receipt in court is grounds for dismissal
22 of the action.

23 Section 145. Violations. Any person who is found to have

1 violated any provision of this Act is guilty of a Class A
2 misdemeanor. On conviction of a second or subsequent offense,
3 the violator is guilty of a Class 4 felony.

4 Section 150. Civil penalties.

5 (a) In addition to any other penalty provided by law, any
6 person who violates this Act shall forfeit and pay a civil
7 penalty to the Department in an amount not to exceed \$25,000
8 for each violation as determined by the Department. The civil
9 penalty shall be assessed by the Department in accordance with
10 the provisions of this Act.

11 (b) The Department has the authority and power to
12 investigate any and all unregistered activity.

13 (c) The civil penalty shall be paid within 60 days after
14 the effective date of the order imposing the civil penalty. The
15 order shall constitute a judgment and may be filed and
16 execution had thereon in the same manner as any judgment from
17 any court of record.

18 (d) All moneys collected under this Section shall be
19 deposited into the Appraisal Administration Fund.

20 Section 155. Consent order. At any point in the
21 proceedings as provided in this Act, both parties may agree to
22 a negotiated consent order. The consent order shall be final
23 upon signature of the Secretary.

1 Section 160. Business practice provisions; standards of
2 practice.

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

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

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

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

26 (d) shall have its registration suspended under the provisions

1 set forth in this Act until the registrant complies with this
2 Section. Any individual registrant who operates as a sole
3 proprietorship shall be considered a designated controlling
4 person for the purposes of this Act.

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

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

1 customary and reasonable rates of compensation for fee
2 appraisers. The appraisal management company must certify to
3 the Department that it has policies and procedures in place to
4 be in compliance under the Final Interim Rule of the federal
5 Dodd-Frank Wall Street Reform and Consumer Protection Act.

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

13 Section 165. Prohibited activities.

14 (a) No person or entity acting in the capacity of an
15 appraisal management company shall improperly influence or
16 attempt to improperly influence the development, reporting,
17 result, or review of any appraisal by engaging, without
18 limitation, in any of the following:

19 (1) Withholding or threatening to withhold timely
20 payment for a completed appraisal, except where addressed
21 in a mutually agreed upon contract.

22 (2) Withholding or threatening to withhold, either
23 expressed or by implication, future business from, or
24 demoting, or terminating, or threatening to demote or
25 terminate an Illinois licensed or certified appraiser.

1 (3) Expressly or impliedly promising future business,
2 promotions, or increased compensation for an independent
3 appraiser.

4 (4) Conditioning an assignment for an appraisal
5 service or the payment of an appraisal fee or salary or
6 bonus on the opinion, conclusion, or valuation to be
7 reached in an appraisal report.

8 (5) Requesting that an appraiser provide an estimated,
9 predetermined, or desired valuation in an appraisal report
10 or provide estimated values or sales at any time prior to
11 the appraiser's completion of an appraisal report.

12 (6) Allowing or directing the removal of an appraiser
13 from an appraisal panel without prior written notice to the
14 appraiser.

15 (7) Requiring an appraiser to sign a non-compete clause
16 when not an employee of the entity.

17 (8) Requiring an appraiser to sign any sort of
18 indemnification agreement that would require the appraiser
19 to defend and hold harmless the appraisal management
20 company or any of its agents, employees, or independent
21 contractors for any liability, damage, losses, or claims
22 arising out of the services performed by the appraisal
23 management company or its agents, employees, or
24 independent contractors and not the services performed by
25 the appraiser.

26 (9) Prohibiting or attempting to prohibit the

1 appraiser from including or referencing the appraisal fee,
2 the appraisal management company name or identity, or the
3 client's or lender's name or identity within the body of
4 the appraisal report.

5 (10) Require an appraiser to collect a fee from the
6 borrower or occupant of the property to be appraised.

7 (11) Knowingly withholding any end-user client
8 guidelines, policies, requirements, standards, assignment
9 conditions, and special instructions from an appraiser
10 prior to the acceptance of an appraisal assignment.

11 (b) A person or entity may not structure an appraisal
12 assignment or a contract with an independent appraiser for the
13 purpose of evading the provisions of this Act.

14 (c) No registrant or other person or entity may alter,
15 modify, or otherwise change a completed appraisal report
16 submitted by an independent appraiser, including without
17 limitation, by doing either of the following:

18 (1) permanently or temporarily removing the
19 appraiser's signature or seal; or

20 (2) adding information to, or removing information
21 from, the appraisal report with an intent to change the
22 value conclusion or the condition of the property.

23 (d) No appraisal management company may require an
24 appraiser to provide it with the appraiser's digital signature
25 or seal. However, nothing in this Act shall be deemed to
26 prohibit an appraiser from voluntarily providing his or her

1 digital signature or seal to another person on an
2 assignment-by-assignment basis, in accordance with USPAP.

3 (e) Nothing in this Act shall prohibit an appraisal
4 management company from requesting that an appraiser:

5 (1) consider additional appropriate property
6 information, including the consideration of additional
7 comparable properties to make or support an appraisal;

8 (2) provide further detail, substantiation, or
9 explanation for the appraiser's value conclusion; or

10 (3) correct factual errors in the appraisal report.

11 Section 170. Confidentiality. All information collected by
12 the Department in the course of an examination or investigation
13 of a licensee or applicant, including, but not limited to, any
14 complaint against a licensee filed with the Department and
15 information collected to investigate any such complaint, shall
16 be maintained for the confidential use of the Department and
17 shall not be disclosed. The Department may not disclose the
18 information to anyone other than law enforcement officials,
19 other regulatory agencies that have an appropriate regulatory
20 interest as determined by the Secretary, or to a party
21 presenting a lawful subpoena to the Department. Information and
22 documents disclosed to a federal, State, county, or local law
23 enforcement agency shall not be disclosed by the agency for any
24 purpose to any other agency or person. A formal complaint filed
25 against a licensee by the Department or any order issued by the

1 Department against a licensee or applicant shall be a public
2 record, except as otherwise prohibited by law.

3 Section 175. Illinois Administrative Procedure Act;
4 application. The Illinois Administrative Procedure Act is
5 expressly adopted and incorporated in this Act as if all of the
6 provisions of that Act were included in this Act, except that
7 the provision of paragraph (d) of Section 10-65 of the Illinois
8 Administrative Procedure Act, which provides that at hearings
9 the registrant has the right to show compliance with all lawful
10 requirements for retention or continuation or renewal of the
11 registration, is specifically excluded. For the purpose of this
12 Act, the notice required under Section 10-25 of the Illinois
13 Administrative Procedure Act is considered sufficient when
14 mailed to the last known address of a party.

15 Section 180. Home rule. The regulation and registration of
16 practice as an appraisal management company are exclusive
17 powers and functions of the State. A home rule unit may not
18 regulate the practice or require the registration as an
19 appraisal management company. This Section is a denial and
20 limitation of home rule powers and functions under subsection
21 (h) of Section 6 of Article VII of the Illinois Constitution.

22 Section 905. The Regulatory Sunset Act is amended by
23 changing Section 4.22 and by adding Section 4.32 as follows:

1 (5 ILCS 80/4.22)

2 Sec. 4.22. Acts repealed on January 1, 2012. The following
3 Acts are repealed on January 1, 2012:

4 The Detection of Deception Examiners Act.

5 The Home Inspector License Act.

6 The Interior Design Title Act.

7 The Massage Licensing Act.

8 The Petroleum Equipment Contractors Licensing Act.

9 The Professional Boxing Act.

10 ~~The Real Estate Appraiser Licensing Act of 2002.~~

11 The Water Well and Pump Installation Contractor's License
12 Act.

13 (Source: P.A. 95-331, eff. 8-21-07.)

14 (5 ILCS 80/4.32 new)

15 Sec. 4.32. Act repealed on January 1, 2022. The following
16 Act is repealed on January 1, 2022:

17 The Real Estate Appraiser Licensing Act of 2002.

18 Section 910. The Real Estate Appraiser Licensing Act of
19 2002 is amended changing Sections 1-10, 5-5, 5-55, 10-5, 10-10,
20 10-20, 15-10, 15-30, and 25-15 and by adding Sections 10-17 and
21 15-65 as follows:

22 (225 ILCS 458/1-10)

1 (Section scheduled to be repealed on January 1, 2012)

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

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

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

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

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

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

26 "Appraisal consulting" means the act or process of

1 developing an analysis, recommendation, or opinion to solve a
2 problem, where an opinion of value is a component of the
3 analysis leading to the assignment results.

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

9 "Appraisal management company" means any corporation,
10 limited liability company, partnership, sole proprietorship,
11 subsidiary, unit, or other business entity that directly or
12 indirectly performs the following appraisal management
13 services: (1) administers networks of independent contractors
14 or employee appraisers to perform real estate appraisal
15 assignments for clients; (2) receives requests for real estate
16 appraisal services from clients and, for a fee paid by the
17 client, enters into an agreement with one or more independent
18 appraisers to perform the real estate appraisal services
19 contained in the request; or (3) otherwise serves as a
20 third-party broker of appraisal management services between
21 clients and appraisers. "Appraisal management company" does
22 not include an appraisal firm.

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

1 "Appraisal report" means any communication, written or
2 oral, of an appraisal, appraisal review, or appraisal
3 consulting service that is transmitted to a client upon
4 completion of an assignment.

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

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

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

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

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

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

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

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

26 "Coordinator" means the Coordinator of Real Estate

1 Appraisal of the Division of Professional Regulation of the
2 Department of Financial and Professional Regulation.

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

5 "Federal financial institutions regulatory agencies" means
6 the Board of Governors of the Federal Reserve System, the
7 Federal Deposit Insurance Corporation, the Office of the
8 Comptroller of the Currency, the Office of Thrift Supervision,
9 and the National Credit Union Administration.

10 "Federally related transaction" means any real
11 estate-related financial transaction in which a federal
12 financial institutions regulatory agency, the Department of
13 Housing and Urban Development, Fannie Mae, Freddie Mae, or the
14 National Credit Union Administration 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 "Modular Course" means the Appraisal Qualifying Course
24 Design conforming to the Sub Topics Course Outline contained in
25 the AQB Criteria 2008.

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. 96-844, eff. 12-23-09.)

1 (225 ILCS 458/5-5)

2 (Section scheduled to be repealed on January 1, 2012)

3 Sec. 5-5. Necessity of license; use of title; exemptions.

4 (a) It is unlawful for a person to (i) act, offer services,
5 or advertise services as a State certified general real estate
6 appraiser, State certified residential real estate appraiser,
7 or associate real estate trainee appraiser, (ii) develop a real
8 estate appraisal, (iii) practice as a real estate appraiser, or
9 (iv) advertise or hold himself or herself out to be a real
10 estate appraiser, ~~or (v) solicit clients or enter into an~~
11 ~~appraisal engagement with clients~~ without a license issued
12 under this Act. A person who violates this subsection is guilty
13 of a Class A misdemeanor for a first offense and a Class 4
14 felony for any subsequent offense.

15 (a-5) It is unlawful for a person, unless registered as an
16 appraisal management company, to solicit clients or enter into
17 an appraisal engagement with clients without either a certified
18 residential real estate appraiser license or a certified
19 general real estate appraiser license issued under this Act. A
20 person who violates this subsection is guilty of a Class A
21 misdemeanor for a first offense and a Class 4 felony for any
22 subsequent offense.

23 (b) It is unlawful for a person, other than a person who
24 holds a valid license issued pursuant to this Act as a State
25 certified general real estate appraiser, a State certified
26 residential real estate appraiser, or an associate real estate

1 trainee appraiser to use these titles or any other title,
2 designation, or abbreviation likely to create the impression
3 that the person is licensed as a real estate appraiser pursuant
4 to this Act. A person who violates this subsection is guilty of
5 a Class A misdemeanor for a first offense and a Class 4 felony
6 for any subsequent offense.

7 (c) The licensing requirements of this Act do not require a
8 person who holds a valid license pursuant to the Real Estate
9 License Act of 2000, to be licensed as a real estate appraiser
10 under this Act, unless that person is providing or attempting
11 to provide an appraisal report, as defined in Section 1-10 of
12 this Act, in connection with a federally-related transaction.
13 Nothing in this Act shall prohibit a person who holds a valid
14 license under the Real Estate License Act of 2000 from
15 performing a comparative market analysis or broker price
16 opinion for compensation, provided that the person does not
17 hold himself out as being a licensed real estate appraiser.

18 (d) Nothing in this Act shall preclude a State certified
19 general real estate appraiser, a State certified residential
20 real estate appraiser, or an associate real estate trainee
21 appraiser from rendering appraisals for or on behalf of a
22 partnership, association, corporation, firm, or group.
23 However, no State appraisal license or certification shall be
24 issued under this Act to a partnership, association,
25 corporation, firm, or group.

26 (e) This Act does not apply to a county assessor, township

1 assessor, multi-township assessor, county supervisor of
2 assessments, or any deputy or employee of any county assessor,
3 township assessor, multi-township assessor, or county
4 supervisor of assessments who is performing his or her
5 respective duties in accordance with the provisions of the
6 Property Tax Code, or any Illinois Department of Transportation
7 employee doing eminent domain work.

8 (f) A State real estate appraisal certification or license
9 is not required under this Act for any of the following:

10 (1) A person, partnership, association, or corporation
11 that performs appraisals of property owned by that person,
12 partnership, association, or corporation for the sole use
13 of that person, partnership, association, or corporation.

14 (2) A court-appointed commissioner who conducts an
15 appraisal pursuant to a judicially ordered evaluation of
16 property.

17 However, any person who is certified or licensed under this Act
18 and who performs any of the activities set forth in this
19 subsection (f) must comply with the provisions of this Act. A
20 person who violates this subsection (f) is guilty of a Class A
21 misdemeanor for a first offense and a Class 4 felony for any
22 subsequent offense.

23 (g) This Act does not apply to an employee, officer,
24 director, or member of a credit or loan committee of a
25 financial institution or any other person engaged by a
26 financial institution when performing an evaluation of real

1 property for the sole use of the financial institution in a
2 transaction for which the financial institution would not be
3 required to use the services of a State licensed or State
4 certified appraiser pursuant to federal regulations adopted
5 under Title XI of the federal Financial Institutions Reform,
6 Recovery, and Enforcement Act of 1989, nor does this Act apply
7 to the procurement of an automated valuation model.

8 "Automated valuation model" means an automated system that
9 is used to derive a property value through the use of publicly
10 available property records and various analytic methodologies
11 such as comparable sales prices, home characteristics, and
12 historical home price appreciations.

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

14 (225 ILCS 458/5-55)

15 (Section scheduled to be repealed on January 1, 2012)

16 Sec. 5-55. Fees. The Department shall establish rules for
17 fees to be paid by applicants and licensees to cover the
18 reasonable costs of the Department in administering and
19 enforcing the provisions of this Act. The Department, with the
20 advice of the Board, may also establish rules for general fees
21 to cover the reasonable expenses of carrying out other
22 functions and responsibilities under this Act.

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

24 (225 ILCS 458/10-5)

1 (Section scheduled to be repealed on January 1, 2012)

2 Sec. 10-5. Scope of practice.

3 (a) This Act does not limit a State certified general real
4 estate appraiser in his or her scope of practice in a federally
5 related transaction. A certified general real estate appraiser
6 may independently provide appraisal services, review, or
7 consulting relating to any type of property for which he or she
8 has experience or is competent. All such appraisal practice
9 must be made in accordance with the provisions of USPAP,
10 criteria established by the AQB, and rules adopted pursuant to
11 this Act.

12 (b) A State certified residential real estate appraiser is
13 limited in his or her scope of practice to ~~in a federally~~
14 ~~related transaction as provided by Title XI,~~ the provisions of
15 USPAP, criteria established by the AQB, and the rules adopted
16 pursuant to this Act.

17 (c) A State certified residential real estate appraiser
18 must have a State certified general real estate appraiser who
19 holds a valid license under this Act co-sign all appraisal
20 reports on properties other than one to 4 units of residential
21 real property without regard to transaction value or
22 complexity.

23 (d) An associate real estate trainee appraiser is limited
24 in his or her scope of practice in all transactions in
25 accordance with the provisions of USPAP, this Act, and the
26 rules adopted pursuant to this Act. In addition, an associate

1 real estate trainee appraiser shall be required to have a State
2 certified general real estate appraiser or State certified
3 residential real estate appraiser who holds a valid license
4 under this Act to co-sign all appraisal reports. The associate
5 real estate trainee appraiser licensee may not have more than 3
6 supervising appraisers, and a supervising appraiser may not
7 supervise more than 3 associate real estate trainee appraisers
8 at one time. A chronological appraisal log on an approved log
9 form shall be maintained by the associate real estate trainee
10 appraiser and shall be made available to the Department upon
11 request.

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

13 (225 ILCS 458/10-10)

14 (Section scheduled to be repealed on January 1, 2012)

15 Sec. 10-10. Standards of practice. All persons licensed
16 under this Act must comply with standards of professional
17 appraisal practice adopted by the Department. The Department
18 must adopt, as part of its rules, the Uniform Standards of
19 Professional Appraisal Practice (USPAP) as published from time
20 to time by the Appraisal Standards Board of the Appraisal
21 Foundation. The Department shall consider federal laws and
22 regulations regarding the licensure of real estate appraisers
23 prior to adopting its rules for the administration of this Act.
24 When an appraisal obtained through an appraisal management
25 company is used for loan purposes, the borrower or loan

1 applicant shall be provided with a written disclosure of the
2 total compensation to the appraiser or appraisal firm within
3 the certification of the appraisal report and it shall not be
4 redacted or otherwise obscured

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

6 (225 ILCS 458/10-17 new)

7 Sec. 10-17. Survey. Within 12 months after the effective
8 date of this amendatory Act of the 97th General Assembly, the
9 Department or its designee shall conduct a survey of fees for
10 appraisal services for single-family residences, two-family
11 residences, three-family residences, and four-family
12 residences. The fee survey shall exclude assignments ordered by
13 known appraisal management companies and complex assignments.
14 The Department may conduct additional surveys as necessitated
15 by rules adopted pursuant to the federal Dodd-Frank Wall Street
16 Reform and Consumer Protection Act. The Department may assess
17 an additional fee at the time of licensure or renewal to cover
18 the expenses of carrying out this Section.

19 (225 ILCS 458/10-20)

20 (Section scheduled to be repealed on January 1, 2012)

21 Sec. 10-20. Retention of records. A person licensed under
22 this Act shall retain records as required by the most recent
23 version of the USPAP and as further defined by rule ~~the~~
24 ~~original copy of all written contracts engaging his or her~~

1 ~~services as an appraiser and all appraisal reports, including~~
2 ~~any supporting data used to develop the appraisal report, for a~~
3 ~~period of 5 years or 2 years after the final disposition of any~~
4 ~~judicial proceeding in which testimony was given, whichever is~~
5 ~~longer. In addition, a person licensed under this Act shall~~
6 ~~retain contracts, logs, and appraisal reports used in meeting~~
7 ~~pre license experience requirements for a period of 5 years and~~
8 ~~shall be made available to the Department upon request.~~

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

10 (225 ILCS 458/15-10)

11 (Section scheduled to be repealed on January 1, 2012)

12 Sec. 15-10. Grounds for disciplinary action.

13 (a) The Department may suspend, revoke, refuse to issue,
14 renew, or restore a license and may reprimand place on
15 probation or administrative supervision, or take any
16 disciplinary or non-disciplinary action, including imposing
17 conditions limiting the scope, nature, or extent of the real
18 estate appraisal practice of a licensee or reducing the
19 appraisal rank of a licensee, and may impose an administrative
20 fine not to exceed \$25,000 for each violation upon a licensee
21 for any one or combination of the following:

22 (1) Procuring or attempting to procure a license by
23 knowingly making a false statement, submitting false
24 information, engaging in any form of fraud or
25 misrepresentation, or refusing to provide complete

1 information in response to a question in an application for
2 licensure.

3 (2) Failing to meet the minimum qualifications for
4 licensure as an appraiser established by this Act.

5 (3) Paying money, other than for the fees provided for
6 by this Act, or anything of value to a member or employee
7 of the Board or the Department to procure licensure under
8 this Act.

9 (4) Conviction by plea of guilty or nolo contendere,
10 finding of guilt, jury verdict, or entry of judgment or by
11 sentencing of any crime, including, but not limited to,
12 convictions, preceding sentences of supervision,
13 conditional discharge, or first offender probation, under
14 the laws of any jurisdiction of the United States: (i) that
15 is a felony; or (ii) that is a misdemeanor, an essential
16 element of which is dishonesty, or that is directly related
17 to the practice of the profession. ~~Conviction of or entry~~
18 ~~of a plea of guilty or nolo contendere to any crime that is~~
19 ~~a felony under the laws of the United States or any state~~
20 ~~or territory thereof or a misdemeanor of which an essential~~
21 ~~element is dishonesty or that is directly related to the~~
22 ~~practice of the profession.~~

23 (5) Committing an act or omission involving
24 dishonesty, fraud, or misrepresentation with the intent to
25 substantially benefit the licensee or another person or
26 with intent to substantially injure another person as

1 defined by rule.

2 (6) Violating a provision or standard for the
3 development or communication of real estate appraisals as
4 provided in Section 10-10 of this Act or as defined by
5 rule.

6 (7) Failing or refusing without good cause to exercise
7 reasonable diligence in developing, reporting, or
8 communicating an appraisal, as defined by this Act or by
9 rule.

10 (8) Violating a provision of this Act or the rules
11 adopted pursuant to this Act.

12 (9) Having been disciplined by another state, the
13 District of Columbia, a territory, a foreign nation, a
14 governmental agency, or any other entity authorized to
15 impose discipline if at least one of the grounds for that
16 discipline is the same as or the equivalent of one of the
17 grounds for which a licensee may be disciplined under this
18 Act.

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

22 (11) Accepting an appraisal assignment when the
23 employment itself is contingent upon the appraiser
24 reporting a predetermined estimate, analysis, or opinion
25 or when the fee to be paid is contingent upon the opinion,
26 conclusion, or valuation reached or upon the consequences

1 resulting from the appraisal assignment.

2 (12) Developing valuation conclusions based on the
3 race, color, religion, sex, national origin, ancestry,
4 age, marital status, family status, physical or mental
5 handicap, or unfavorable military discharge, as defined
6 under the Illinois Human Rights Act, of the prospective or
7 present owners or occupants of the area or property under
8 appraisal.

9 (13) Violating the confidential nature of government
10 records to which the licensee gained access through
11 employment or engagement as an appraiser by a government
12 agency.

13 (14) Being adjudicated liable in a civil proceeding on
14 grounds of fraud, misrepresentation, or deceit. In a
15 disciplinary proceeding based upon a finding of civil
16 liability, the appraiser shall be afforded an opportunity
17 to present mitigating and extenuating circumstances, but
18 may not collaterally attack the civil adjudication.

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

21 (16) Engaging in misleading or untruthful advertising
22 or using a trade name or insignia of membership in a real
23 estate appraisal or real estate organization of which the
24 licensee is not a member.

25 (17) Failing to fully cooperate with a Department
26 investigation by knowingly making a false statement,

1 submitting false or misleading information, or refusing to
2 provide complete information in response to written
3 interrogatories or a written request for documentation
4 within 30 days of the request.

5 (18) Failing to include within the certificate of
6 appraisal for all written appraisal reports the
7 appraiser's license number and licensure title. All
8 appraisers providing significant contribution to the
9 development and reporting of an appraisal must be disclosed
10 in the appraisal report. It is a violation of this Act for
11 an appraiser to sign a report, transmittal letter, or
12 appraisal certification knowing that a person providing a
13 significant contribution to the report has not been
14 disclosed in the appraisal report.

15 (19) Violating the terms of a disciplinary order or
16 consent to administrative supervision order.

17 (20) Habitual or excessive use or addiction to alcohol,
18 narcotics, stimulants, or any other chemical agent or drug
19 that results in a licensee's inability to practice with
20 reasonable judgment, skill, or safety.

21 (21) A physical or mental illness or disability which
22 results in the inability to practice under this Act with
23 reasonable judgment, skill, or safety.

24 (22) Gross negligence in developing an appraisal or in
25 communicating an appraisal or failing to observe one or
26 more of the Uniform Standards of Professional Appraisal

1 Practice.

2 (23) A pattern of practice or other behavior that
3 demonstrates incapacity or incompetence to practice under
4 this Act.

5 (24) Using or attempting to use the seal, certificate,
6 or license of another as his or her own; falsely
7 impersonating any duly licensed appraiser; using or
8 attempting to use an inactive, expired, suspended, or
9 revoked license; or aiding or abetting any of the
10 foregoing.

11 (25) Solicitation of professional services by using
12 false, misleading, or deceptive advertising.

13 (26) Making a material misstatement in furnishing
14 information to the Department.

15 (27) Failure to furnish information to the Department
16 upon written request.

17 (b) The Department may reprimand suspend, revoke, or refuse
18 to issue or renew an education provider's license, may
19 reprimand, place on probation, or otherwise discipline an
20 education provider and may suspend or revoke the course
21 approval of any course offered by an education provider and may
22 impose an administrative fine not to exceed \$25,000 upon an
23 education provider, for any of the following:

24 (1) Procuring or attempting to procure licensure by
25 knowingly making a false statement, submitting false
26 information, engaging in any form of fraud or

1 misrepresentation, or refusing to provide complete
2 information in response to a question in an application for
3 licensure.

4 (2) Failing to comply with the covenants certified to
5 on the application for licensure as an education provider.

6 (3) Committing an act or omission involving
7 dishonesty, fraud, or misrepresentation or allowing any
8 such act or omission by any employee or contractor under
9 the control of the provider.

10 (4) Engaging in misleading or untruthful advertising.

11 (5) Failing to retain competent instructors in
12 accordance with rules adopted under this Act.

13 (6) Failing to meet the topic or time requirements for
14 course approval as the provider of a pre-license curriculum
15 course or a continuing education course.

16 (7) Failing to administer an approved course using the
17 course materials, syllabus, and examinations submitted as
18 the basis of the course approval.

19 (8) Failing to provide an appropriate classroom
20 environment for presentation of courses, with
21 consideration for student comfort, acoustics, lighting,
22 seating, workspace, and visual aid material.

23 (9) Failing to maintain student records in compliance
24 with the rules adopted under this Act.

25 (10) Failing to provide a certificate, transcript, or
26 other student record to the Department or to a student as

1 may be required by rule.

2 (11) Failing to fully cooperate with an investigation
3 by the Department by knowingly making a false statement,
4 submitting false or misleading information, or refusing to
5 provide complete information in response to written
6 interrogatories or a written request for documentation
7 within 30 days of the request.

8 (c) In appropriate cases, the Department may resolve a
9 complaint against a licensee through the issuance of a Consent
10 to Administrative Supervision order. A licensee subject to a
11 Consent to Administrative Supervision order shall be
12 considered by the Department as an active licensee in good
13 standing. This order shall not be reported or considered by the
14 Department to be a discipline of the licensee. The records
15 regarding an investigation and a Consent to Administrative
16 Supervision order shall be considered confidential and shall
17 not be released by the Department except as mandated by law. A
18 complainant shall be notified if his or her complaint has been
19 resolved by a Consent to Administrative Supervision order.

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

21 (225 ILCS 458/15-30)

22 (Section scheduled to be repealed on January 1, 2012)

23 Sec. 15-30. Statute of limitations. No action may be taken
24 under this Act against a person licensed under this Act unless
25 the action is commenced within 5 years after the occurrence of

1 the alleged violation or within ~~at least~~ 2 years after final
2 disposition of any judicial proceeding, including any appeals,
3 in which the appraiser provided testimony related to the
4 assignment, whichever period expires last. A continuing
5 violation is deemed to have occurred on the date when the
6 circumstances last existed that gave rise to the alleged
7 continuing violation.

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

9 (225 ILCS 458/15-65 new)

10 Sec. 15-65. Confidentiality. All information collected by
11 the Department in the course of an examination or investigation
12 of a licensee or applicant, including, but not limited to, any
13 complaint against a licensee filed with the Department and
14 information collected to investigate any such complaint, shall
15 be maintained for the confidential use of the Department and
16 shall not be disclosed. The Department may not disclose the
17 information to anyone other than law enforcement officials,
18 other regulatory agencies that have an appropriate regulatory
19 interest as determined by the Secretary, or to a party
20 presenting a lawful subpoena to the Department. Information and
21 documents disclosed to a federal, State, county, or local law
22 enforcement agency shall not be disclosed by the agency for any
23 purpose to any other agency or person. A formal complaint filed
24 against a licensee by the Department or any order issued by the
25 Department against a licensee or applicant shall be a public

1 record, except as otherwise prohibited by law.

2 (225 ILCS 458/25-15)

3 (Section scheduled to be repealed on January 1, 2012)

4 Sec. 25-15. Coordinator of Real Estate Appraisal;
5 appointment; duties. The Secretary shall appoint, subject to
6 the Personnel Code, a Coordinator of Real Estate Appraisal. In
7 appointing the Coordinator, the Secretary shall give due
8 consideration to recommendations made by members,
9 organizations, and associations of the real estate appraisal
10 industry. On or after January 1, 2010, the Coordinator must
11 hold a current, valid State certified general real estate
12 appraiser license or a State certified residential real estate
13 appraiser license, which shall be surrendered to the Department
14 during the term of his or her appointment. The Coordinator must
15 take the 30-hour National Instructors Course on Uniform
16 Standards of Professional Appraisal Practice. The
17 Coordinator's license shall be returned in the same status as
18 it was on the date of surrender, credited with all fees that
19 came due during his or her employment. The Coordinator shall:

20 (1) serve as a member of the Real Estate Appraisal
21 Administration and Disciplinary Board without vote;

22 (2) be the direct liaison between the Department, the
23 profession, and the real estate appraisal industry
24 organizations and associations;

25 (3) prepare and circulate to licensees such

1 educational and informational material as the Department
2 deems necessary for providing guidance or assistance to
3 licensees;

4 (4) appoint necessary committees to assist in the
5 performance of the functions and duties of the Department
6 under this Act; ~~and~~

7 (5) (blank); and ~~and~~

8 (6) be authorized to investigate and determine the
9 facts of a complaint; the coordinator may interview
10 witnesses, the complainant, and any licensees involved in
11 the alleged matter and make a recommendation as to the
12 findings of fact.

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

14 (225 ILCS 458/5-21 rep.)

15 Section 915. The Real Estate Appraiser Licensing Act of
16 2002 is amended by repealing Section 5-21.

17 Section 999. Effective date. This Act takes effect upon
18 becoming law."