

AN ACT concerning State government.

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

Section 1. Short title. This Act may be cited as the Real Estate Valuation Task Force Act.

Section 5. Findings. The General Assembly finds and declares the following:

(1) Two federal agencies, the Federal Home Owners' Loan Corporation and the Federal Housing Administration, played a major role in the development of the modern home mortgage origination industry.

(2) Both federal agencies explicitly considered the racial and ethnic make-up of neighborhoods when underwriting loans and valuing the real estate to be used as home loan collateral.

(3) Both agencies devalued property or refused to make loans secured by property in communities of color.

(4) The harmful consequences of this discrimination remain unresolved.

Section 10. Real Estate Valuation Task Force.

(a) The Real Estate Valuation Task Force is hereby established.

(b) The Task Force shall consist of the following members:

(1) 4 members appointed one each by the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, and the Minority Leader of the Senate;

(2) the Secretary of Financial and Professional Regulation, or a designee;

(3) the Director of Commerce and Economic Opportunity, or a designee;

(4) the Director of Human Rights, or a designee;

(5) the Director of Revenue, or a designee;

(6) the Executive Director of the Illinois Housing Development Authority, or a designee;

(7) a representative of a statewide banking association representing banks of all asset sizes, appointed by the Governor;

(8) a representative of a statewide banking association exclusively representing banks with assets below \$20,000,000,000, appointed by the Governor;

(9) a representative of a statewide association representing credit unions, appointed by the Governor;

(10) a representative of an agency, organization, or association advocating for fair housing, appointed by the Governor;

(11) a representative of an agency, organization, or association for consumer protection, appointed by the

Governor; and

(12) a representative of a statewide appraisal organization, appointed by the Governor.

(c) Initial appointments to the Task Force shall be made as soon as practicable after the effective date of this Act. The Task Force shall hold its first meeting within a reasonable period of time after the completion of the appointment of its members, and shall convene regularly to carry out its duties and submit the reports required under this Act. At its first meeting, the Task Force shall elect its chair and any other officers from among its members.

(d) Members of the Task Force shall serve without compensation.

(e) The Department of Financial and Professional Regulation shall provide administrative and other support to the Task Force. Each agency and entity represented on the Task Force shall also share with the Task Force any data of the agency or entity necessary for the Task Force to carry out its duties under this Act.

Section 15. Task Force duties.

(a) The Task Force shall have the following duties:

(1) harmonize to the greatest extent possible the various collateral underwriting standards and guidance of the agencies and entities represented on the Task Force governing residential and commercial real estate

valuations, including standards and guidance with respect to appraisals, non-traditional and alternative methods of providing real estate property evaluations, such as automated valuation models, processes, and procedures for managing reconsiderations of value by consumers, and standards and guidance with respect to common collateral underwriting challenges, such as energy efficient housing and limited or inactive markets;

(2) to the extent that standards or guidance described under paragraph (1) are not harmonized, the Task Force shall issue a report to the General Assembly explaining why harmonization cannot or should not be implemented;

(3) establish specific definitions for limited or inactive housing markets in which comparable sales are limited or unavailable over a certain period of time, and establish greater flexibilities and guidance for appraisals and any underwriting processes associated with appraisals conducted in such markets, such as the ability to consider market evidence for similar properties in other geographic areas or utilizing a range of value;

(4) aggregate data across Task Force members and conduct a study to determine whether there are racial disparities at both the borrower and community level in the valuation and price of the residential real estate to be used as collateral for mortgage applications processed by Task Force members;

(5) identify specific causes of such racial disparities and (i) adopt changes to address such causes; or (ii) if the Task Force determines that additional statutory authority is needed to adopt such changes, issue a report to the General Assembly describing the needed statutory authority; and

(6) evaluate whether there are any barriers to entry that are disproportionately preventing minorities from entering into the appraisal profession.

(b) In carrying out its duties under this Act, the Task Force shall consult with the following individuals or entities: (i) civil rights advocates; (ii) consumer advocates; (iii) real estate appraisers; (iv) small lenders; (v) trade groups; (vi) appraisal management companies; (vii) experts on alternative valuation models; and (viii) an organization that adopts appraisal standards and appraiser qualification criteria.

Section 20. Reports.

(a) The Task Force shall submit a report to the Governor and the General Assembly not later than the expiration of the 24-month period beginning on the effective date of this Act detailing the findings and any actions taken to further the duties of the Task Force as of such time and describing any planned efforts and activities.

(b) Periodically, after the submission of the initial

report under subsection (a), the Task Force shall submit reports to the Governor and the General Assembly setting forth updates of the findings and actions taken to further the duties of the Task Force. The reports required under this subsection (b) shall continue for the duration of the Task Force.

Section 25. Termination of Task Force; repeal.

(a) The Task Force shall terminate upon the expiration of the 5-year period beginning on the effective date of this Act.

(b) This Act is repealed on January 1, 2029.