

1 AN ACT concerning regulation.

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

4 Section 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
16 by the Department in the applicant's or registrant's
17 application file or registration file maintained by the
18 Department's registration maintenance unit. It is the duty of
19 the applicant or registrant to inform the Department of any
20 change of address, and the changes must be made either through
21 the Department's website or by contacting the Department's
22 registration maintenance unit within a prescribed time period

1 as defined by rule.

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

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

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

12 "Appraisal management company" means any corporation,
13 limited liability company, partnership, sole proprietorship,
14 subsidiary, unit, or other business entity that directly or
15 indirectly performs the following appraisal management
16 services: (1) administers networks of independent contractors
17 or employee appraisers to perform real estate appraisal
18 assignments for clients; (2) receives requests for real estate
19 appraisal services from clients and, for a fee paid by the
20 client, enters into an agreement with one or more independent
21 appraisers to perform the real estate appraisal services
22 contained in the request; or (3) otherwise serves as a
23 third-party broker of appraisal management services between
24 clients and appraisers.

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

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

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

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

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

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

13 "Controlling Person" means:

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

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

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

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

24 (3) an individual who possesses, directly or
25 indirectly, the power to direct or cause the direction of
26 the management or policies of an appraisal management

1 company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (5) an appraiser that enters into an agreement, whether
20 written or otherwise, with another appraiser for the
21 performance of an appraisal, and upon the completion of the
22 appraisal, the report of the appraiser performing the
23 appraisal is signed by both the appraiser who completed the
24 appraisal and the appraiser who requested the completion of
25 the appraisal, except that an appraisal management company

1 may not avoid the requirement of registration under this
2 Act by requiring an employee of the appraisal management
3 company who is an appraiser to sign an appraisal that was
4 completed by another appraiser who is part of the appraisal
5 panel of the appraisal management company;

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

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

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

22 Section 20. Restrictions and limitations. Beginning
23 January 1, 2012, it is unlawful for a person or entity to act
24 or assume to act as an appraisal management company as defined
25 in this Act, to engage in the business of appraisal management

1 service, or to advertise or hold himself or herself out to be a
2 registered appraisal management company without first
3 obtaining a registration issued by the Department under this
4 Act. A person or entity that violates this Section is guilty of
5 a Class A misdemeanor for the first offense and a Class 4
6 felony for second and subsequent offenses.

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

20 Section 25. Powers and duties of the Department. Subject
21 to the provisions of this Act:

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

25 (2) The Department may conduct hearings on proceedings

1 to refuse to issue or renew or to revoke registrations or
2 suspend, place on probation, or reprimand persons or
3 otherwise discipline individuals or entities subject to
4 this Act.

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

15 (4) The Department may maintain rosters of the names
16 and addresses of all registrants, and all persons whose
17 registrations have been suspended, revoked, or denied
18 renewal for cause within the previous calendar year or
19 otherwise disciplined. These rosters shall be available
20 upon written request and payment of the required fee as
21 established by rule.

22 Section 30. Coordinator of Appraisal Management Company
23 Registration. The Coordinator of Real Estate Appraisal shall
24 serve as the Coordinator of Appraisal Management Company
25 Registration. The Coordinator shall have the same duties and

1 responsibilities in regards to appraisal management company
2 registration as the Coordinator has in regards to appraisal
3 licensure as set forth in the Real Estate Appraiser Licensing
4 Act of 2002.

5 Section 35. Application for original registration.
6 Applications for original registration shall be made to the
7 Department on forms prescribed by the Department and
8 accompanied by the required fee. All applications shall contain
9 the information that, in the judgment of the Department, will
10 enable the Department to pass on the qualifications of the
11 applicant to be registered to practice as set by rule.

12 Section 40. Qualifications for registration.

13 (a) The Department may issue a certification of
14 registration to practice under this Act to any applicant who
15 applies to the Department on forms provided by the Department,
16 pays the required non-refundable fee, and who provides the
17 following:

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

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

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

1 in this State;

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

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

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

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

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

24 (9) a certification that the employees of the appraisal
25 management company working on behalf of the appraisal
26 management company directly involved in providing

1 appraisal management services, will be appropriately
2 trained and familiar with the appraisal process to
3 completely provide appraisal management services;

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

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

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

14 Section 45. Expiration and renewal of registration. The
15 expiration date and renewal period for each registration shall
16 be set by rule. A registrant whose registration has expired may
17 reinstate his or her registration at any time within 5 years
18 after the expiration thereof, by making a renewal application
19 and by paying the required fee.

20 Any registrant whose registration has expired for more than
21 5 years may have it restored by making application to the
22 Department, paying the required fee, and filing acceptable
23 proof of fitness to have the registration restored as set by
24 rule.

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

17 Section 55. Fees.

18 (a) The fees for the administration and enforcement of this
19 Act, including, but not limited to, original registration,
20 renewal, and restoration fees, shall be set by the Department
21 by rule. The fees shall not be refundable.

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

24 Section 60. Returned checks; fines. Any person who

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

23 Section 65. Disciplinary actions.

24 (a) The Department may refuse to issue or renew, or may
25 revoke, suspend, place on probation, reprimand, or take other

1 disciplinary or non-disciplinary action as the Department may
2 deem appropriate, including imposing fines not to exceed
3 \$25,000 for each violation, with regard to any registration for
4 any one or combination of the following:

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

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

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

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

19 (5) Professional incompetence.

20 (6) Gross malpractice.

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

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

26 (9) Engaging in dishonorable, unethical, or

1 unprofessional conduct of a character likely to deceive,
2 defraud, or harm the public.

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

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

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

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

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

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

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

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

24 (b) The Department may refuse to issue or may suspend
25 without hearing as provided for in the Civil Administrative
26 Code the registration of any person who fails to file a return,

1 or to pay the tax, penalty or interest shown in a filed return,
2 or to pay any final assessment of the tax, penalty, or interest
3 as required by any tax Act administered by the Illinois
4 Department of Revenue, until such time as the requirements of
5 any such tax Act are satisfied.

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

7 (a) If any person violates the provisions of this Act, the
8 Secretary, in the name of the People of the State of Illinois,
9 through the Attorney General or the State's Attorney of the
10 county in which the violation is alleged to have occurred, may
11 petition for an order enjoining the violation or for an order
12 enforcing compliance with this Act. Upon the filing of a
13 verified petition, the court with appropriate jurisdiction may
14 issue a temporary restraining order, without notice or bond,
15 and may preliminarily and permanently enjoin the violation. If
16 it is established that the person has violated or is violating
17 the injunction, the court may punish the offender for contempt
18 of court. Proceedings under this Section are in addition to,
19 and not in lieu of, all other remedies and penalties provided
20 by this Act.

21 (b) Whenever, in the opinion of the Department, a person
22 violates any provision of this Act, the Department may issue a
23 rule to show cause why an order to cease and desist should not
24 be entered against that person. The rule shall clearly set
25 forth the grounds relied upon by the Department and shall allow

1 at least 7 days from the date of the rule to file an answer
2 satisfactory to the Department. Failure to answer to the
3 satisfaction of the Department shall cause an order to cease
4 and desist to be issued.

5 Section 75. Investigations; notice and hearing. The
6 Department may investigate the actions of any applicant or of
7 any person or persons rendering or offering to render any
8 services requiring registration under this Act or any person
9 holding or claiming to hold a registration as an appraisal
10 management company. The Department shall, before revoking,
11 suspending, placing on probation, reprimanding, or taking any
12 other disciplinary or non-disciplinary action under Section 65
13 of this Act, at least 30 days before the date set for the
14 hearing, (i) notify the accused in writing of the charges made
15 and the time and place for the hearing on the charges, (ii)
16 direct him or her to file a written answer to the charges with
17 the Department under oath within 20 days after the service on
18 him or her of the notice, and (iii) inform the accused that, if
19 he or she fails to answer, default will be taken against him or
20 her or that his or her registration may be suspended, revoked,
21 placed on probationary status, or other disciplinary action
22 taken with regard to the registration, including limiting the
23 scope, nature, or extent of his or her practice, as the
24 Department may consider proper. At the time and place fixed in
25 the notice, the Department shall proceed to hear the charges

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

15 Section 80. Record of proceedings; transcript. The
16 Department, at its expense, shall preserve a record of all
17 proceedings at the formal hearing of any case. The notice of
18 hearing, complaint, all other documents in the nature of
19 pleadings, written motions filed in the proceedings, the
20 transcripts of testimony, the report of the hearing officer,
21 and orders of the Department shall be in the record of the
22 proceeding. The Department shall furnish a transcript of the
23 record to any person interested in the hearing upon payment of
24 the fee required under Section 2105-115 of the Department of
25 Professional Regulation Law.

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

7 The Secretary and the designated hearing officer have the
8 power to administer oaths to witnesses at any hearing that the
9 Department is authorized to conduct, and any other oaths
10 authorized in any Act administered by the Department.

11 Section 90. Compelling testimony. Any circuit court, upon
12 application of the Department or designated hearing officer may
13 enter an order requiring the attendance of witnesses and their
14 testimony, and the production of documents, papers, files,
15 books, and records in connection with any hearing or
16 investigation. The court may compel obedience to its order by
17 proceedings for contempt.

18 Section 95. Findings and recommendations. At the
19 conclusion of the hearing, the designated hearing officer shall
20 present to the Secretary a written report of his or her
21 findings of fact, conclusions of law, and recommendations. The
22 report shall contain a finding whether or not the accused
23 person violated this Act or its rules or failed to comply with

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

1 brought for a violation of this Act.

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

21 Section 105. Secretary; rehearing. Whenever the Secretary
22 believes that substantial justice has not been done in the
23 revocation, suspension, or refusal to issue, restore, or renew
24 a registration, or other discipline of an applicant or

1 registrant, he or she may order a rehearing by the same or
2 other hearing officers.

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

14 Section 115. Order or certified copy; prima facie proof.
15 An order or certified copy thereof, over the seal of the
16 Department and purporting to be signed by the Secretary, is
17 prima facie proof that:

18 (1) the signature is the genuine signature of the
19 Secretary; and

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

21 Section 120. Restoration of suspended or revoked
22 registration. At any time after the successful completion of a
23 term of suspension or revocation of a registration, the

1 Department may restore it to the registrant, upon the written
2 recommendation of the hearing officer, unless after an
3 investigation and a hearing the Secretary determines that
4 restoration is not in the public interest.

5 Section 125. Surrender of registration. Upon the
6 revocation or suspension of a registration, the registrant
7 shall immediately surrender his or her registration to the
8 Department. If the registrant fails to do so, the Department
9 has the right to seize the registration.

10 Section 130. Summary suspension of a registration. The
11 Secretary may summarily suspend the registration of any
12 registrant under this Act without a hearing, simultaneously
13 with the institution of proceedings for a hearing provided for
14 in Section 75 of this Act, if the Secretary finds that evidence
15 in the Secretary's possession indicates that the continuation
16 of practice by the registrant would constitute an imminent
17 danger to the public. In the event that the Secretary summarily
18 suspends the registration of a registrant under this Section
19 without a hearing, a hearing must be commenced within 30 days
20 after the suspension has occurred and concluded as
21 expeditiously as practical.

22 Section 135. Administrative review; venue.

23 (a) All final administrative decisions of the Department

1 are subject to judicial review under the Administrative Review
2 Law and its rules. The term "administrative decision" is
3 defined as in Section 3-101 of the Code of Civil Procedure.

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

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

17 Section 145. Violations. Any person who is found to have
18 violated any provision of this Act is guilty of a Class A
19 misdemeanor. On conviction of a second or subsequent offense,
20 the violator is guilty of a Class 4 felony.

21 Section 150. Civil penalties.

22 (a) In addition to any other penalty provided by law, any
23 person who violates this Act shall forfeit and pay a civil

1 penalty to the Department in an amount not to exceed \$25,000
2 for each violation as determined by the Department. The civil
3 penalty shall be assessed by the Department in accordance with
4 the provisions of this Act.

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

7 (c) The civil penalty shall be paid within 60 days after
8 the effective date of the order imposing the civil penalty. The
9 order shall constitute a judgment and may be filed and
10 execution had thereon in the same manner as any judgment from
11 any court of record.

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

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

18 Section 160. Business practice provisions; standards of
19 practice.

20 (a) The Department may adopt by rule the Uniform Standards
21 of Professional Appraisal Practice as published from time to
22 time by the Appraisal Standards Board of the Appraisal
23 Foundation. Appraisal management companies shall not interfere
24 with adherence to the Uniform Standards of Professional

1 Appraisal Practice or the Real Estate Appraiser Act of 2002 or
2 a subsequent Act by individuals licensed under the respective
3 Acts.

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

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

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

24 (e) Appraisal management companies or employees of an
25 appraisal management company involved in a real estate
26 transaction who have a reasonable basis to believe that an

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

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

25 (g) No appraisal management company procuring or
26 facilitating an appraisal may have a direct or indirect

1 interest, financial or otherwise, in the real estate or the
2 transaction that is the subject of the appraisal, as defined by
3 the federal Dodd-Frank Wall Street Reform and Consumer
4 Protection Act, any amendments thereto, or successor acts or
5 other applicable provisions of federal law or regulations.

6 Section 165. Prohibited activities.

7 (a) No person or entity acting in the capacity of an
8 appraisal management company shall improperly influence or
9 attempt to improperly influence the development, reporting,
10 result, or review of any appraisal by engaging, without
11 limitation, in any of the following:

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

15 (2) Withholding or threatening to withhold, either
16 expressed or by implication, future business from, or
17 demoting, or terminating, or threatening to demote or
18 terminate an Illinois licensed or certified appraiser.

19 (3) Expressly or impliedly promising future business,
20 promotions, or increased compensation for an independent
21 appraiser.

22 (4) Conditioning an assignment for an appraisal
23 service or the payment of an appraisal fee or salary or
24 bonus on the opinion, conclusion, or valuation to be
25 reached in an appraisal report.

1 (5) Requesting that an appraiser provide an estimated,
2 predetermined, or desired valuation in an appraisal report
3 or provide estimated values or sales at any time prior to
4 the appraiser's completion of an appraisal report.

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

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

10 (8) Requiring an appraiser to sign any sort of
11 indemnification agreement that would require the appraiser
12 to defend and hold harmless the appraisal management
13 company or any of its agents, employees, or independent
14 contractors for any liability, damage, losses, or claims
15 arising out of the services performed by the appraisal
16 management company or its agents, employees, or
17 independent contractors and not the services performed by
18 the appraiser.

19 (9) Prohibiting or attempting to prohibit the
20 appraiser from including or referencing the appraisal fee,
21 the appraisal management company name or identity, or the
22 client's or lender's name or identity within the body of
23 the appraisal report.

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

26 (11) Knowingly withholding any end-user client

1 guidelines, policies, requirements, standards, assignment
2 conditions, and special instructions from an appraiser
3 prior to the acceptance of an appraisal assignment.

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

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

11 (1) permanently or temporarily removing the
12 appraiser's signature or seal; or

13 (2) adding information to, or removing information
14 from, the appraisal report with an intent to change the
15 value conclusion or the condition of the property.

16 (d) No appraisal management company may require an
17 appraiser to provide it with the appraiser's digital signature
18 or seal. However, nothing in this Act shall be deemed to
19 prohibit an appraiser from voluntarily providing his or her
20 digital signature or seal to another person on an
21 assignment-by-assignment basis, in accordance with USPAP.

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

24 (1) consider additional appropriate property
25 information, including the consideration of additional
26 comparable properties to make or support an appraisal;

- 1 (2) provide further detail, substantiation, or
2 explanation for the appraiser's value conclusion; or
3 (3) correct factual errors in the appraisal report.

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

21 Section 175. Illinois Administrative Procedure Act;
22 application. The Illinois Administrative Procedure Act is
23 expressly adopted and incorporated in this Act as if all of the
24 provisions of that Act were included in this Act, except that

1 the provision of paragraph (d) of Section 10-65 of the Illinois
2 Administrative Procedure Act, which provides that at hearings
3 the registrant has the right to show compliance with all lawful
4 requirements for retention or continuation or renewal of the
5 registration, is specifically excluded. For the purpose of this
6 Act, the notice required under Section 10-25 of the Illinois
7 Administrative Procedure Act is considered sufficient when
8 mailed to the last known address of a party.

9 Section 180. Home rule. The regulation and registration of
10 practice as an appraisal management company are exclusive
11 powers and functions of the State. A home rule unit may not
12 regulate the practice or require the registration as an
13 appraisal management company. This Section is a denial and
14 limitation of home rule powers and functions under subsection
15 (h) of Section 6 of Article VII of the Illinois Constitution.

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

18 (5 ILCS 80/4.22)

19 Sec. 4.22. Acts repealed on January 1, 2012. The following
20 Acts are repealed on January 1, 2012:

21 The Detection of Deception Examiners Act.

22 The Home Inspector License Act.

23 The Interior Design Title Act.

1 The Massage Licensing Act.

2 The Petroleum Equipment Contractors Licensing Act.

3 The Professional Boxing Act.

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

5 The Water Well and Pump Installation Contractor's License
6 Act.

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

8 (5 ILCS 80/4.32 new)

9 Sec. 4.32. Act repealed on January 1, 2022. The following
10 Act is repealed on January 1, 2022:

11 The Real Estate Appraiser Licensing Act of 2002.

12 Section 910. The Real Estate Appraiser Licensing Act of
13 2002 is amended by changing Sections 1-10, 5-5, 5-55, 10-5,
14 10-10, 10-20, 15-10, 15-30, and 25-15 and by adding Sections
15 10-17 and 15-65 as follows:

16 (225 ILCS 458/1-10)

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

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

20 "Accredited college or university, junior college, or
21 community college" means a college or university, junior
22 college, or community college that is approved or accredited by
23 the Board of Higher Education, a regional or national

1 accreditation association, or by an accrediting agency that is
2 recognized by the U.S. Secretary of Education.

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

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

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

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

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

23 "Appraisal firm" means an appraisal entity that is 100%
24 owned and controlled by a person or persons licensed in
25 Illinois as a certified general real estate appraiser or a
26 certified residential real estate appraiser. "Appraisal firm"

1 does not include an appraisal management company.

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

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

20 "Appraisal report" means any communication, written or
21 oral, of an appraisal, appraisal review, or appraisal
22 consulting service that is transmitted to a client upon
23 completion of an assignment.

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

1 appraisal review, or appraisal assignment.

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

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

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

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

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

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

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

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

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

24 "Federal financial institutions regulatory agencies" means
25 the Board of Governors of the Federal Reserve System, the
26 Federal Deposit Insurance Corporation, the Office of the

1 Comptroller of the Currency, the Office of Thrift Supervision,
2 and the National Credit Union Administration.

3 "Federally related transaction" means any real
4 estate-related financial transaction in which a federal
5 financial institutions regulatory agency, the Department of
6 Housing and Urban Development, Fannie Mae, Freddie Mae, or the
7 National Credit Union Administration engages in, contracts
8 for, or regulates and requires the services of an appraiser.

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

16 "Modular Course" means the Appraisal Qualifying Course
17 Design conforming to the Sub Topics Course Outline contained in
18 the AQB Criteria 2008.

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

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

26 "Real estate related financial transaction" means any

1 transaction involving:

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

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

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

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

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

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

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

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

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

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

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

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

19 (225 ILCS 458/5-5)

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

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

22 (a) It is unlawful for a person to (i) act, offer services,
23 or advertise services as a State certified general real estate
24 appraiser, State certified residential real estate appraiser,
25 or associate real estate trainee appraiser, (ii) develop a real

1 estate appraisal, (iii) practice as a real estate appraiser, or
2 (iv) advertise or hold himself or herself out to be a real
3 estate appraiser, ~~or (v) solicit clients or enter into an~~
4 ~~appraisal engagement with clients~~ without a license issued
5 under this Act. A person who violates this subsection is guilty
6 of a Class A misdemeanor for a first offense and a Class 4
7 felony for any subsequent offense.

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

16 (b) It is unlawful for a person, other than a person who
17 holds a valid license issued pursuant to this Act as a State
18 certified general real estate appraiser, a State certified
19 residential real estate appraiser, or an associate real estate
20 trainee appraiser to use these titles or any other title,
21 designation, or abbreviation likely to create the impression
22 that the person is licensed as a real estate appraiser pursuant
23 to this Act. A person who violates this subsection is guilty of
24 a Class A misdemeanor for a first offense and a Class 4 felony
25 for any subsequent offense.

26 (c) The licensing requirements of this Act do not require a

1 person who holds a valid license pursuant to the Real Estate
2 License Act of 2000, to be licensed as a real estate appraiser
3 under this Act, unless that person is providing or attempting
4 to provide an appraisal report, as defined in Section 1-10 of
5 this Act, in connection with a federally-related transaction.
6 Nothing in this Act shall prohibit a person who holds a valid
7 license under the Real Estate License Act of 2000 from
8 performing a comparative market analysis or broker price
9 opinion for compensation, provided that the person does not
10 hold himself out as being a licensed real estate appraiser.

11 (d) Nothing in this Act shall preclude a State certified
12 general real estate appraiser, a State certified residential
13 real estate appraiser, or an associate real estate trainee
14 appraiser from rendering appraisals for or on behalf of a
15 partnership, association, corporation, firm, or group.
16 However, no State appraisal license or certification shall be
17 issued under this Act to a partnership, association,
18 corporation, firm, or group.

19 (e) This Act does not apply to a county assessor, township
20 assessor, multi-township assessor, county supervisor of
21 assessments, or any deputy or employee of any county assessor,
22 township assessor, multi-township assessor, or county
23 supervisor of assessments who is performing his or her
24 respective duties in accordance with the provisions of the
25 Property Tax Code.

26 (e-5) For the purposes of this Act, the following types of

1 valuations are not appraisals and may not be represented to be
2 appraisals, and a license is not required under this Act to
3 perform such valuations if the valuations are performed by an
4 employee of the Illinois Department of Transportation or an
5 employee of a county:

6 (1) a valuation waiver in an amount not to exceed
7 \$10,000 prepared pursuant to the federal Uniform
8 Relocation Assistance and Real Property Acquisition
9 Policies Act of 1970, as amended; or

10 (2) a valuation waiver in an amount not to exceed
11 \$10,000 prepared pursuant to the federal Uniform
12 Relocation Assistance and Real Property Acquisition for
13 Federal and Federally-Assisted Programs regulations.

14 Nothing in this subsection (e-5) shall be construed to
15 allow the State of Illinois, a political subdivision thereof,
16 or any public body to acquire real estate by eminent domain in
17 any manner other than provided for in the Eminent Domain Act.

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

20 (1) A person, partnership, association, or corporation
21 that performs appraisals of property owned by that person,
22 partnership, association, or corporation for the sole use
23 of that person, partnership, association, or corporation.

24 (2) A court-appointed commissioner who conducts an
25 appraisal pursuant to a judicially ordered evaluation of
26 property.

1 However, any person who is certified or licensed under this Act
2 and who performs any of the activities set forth in this
3 subsection (f) must comply with the provisions of this Act. A
4 person who violates this subsection (f) is guilty of a Class A
5 misdemeanor for a first offense and a Class 4 felony for any
6 subsequent offense.

7 (g) This Act does not apply to an employee, officer,
8 director, or member of a credit or loan committee of a
9 financial institution or any other person engaged by a
10 financial institution when performing an evaluation of real
11 property for the sole use of the financial institution in a
12 transaction for which the financial institution would not be
13 required to use the services of a State licensed or State
14 certified appraiser pursuant to federal regulations adopted
15 under Title XI of the federal Financial Institutions Reform,
16 Recovery, and Enforcement Act of 1989, nor does this Act apply
17 to the procurement of an automated valuation model.

18 "Automated valuation model" means an automated system that
19 is used to derive a property value through the use of publicly
20 available property records and various analytic methodologies
21 such as comparable sales prices, home characteristics, and
22 historical home price appreciations.

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

24 (225 ILCS 458/5-55)

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

1 Sec. 5-55. Fees. The Department shall establish rules for
2 fees to be paid by applicants and licensees to cover the
3 reasonable costs of the Department in administering and
4 enforcing the provisions of this Act. The Department, with the
5 advice of the Board, may also establish rules for general fees
6 to cover the reasonable expenses of carrying out other
7 functions and responsibilities under this Act.

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

9 (225 ILCS 458/10-5)

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

11 Sec. 10-5. Scope of practice.

12 (a) This Act does not limit a State certified general real
13 estate appraiser in his or her scope of practice in a federally
14 related transaction. A certified general real estate appraiser
15 may independently provide appraisal services, review, or
16 consulting relating to any type of property for which he or she
17 has experience or is competent. All such appraisal practice
18 must be made in accordance with the provisions of USPAP,
19 criteria established by the AQB, and rules adopted pursuant to
20 this Act.

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

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

7 (d) An associate real estate trainee appraiser is limited
8 in his or her scope of practice in all transactions in
9 accordance with the provisions of USPAP, this Act, and the
10 rules adopted pursuant to this Act. In addition, an associate
11 real estate trainee appraiser shall be required to have a State
12 certified general real estate appraiser or State certified
13 residential real estate appraiser who holds a valid license
14 under this Act to co-sign all appraisal reports. The associate
15 real estate trainee appraiser licensee may not have more than 3
16 supervising appraisers, and a supervising appraiser may not
17 supervise more than 3 associate real estate trainee appraisers
18 at one time. A chronological appraisal log on an approved log
19 form shall be maintained by the associate real estate trainee
20 appraiser and shall be made available to the Department upon
21 request.

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

23 (225 ILCS 458/10-10)

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

25 Sec. 10-10. Standards of practice. All persons licensed

1 under this Act must comply with standards of professional
2 appraisal practice adopted by the Department. The Department
3 must adopt, as part of its rules, the Uniform Standards of
4 Professional Appraisal Practice (USPAP) as published from time
5 to time by the Appraisal Standards Board of the Appraisal
6 Foundation. The Department shall consider federal laws and
7 regulations regarding the licensure of real estate appraisers
8 prior to adopting its rules for the administration of this Act.
9 When an appraisal obtained through an appraisal management
10 company is used for loan purposes, the borrower or loan
11 applicant shall be provided with a written disclosure of the
12 total compensation to the appraiser or appraisal firm within
13 the certification of the appraisal report and it shall not be
14 redacted or otherwise obscured.

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

16 (225 ILCS 458/10-17 new)

17 Sec. 10-17. Survey. Within 12 months after the effective
18 date of this amendatory Act of the 97th General Assembly, the
19 Department or its designee shall conduct a survey of fees for
20 appraisal services for single-family residences, two-family
21 residences, three-family residences, and four-family
22 residences. The fee survey shall exclude assignments ordered by
23 known appraisal management companies and complex assignments.
24 The Department may conduct additional surveys as necessitated
25 by rules adopted pursuant to the federal Dodd-Frank Wall Street

1 Reform and Consumer Protection Act. The Department may assess
2 an additional fee at the time of licensure or renewal to cover
3 the expenses of carrying out this Section.

4 (225 ILCS 458/10-20)

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

6 Sec. 10-20. Retention of records. A person licensed under
7 this Act shall retain records as required by the most recent
8 version of the USPAP and as further defined by rule ~~the~~
9 ~~original copy of all written contracts engaging his or her~~
10 ~~services as an appraiser and all appraisal reports, including~~
11 ~~any supporting data used to develop the appraisal report, for a~~
12 ~~period of 5 years or 2 years after the final disposition of any~~
13 ~~judicial proceeding in which testimony was given, whichever is~~
14 ~~longer. In addition, a person licensed under this Act shall~~
15 ~~retain contracts, logs, and appraisal reports used in meeting~~
16 ~~pre license experience requirements for a period of 5 years and~~
17 ~~shall be made available to the Department upon request.~~

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

19 (225 ILCS 458/15-10)

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

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

22 (a) The Department may suspend, revoke, refuse to issue,
23 renew, or restore a license and may reprimand place on
24 probation or administrative supervision, or take any

1 disciplinary or non-disciplinary action, including imposing
2 conditions limiting the scope, nature, or extent of the real
3 estate appraisal practice of a licensee or reducing the
4 appraisal rank of a licensee, and may impose an administrative
5 fine not to exceed \$25,000 for each violation upon a licensee
6 for any one or combination of the following:

7 (1) Procuring or attempting to procure a license by
8 knowingly making a false statement, submitting false
9 information, engaging in any form of fraud or
10 misrepresentation, or refusing to provide complete
11 information in response to a question in an application for
12 licensure.

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

15 (3) Paying money, other than for the fees provided for
16 by this Act, or anything of value to a member or employee
17 of the Board or the Department to procure licensure under
18 this Act.

19 (4) Conviction by plea of guilty or nolo contendere,
20 finding of guilt, jury verdict, or entry of judgment or by
21 sentencing of any crime, including, but not limited to,
22 convictions, preceding sentences of supervision,
23 conditional discharge, or first offender probation, under
24 the laws of any jurisdiction of the United States: (i) that
25 is a felony; or (ii) that is a misdemeanor, an essential
26 element of which is dishonesty, or that is directly related

1 ~~to the practice of the profession. Conviction of or entry~~
2 ~~of a plea of guilty or nolo contendere to any crime that is~~
3 ~~a felony under the laws of the United States or any state~~
4 ~~or territory thereof or a misdemeanor of which an essential~~
5 ~~element is dishonesty or that is directly related to the~~
6 ~~practice of the profession.~~

7 (5) Committing an act or omission involving
8 dishonesty, fraud, or misrepresentation with the intent to
9 substantially benefit the licensee or another person or
10 with intent to substantially injure another person as
11 defined by rule.

12 (6) Violating a provision or standard for the
13 development or communication of real estate appraisals as
14 provided in Section 10-10 of this Act or as defined by
15 rule.

16 (7) Failing or refusing without good cause to exercise
17 reasonable diligence in developing, reporting, or
18 communicating an appraisal, as defined by this Act or by
19 rule.

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

22 (9) Having been disciplined by another state, the
23 District of Columbia, a territory, a foreign nation, a
24 governmental agency, or any other entity authorized to
25 impose discipline if at least one of the grounds for that
26 discipline is the same as or the equivalent of one of the

1 grounds for which a licensee may be disciplined under this
2 Act.

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

6 (11) Accepting an appraisal assignment when the
7 employment itself is contingent upon the appraiser
8 reporting a predetermined estimate, analysis, or opinion
9 or when the fee to be paid is contingent upon the opinion,
10 conclusion, or valuation reached or upon the consequences
11 resulting from the appraisal assignment.

12 (12) Developing valuation conclusions based on the
13 race, color, religion, sex, national origin, ancestry,
14 age, marital status, family status, physical or mental
15 handicap, or unfavorable military discharge, as defined
16 under the Illinois Human Rights Act, of the prospective or
17 present owners or occupants of the area or property under
18 appraisal.

19 (13) Violating the confidential nature of government
20 records to which the licensee gained access through
21 employment or engagement as an appraiser by a government
22 agency.

23 (14) Being adjudicated liable in a civil proceeding on
24 grounds of fraud, misrepresentation, or deceit. In a
25 disciplinary proceeding based upon a finding of civil
26 liability, the appraiser shall be afforded an opportunity

1 to present mitigating and extenuating circumstances, but
2 may not collaterally attack the civil adjudication.

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

5 (16) Engaging in misleading or untruthful advertising
6 or using a trade name or insignia of membership in a real
7 estate appraisal or real estate organization of which the
8 licensee is not a member.

9 (17) Failing to fully cooperate with a Department
10 investigation by knowingly making a false statement,
11 submitting false or misleading information, or refusing to
12 provide complete information in response to written
13 interrogatories or a written request for documentation
14 within 30 days of the request.

15 (18) Failing to include within the certificate of
16 appraisal for all written appraisal reports the
17 appraiser's license number and licensure title. All
18 appraisers providing significant contribution to the
19 development and reporting of an appraisal must be disclosed
20 in the appraisal report. It is a violation of this Act for
21 an appraiser to sign a report, transmittal letter, or
22 appraisal certification knowing that a person providing a
23 significant contribution to the report has not been
24 disclosed in the appraisal report.

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

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

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

8 (22) Gross negligence in developing an appraisal or in
9 communicating an appraisal or failing to observe one or
10 more of the Uniform Standards of Professional Appraisal
11 Practice.

12 (23) A pattern of practice or other behavior that
13 demonstrates incapacity or incompetence to practice under
14 this Act.

15 (24) Using or attempting to use the seal, certificate,
16 or license of another as his or her own; falsely
17 impersonating any duly licensed appraiser; using or
18 attempting to use an inactive, expired, suspended, or
19 revoked license; or aiding or abetting any of the
20 foregoing.

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

23 (26) Making a material misstatement in furnishing
24 information to the Department.

25 (27) Failure to furnish information to the Department
26 upon written request.

1 (b) The Department may reprimand suspend, revoke, or refuse
2 to issue or renew an education provider's license, may
3 reprimand, place on probation, or otherwise discipline an
4 education provider and may suspend or revoke the course
5 approval of any course offered by an education provider and may
6 impose an administrative fine not to exceed \$25,000 upon an
7 education provider, for any of the following:

8 (1) Procuring or attempting to procure licensure by
9 knowingly making a false statement, submitting false
10 information, engaging in any form of fraud or
11 misrepresentation, or refusing to provide complete
12 information in response to a question in an application for
13 licensure.

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

16 (3) Committing an act or omission involving
17 dishonesty, fraud, or misrepresentation or allowing any
18 such act or omission by any employee or contractor under
19 the control of the provider.

20 (4) Engaging in misleading or untruthful advertising.

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

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

26 (7) Failing to administer an approved course using the

1 course materials, syllabus, and examinations submitted as
2 the basis of the course approval.

3 (8) Failing to provide an appropriate classroom
4 environment for presentation of courses, with
5 consideration for student comfort, acoustics, lighting,
6 seating, workspace, and visual aid material.

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

9 (10) Failing to provide a certificate, transcript, or
10 other student record to the Department or to a student as
11 may be required by rule.

12 (11) Failing to fully cooperate with an investigation
13 by the Department by knowingly making a false statement,
14 submitting false or misleading information, or refusing to
15 provide complete information in response to written
16 interrogatories or a written request for documentation
17 within 30 days of the request.

18 (c) In appropriate cases, the Department may resolve a
19 complaint against a licensee through the issuance of a Consent
20 to Administrative Supervision order. A licensee subject to a
21 Consent to Administrative Supervision order shall be
22 considered by the Department as an active licensee in good
23 standing. This order shall not be reported or considered by the
24 Department to be a discipline of the licensee. The records
25 regarding an investigation and a Consent to Administrative
26 Supervision order shall be considered confidential and shall

1 not be released by the Department except as mandated by law. A
2 complainant shall be notified if his or her complaint has been
3 resolved by a Consent to Administrative Supervision order.

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

5 (225 ILCS 458/15-30)

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

7 Sec. 15-30. Statute of limitations. No action may be taken
8 under this Act against a person licensed under this Act unless
9 the action is commenced within 5 years after the occurrence of
10 the alleged violation or within ~~at least~~ 2 years after final
11 disposition of any judicial proceeding, including any appeals,
12 in which the appraiser provided testimony related to the
13 assignment, whichever period expires last. A continuing
14 violation is deemed to have occurred on the date when the
15 circumstances last existed that gave rise to the alleged
16 continuing violation.

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

18 (225 ILCS 458/15-65 new)

19 Sec. 15-65. Confidentiality. All information collected by
20 the Department in the course of an examination or investigation
21 of a licensee or applicant, including, but not limited to, any
22 complaint against a licensee filed with the Department and
23 information collected to investigate any such complaint, shall
24 be maintained for the confidential use of the Department and

1 shall not be disclosed. The Department may not disclose the
2 information to anyone other than law enforcement officials,
3 other regulatory agencies that have an appropriate regulatory
4 interest as determined by the Secretary, or to a party
5 presenting a lawful subpoena to the Department. Information and
6 documents disclosed to a federal, State, county, or local law
7 enforcement agency shall not be disclosed by the agency for any
8 purpose to any other agency or person. A formal complaint filed
9 against a licensee by the Department or any order issued by the
10 Department against a licensee or applicant shall be a public
11 record, except as otherwise prohibited by law.

12 (225 ILCS 458/25-15)

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

14 Sec. 25-15. Coordinator of Real Estate Appraisal;
15 appointment; duties. The Secretary shall appoint, subject to
16 the Personnel Code, a Coordinator of Real Estate Appraisal. In
17 appointing the Coordinator, the Secretary shall give due
18 consideration to recommendations made by members,
19 organizations, and associations of the real estate appraisal
20 industry. On or after January 1, 2010, the Coordinator must
21 hold a current, valid State certified general real estate
22 appraiser license or a State certified residential real estate
23 appraiser license, which shall be surrendered to the Department
24 during the term of his or her appointment. The Coordinator must
25 take the 30-hour National Instructors Course on Uniform

1 Standards of Professional Appraisal Practice. The
2 Coordinator's license shall be returned in the same status as
3 it was on the date of surrender, credited with all fees that
4 came due during his or her employment. The Coordinator shall:

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

7 (2) be the direct liaison between the Department, the
8 profession, and the real estate appraisal industry
9 organizations and associations;

10 (3) prepare and circulate to licensees such
11 educational and informational material as the Department
12 deems necessary for providing guidance or assistance to
13 licensees;

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

17 (5) (blank); and -

18 (6) be authorized to investigate and determine the
19 facts of a complaint; the coordinator may interview
20 witnesses, the complainant, and any licensees involved in
21 the alleged matter and make a recommendation as to the
22 findings of fact.

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

24 (225 ILCS 458/5-21 rep.)

25 Section 915. The Real Estate Appraiser Licensing Act of

1 2002 is amended by repealing Section 5-21.

2 Section 999. Effective date. This Act takes effect upon
3 becoming law.