

1 AN ACT concerning professional regulation.

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

4 Section 5. The Real Estate Appraiser Licensing Act of 2002
5 is amended by changing Sections 1-10, 5-5, 10-10, 15-5, 15-15,
6 and 25-10 and by adding Section 5-20.3 as follows:

7 (225 ILCS 458/1-10)

8 (Section scheduled to be repealed on January 1, 2012)

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

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

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

1 as a consequence of an agreement between an appraiser and a
2 client.

3 "Appraisal company" means any individual, corporation,
4 partnership, sole proprietorship, subsidiary, unit, or other
5 business entity that (i) administers networks of independent
6 contractor appraisers to perform real estate appraisal
7 services for clients; (ii) receives requests for real estate
8 appraisal services from clients and enters into an agreement
9 with one or more independent contractor appraisers to perform
10 the real estate appraisal services contained in the request; or
11 (iii) otherwise serves as a third-party broker of appraisal
12 services between clients and appraisers.

13 For the purposes of this definition, "appraisal company"
14 includes an appraisal management company.

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

19 "Appraisal management company" means a business entity
20 that (i) administers a network of certified and licensed
21 appraisers to fulfill real estate appraisal assignments on
22 behalf of mortgage lending institutions, as well as other
23 entities; (ii) recruits, qualifies, verifies the licensing of,
24 and negotiates fees and service level expectations with a
25 network of third-party appraisers; (iii) provides
26 administrative duties including order entry and assignment,

1 tracking and status updates, pre-delivery quality control, and
2 preliminary and hard copy report delivery; and (iv) involves
3 ongoing quality control, accounts payable and receivable,
4 market value dispute resolution, warranty administration, and
5 record retention.

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

10 "Appraisal report" means any communication, written or
11 oral, of an appraisal, appraisal review, or appraisal
12 consulting service that is transmitted to a client upon
13 completion of an assignment.

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

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

21 "Appraiser" means a person, corporation, limited liability
22 company, registered limited liability partnership, or
23 partnership that ~~who~~ performs real estate or real property
24 appraisals. "Appraiser" does not mean an appraisal company or
25 appraisal management company.

26 "AQB" means the Appraisal Qualifications Board of the

1 Appraisal Foundation.

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

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

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

10 "Client" means (i) the party or parties who engage an
11 appraiser or appraisal management company by employment or
12 contract in a specific assignment or (ii) the person who
13 utilizes the services of an appraiser or engages an appraiser
14 for an appraisal by employment or contract ~~in a specific~~
15 ~~assignment.~~

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

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

21 "Due date" means the agreed upon date, based on Central
22 Standard Time, by which an assignment result is to be received
23 by the client.

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 "Managing appraiser" means a certified appraiser who has
17 supervisory responsibilities for licensees in one or, in the
18 case of a multi-office company, more than one office and who
19 has been appointed as such by the owning appraiser.

20 "Modular Course" means the Appraisal Qualifying Course
21 Design conforming to the Sub Topics Course Outline contained in
22 the AQB Criteria 2008.

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

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

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

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

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

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

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

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

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

26 "Supervising appraiser" means either (i) an appraiser who

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

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

12 "Turnaround time" or "turn time" means the period from when
13 an appraisal assignment is accepted by an appraiser or
14 appraisal company until it is received by the vendor management
15 company.

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

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

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

22 (225 ILCS 458/5-5)

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

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

25 (a) It is unlawful for a person to (i) act, offer services,

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

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

21 (b-1) It is unlawful for any person, corporation, limited
22 liability company, registered limited liability partnership,
23 or partnership (i) to act as an appraiser or appraisal company
24 or to advertise or assume to act as such appraiser or appraisal
25 company without a properly issued license issued under this Act
26 by the Department, either directly or through its authorized

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

10 (b-2) No corporation shall be granted a license or engage
11 in the business or capacity, either directly or indirectly, of
12 a real estate appraiser or appraisal company, unless every
13 officer of the corporation who actively participates in the
14 activities of the corporation holds a license as a certified
15 general real estate appraiser or a certified residential real
16 estate appraiser and unless every employee who acts as an
17 appraiser for the corporation holds a license as a certified
18 general real estate appraiser, a certified residential real
19 estate appraiser, or an associate real estate appraisal
20 trainee.

21 (b-3) No partnership shall be granted a license or engage
22 in the business or serve in the capacity, either directly or
23 indirectly, of a real estate appraiser or appraisal company
24 unless every general partner in the partnership holds a license
25 as a certified general real estate appraiser or as a certified
26 residential real estate appraiser and unless every employee who

1 acts as an appraiser holds a license as a certified general
2 real estate appraiser, a certified residential appraiser, or as
3 an associate real estate appraisal trainee.

4 In the case of a registered limited liability partnership
5 (LLP), every partner in the LLP must hold a license as a
6 certified general real estate appraiser or as a certified
7 residential real estate appraiser and every employee who acts
8 as an appraiser must hold a license as a certified general real
9 estate appraiser, a certified residential real estate
10 appraiser, or an associate real estate appraisal trainee.

11 (b-4) No limited liability company shall be granted a
12 license or engage in the business or serve in the capacity,
13 either directly or indirectly, of a real estate appraiser or
14 appraisal company unless every member, employee, and
15 independent contractor of the limited liability company who
16 acts as an appraiser holds a license as a certified residential
17 real estate appraiser or an associate real estate appraisal
18 trainee.

19 (b-5) No person, corporation, limited liability company,
20 registered limited liability partnership, or partnership shall
21 be licensed to conduct an appraisal business if an individual
22 or group of individuals who are not licensed as certified
23 appraisers in this State directly own or indirectly control
24 more than 49% of the shares of stock or other ownership in the
25 partnership or corporation.

26 (b-6) Except as provided in this Section, each appraiser

1 shall maintain a definite office or place of business within
2 this State for the transaction of appraisal business, and shall
3 conspicuously display his or her license in his or her office
4 or place of business. An appraiser who is licensed in this
5 State pursuant to Sections 5-10, 5-15, and 5-30 of this Act
6 shall not be required to maintain a definite office or place of
7 business in this State provided all of the following conditions
8 are met:

9 (1) the appraiser maintains an active certified
10 general real estate appraiser license or a certified
11 residential real estate appraiser license in the
12 appraiser's state of domicile;

13 (2) the appraiser maintains an office in the
14 appraiser's state of domicile; and

15 (3) the appraiser has filed with the Department written
16 statements appointing the Secretary to act as the
17 appraiser's agent upon whom all judicial and other process
18 or legal notices directed to the licensee may be served and
19 agreeing to abide by all of the provisions of this Act with
20 respect to his or her appraisal activities within the State
21 of Illinois and submitting to the jurisdiction of the
22 Department.

23 (b-7) Except as provided in this Section, each appraisal
24 company shall maintain a definite office or place of business
25 within this State for the transaction of appraisal business,
26 and shall conspicuously display its license in its office or

1 place of business. An appraisal company that is licensed in
2 this State pursuant to Section 5-20.3 of this Act shall not be
3 required to maintain a definite office or place of business in
4 this State provided all of the following conditions are met:

5 (1) the appraisal company is authorized to conduct
6 business as an appraisal company in its state of domicile;

7 (2) the appraisal company maintains an office in its
8 state of domicile; and

9 (3) the appraisal company has filed with the Department
10 written statements appointing the Secretary to act as the
11 appraisal company's agent upon whom all judicial and other
12 process or legal notices directed to the licensee may be
13 served and agreeing to abide by all of the provisions of
14 this Act with respect to its appraisal activities within
15 the State of Illinois and submitting to the jurisdiction of
16 the Department.

17 (b-8) Upon the loss of a managing appraiser who is not
18 replaced or in the event of the death or adjudicated disability
19 of the sole proprietor of an office, a written request for
20 authorization allowing the continued operation of the office
21 may be submitted to the Department within 15 days after the
22 loss. The Department may issue a written authorization allowing
23 the continued operation, provided that a certified appraiser,
24 or in the case of the death or adjudicated disability of a sole
25 proprietor, the representative of the estate assumes
26 responsibility, in writing, for the operation of the office and

1 agrees to personally supervise the operation of the office. No
2 such written authorization shall be valid for more than 60 days
3 unless extended by the Department for good cause shown and upon
4 written request by the appraiser or representative.

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

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

24 (e) This Act does not apply to a county assessor, township
25 assessor, multi-township assessor, county supervisor of
26 assessments, or any deputy or employee of any county assessor,

1 township assessor, multi-township assessor, or county
2 supervisor of assessments who is performing his or her
3 respective duties in accordance with the provisions of the
4 Property Tax Code.

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

7 (1) A person, partnership, association, or corporation
8 that performs appraisals of property owned by that person,
9 partnership, association, or corporation for the sole use
10 of that person, partnership, association, or corporation.

11 (2) A court-appointed commissioner who conducts an
12 appraisal pursuant to a judicially ordered evaluation of
13 property.

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

20 (g) This Act does not apply to an employee, officer,
21 director, or member of a credit or loan committee of a
22 financial institution or any other person engaged by a
23 financial institution when performing an evaluation of real
24 property for the sole use of the financial institution in a
25 transaction for which the financial institution would not be
26 required to use the services of a State licensed or State

1 certified appraiser pursuant to federal regulations adopted
2 under Title XI of the federal Financial Institutions Reform,
3 Recovery, and Enforcement Act of 1989, nor does this Act apply
4 to the procurement of an automated valuation model.

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

10 (h) This Act does not apply to a corporate relocation
11 company whereby the appraisal is not used for mortgage purposes
12 and the end user client is an employer company.

13 (i) This Section shall not be applicable to appraisers or
14 appraisal companies that contract with independent appraisers
15 for the performance of fewer than 10 appraisals in this State
16 in a calendar year.

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

18 (225 ILCS 458/5-20.3 new)

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

20 Sec. 5-20.3. Licensure of appraisal company. The
21 Department of Financial and Professional Regulation shall
22 adopt by rule standards for the licensure of appraisal
23 companies designed to protect the public interest and to ensure
24 compliance with this Act. The Department shall specify any
25 qualifications, including education or training, necessary for

1 licensure. The fee for licensure as an appraisal company
2 license shall not exceed \$50.

3 (225 ILCS 458/10-10)

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

5 Sec. 10-10. Standards of practice. All persons licensed
6 under this Act as certified general real estate appraisers,
7 certified residential real estate appraisers, or associate
8 real estate appraisal trainees must comply with standards of
9 professional appraisal practice adopted by the Department. The
10 Department must adopt, as part of its rules, the Uniform
11 Standards of Professional Appraisal Practice (USPAP) as
12 published from time to time by the Appraisal Standards Board of
13 the Appraisal Foundation. The Department shall consider
14 federal laws and regulations regarding the licensure of real
15 estate appraisers prior to adopting its rules for the
16 administration of this Act. An appraisal company shall not
17 request that an appraiser in any way violate the standards of
18 USPAP. An appraisal company shall not redact or otherwise
19 obscure compensation related disclosures contained within the
20 body of an appraisal report.

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

22 (225 ILCS 458/15-5)

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

24 Sec. 15-5. Unlicensed practice; civil penalty; injunctive

1 relief; unlawful influence.

2 (a) A person who violates Section 5-5 of this Act shall, in
3 addition to any other penalty provided by law, pay a civil
4 penalty to the Department in an amount not to exceed \$25,000
5 for each violation as determined by the Secretary. The civil
6 penalty shall be assessed by the Secretary after a hearing in
7 accordance with the provisions of this Act regarding the
8 provision of a hearing for the discipline of a license.

9 (b) The Department has the authority to investigate any
10 activity that may violate this Act.

11 (c) A civil penalty imposed pursuant to subsection (a)
12 shall be paid within 60 days after the effective date of the
13 order imposing the civil penalty. The order shall constitute a
14 judgment and may be filed and executed in the same manner as
15 any judgment from any court of record. Any civil penalty
16 collected under this Act shall be made payable to the
17 Department of Financial and Professional Regulation and
18 deposited into the Appraisal Administration Fund. In addition
19 to or in lieu of the imposition of a civil penalty, the
20 Department may report a violation of this Act or the failure or
21 refusal to comply with an order of the Department to the
22 Attorney General or to the appropriate State's Attorney.

23 (d) Practicing as an appraiser without holding a valid
24 license as required under this Act is declared to be adverse to
25 the public welfare, to constitute a public nuisance, and to
26 cause irreparable harm to the public welfare. The Secretary,

1 the Attorney General, or the State's Attorney of any county in
2 the State may maintain an action for injunctive relief in any
3 circuit court to enjoin any person from engaging in such
4 practice.

5 Upon the filing of a verified petition in a circuit court,
6 the court, if satisfied by affidavit or otherwise that a person
7 has been engaged in the practice of real estate appraisal
8 without a valid license, may enter a temporary restraining
9 order without notice or bond enjoining the defendant from
10 further practice. The showing of non-licensure, by affidavit or
11 otherwise, is sufficient for the issuance of a temporary
12 injunction. If it is established that the defendant has been or
13 is engaged in unlawful practice, the court may enter an order
14 or judgment perpetually enjoining the defendant from further
15 unlawful practice. In all proceedings under this Section, the
16 court, in its discretion, may apportion the costs among the
17 parties interested in the action, including the cost of filing
18 the complaint, service of process, witness fees and expenses,
19 court reporter charges, and reasonable attorneys' fees. These
20 injunction proceedings shall be in addition to, and not in lieu
21 of, all penalties and other remedies provided in this Act.

22 (e) No person shall influence or attempt to influence
23 through coercion, extortion, or bribery the independent
24 judgment of an appraiser licensed or certified under this Act
25 in the development, reporting, result, or review of a real
26 estate appraisal. A person who violates this subsection (e) is

1 guilty of a Class A misdemeanor for the first offense and a
2 Class 4 felony for any subsequent offense.

3 (f) It shall be unlawful for any employee, director,
4 officer, or agent of an appraisal company licensed in this
5 State to influence or attempt to influence the development,
6 reporting, or review of an appraisal through coercion,
7 extortion, collusion, compensation, instruction, inducement,
8 intimidation, bribery, or in any other manner, including, but
9 not limited to, the following:

10 (1) withholding or threatening to withhold timely
11 payment for an appraisal;

12 (2) withholding or threatening to withhold future
13 business for an independent appraiser, or demoting or
14 terminating or threatening to demote or terminate an
15 independent appraiser;

16 (3) imposing turnaround time monetary penalties that
17 are not specified at the time of engagement;

18 (4) requiring an appraiser to submit a notice of
19 absence when not an employee of the entity;

20 (5) requiring an appraiser to sign a non-compete clause
21 when not an employee of the entity;

22 (6) requesting the payment of compensation to achieve
23 higher priority in the assignment of appraisal business;

24 (7) requiring an appraiser to pay or otherwise
25 compensate the appraisal company for fees to upload or
26 otherwise deliver an appraisal report, fees for a report

1 transmitted after a due date, or fees for reviewing the
2 report;

3 (8) requiring an appraiser or appraisal company to sign
4 any sort of indemnification agreement that would require
5 the appraiser to defend and hold harmless the appraisal
6 company, any software provider that an appraisal company
7 requires an appraiser to use, or any other entity that the
8 appraisal company does business with, from any liability,
9 damage, loss, or claim that does not arise as a result of
10 the appraiser's performance of the appraisal assignment;
11 and

12 (9) requiring an appraiser who is not an employee of
13 the appraisal company to collect the appraisal fee from the
14 borrower, occupant, or any other person.

15 (g) It shall be unlawful for any licensed appraiser or
16 appraisal company to alter, modify, or otherwise change a
17 completed appraisal report submitted by an independent
18 appraiser, including, without limitation, by doing any of the
19 following:

20 (1) permanently removing the appraiser's signature or
21 seal;

22 (2) adding information to, or removing information
23 from, the appraisal report with an intent to change the
24 value conclusion;

25 (3) expressly or impliedly promising future business,
26 promotions, or increased compensation for an independent

1 appraiser;

2 (4) conditioning the request for an appraisal service
3 or the payment of an appraisal fee or salary or bonus on
4 the opinion, conclusion, or valuation to be reached, or on
5 a preliminary estimate or opinion requested from an
6 independent appraiser;

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

12 (6) providing to an independent appraiser an
13 anticipated, estimated, encouraged, or desired value for a
14 subject property or a proposed or target amount to be
15 loaned to the borrower, except that a copy of the sales
16 contract for purchase transactions may be provided;

17 (7) providing to an independent appraiser, or any
18 entity or person related to the appraiser, stock or other
19 financial or non-financial benefits;

20 (8) allowing the removal of an independent appraiser
21 from an appraiser panel, without prior written notice to
22 such appraiser;

23 (9) obtaining, using, or paying for a second or
24 subsequent appraisal or ordering an automated valuation
25 model in connection with a mortgage financing transaction
26 unless there is a reasonable basis to believe that the

1 initial appraisal was flawed or tainted and such basis is
2 clearly and appropriately noted in the loan file, or unless
3 such appraisal or automated valuation model is done
4 pursuant to a bona fide pre- or post-funding appraisal
5 review or quality control process; or

6 (10) any other act or practice that impairs or attempts
7 to impair an appraiser's independence, objectivity, or
8 impartiality.

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

10 (225 ILCS 458/15-15)

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

12 Sec. 15-15. Investigation; notice; hearing.

13 (a) Upon the motion of the Department or the Board or upon
14 a complaint in writing of a person setting forth facts that, if
15 proven, would constitute grounds for suspension, revocation,
16 or other disciplinary action against a licensee or applicant
17 for licensure, the Department or the Board shall investigate
18 the actions of the licensee or applicant. If, upon
19 investigation, the Department believes that there may be cause
20 for suspension, revocation, or other disciplinary action, the
21 Department shall use the services of a State certified general
22 real estate appraiser, a State certified residential real
23 estate appraiser, or the Real Estate Coordinator to assist in
24 determining whether grounds for disciplinary action exist
25 prior to commencing formal disciplinary proceedings.

1 (b) Formal disciplinary proceedings shall commence upon
2 the issuance of a written complaint describing the charges that
3 are the basis of the disciplinary action and delivery of the
4 detailed complaint to the address of record of the licensee or
5 applicant. The Department shall notify the licensee or
6 applicant to file a verified written answer within 20 days
7 after the service of the notice and complaint. The notification
8 shall inform the licensee or applicant of his or her right to
9 be heard in person or by legal counsel; that the hearing will
10 be afforded not sooner than 30 days after service of the
11 complaint; that failure to file an answer will result in a
12 default being entered against the licensee or applicant; that
13 the license may be suspended, revoked, or placed on
14 probationary status; and that other disciplinary action may be
15 taken pursuant to this Act, including limiting the scope,
16 nature, or extent of the licensee's practice. If the licensee
17 or applicant fails to file an answer after service of notice,
18 his or her license may, at the discretion of the Department, be
19 suspended, revoked, or placed on probationary status and the
20 Department may take whatever disciplinary action it deems
21 proper, including limiting the scope, nature, or extent of the
22 person's practice, without a hearing.

23 (c) At the time and place fixed in the notice, the Board
24 shall conduct hearing of the charges, providing both the
25 accused person and the complainant ample opportunity to present
26 in person or by counsel such statements, testimony, evidence,

1 and argument as may be pertinent to the charges or to a defense
2 thereto.

3 (d) The Board shall present to the Secretary a written
4 report of its findings and recommendations. A copy of the
5 report shall be served upon the licensee or applicant, either
6 personally or by certified mail. Within 20 days after the
7 service, the licensee or applicant may present the Secretary
8 with a motion in writing for either a rehearing, a proposed
9 finding of fact, a conclusion of law, or an alternative
10 sanction, and shall specify the particular grounds for the
11 request. If the accused orders a transcript of the record as
12 provided in this Act, the time elapsing thereafter and before
13 the transcript is ready for delivery to the accused shall not
14 be counted as part of the 20 days. If the Secretary is not
15 satisfied that substantial justice has been done, the Secretary
16 may order a rehearing by the Board or other special committee
17 appointed by the Secretary, may remand the matter to the Board
18 for its reconsideration of the matter based on the pleadings
19 and evidence presented to the Board, or may enter a final order
20 in contravention of the Board's recommendation. In all
21 instances under this Act in which the Board has rendered a
22 recommendation to the Secretary with respect to a particular
23 licensee or applicant, the Secretary, if he or she disagrees
24 with the recommendation of the Board, shall file with the Board
25 and provide to the licensee or applicant a copy of the
26 Secretary's specific written reasons for disagreement with the

1 Board. The reasons shall be filed within 60 days of the Board's
2 recommendation to the Secretary and prior to any contrary
3 action. Notwithstanding a licensee's or applicant's failure to
4 file a motion for rehearing, the Secretary shall have the right
5 to take any of the actions specified in this subsection (d).
6 Upon the suspension or revocation of a license, the licensee
7 shall be required to surrender his or her license to the
8 Department, and upon failure or refusal to do so, the
9 Department shall have the right to seize the license.

10 (e) The Department has the power to issue subpoenas and
11 subpoenas duces tecum to bring before it any person in this
12 State, to take testimony, or to require production of any
13 records relevant to an inquiry or hearing by the Board in the
14 same manner as prescribed by law in judicial proceedings in the
15 courts of this State. In a case of refusal of a witness to
16 attend, testify, or to produce books or papers concerning a
17 matter upon which he or she might be lawfully examined, the
18 circuit court of the county where the hearing is held, upon
19 application of the Department or any party to the proceeding,
20 may compel obedience by proceedings as for contempt.

21 (f) Any license that is suspended indefinitely or revoked
22 may not be restored for a minimum period of 2 years, or as
23 otherwise ordered by the Secretary.

24 (g) In addition to the provisions of this Section
25 concerning the conduct of hearings and the recommendations for
26 discipline, the Department has the authority to negotiate

1 disciplinary and non-disciplinary settlement agreements
2 concerning any license issued under this Act. All such
3 agreements shall be recorded as Consent Orders or Consent to
4 Administrative Supervision Orders.

5 (h) The Secretary shall have the authority to appoint an
6 attorney duly licensed to practice law in the State of Illinois
7 to serve as the hearing officer in any action to suspend,
8 revoke, or otherwise discipline any license issued by the
9 Department. The Hearing Officer shall have full authority to
10 conduct the hearing.

11 (i) The Department, at its expense, shall preserve a record
12 of all formal hearings of any contested case involving the
13 discipline of a license. At all hearings or pre-hearing
14 conferences, the Department and the licensee shall be entitled
15 to have the proceedings transcribed by a certified shorthand
16 reporter. A copy of the transcribed proceedings shall be made
17 available to the licensee by the certified shorthand reporter
18 upon payment of the prevailing contract copy rate.

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

20 (225 ILCS 458/25-10)

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

22 Sec. 25-10. Real Estate Appraisal Administration and
23 Disciplinary Board; appointment.

24 (a) There is hereby created the Real Estate Appraisal
25 Administration and Disciplinary Board. The Board shall be

1 composed of 11 ~~10~~ persons appointed by the Governor, plus the
2 Coordinator of the Real Estate Appraisal Division. Members
3 shall be appointed to the Board subject to the following
4 conditions:

5 (1) All appointed members shall have been residents and
6 citizens of this State for at least 5 years prior to the
7 date of appointment.

8 (2) The appointed membership of the Board should
9 reasonably reflect the geographic distribution of the
10 population of the State.

11 (3) Four appointed members shall have been actively
12 engaged and currently licensed as State certified general
13 real estate appraisers for a period of not less than 5
14 years.

15 (4) Two appointed members shall have been actively
16 engaged and currently licensed as State certified
17 residential real estate appraisers for a period of not less
18 than 5 years.

19 (5) Two appointed members shall hold a valid license as
20 a real estate broker for at least 10 years prior to the
21 date of the appointment, one of whom shall hold a valid
22 State certified general real estate appraiser license
23 issued under this Act or a predecessor Act for a period of
24 at least 5 years prior to the appointment and one of whom
25 shall hold a valid State certified residential real estate
26 appraiser license issued under this Act or a predecessor

1 Act for a period of at least 5 years prior to the
2 appointment.

3 (6) One appointed member shall be a representative of a
4 financial institution, as evidenced by his or her
5 employment with a financial institution.

6 (7) One appointed member shall represent the interests
7 of the general public. This member or his or her spouse
8 shall not be licensed under this Act nor be employed by or
9 have any interest in an appraisal business, real estate
10 brokerage business, or a financial institution.

11 (8) One appointed member shall be a representative of
12 an appraisal management company, as evidenced by his or her
13 being an officer or employee of an appraisal management
14 company which employs or contracts with, in the aggregate,
15 at least 10 licensed appraisers.

16 In making appointments as provided in paragraphs (3) and
17 (4) of this subsection, the Governor shall give due
18 consideration to recommendations by members and organizations
19 representing the profession.

20 In making the appointments as provided in paragraph (5) of
21 this subsection, the Governor shall give due consideration to
22 the recommendations by members and organizations representing
23 the real estate industry.

24 In making the appointment as provided in paragraph (6) of
25 this subsection, the Governor shall give due consideration to
26 the recommendations by members and organizations representing

1 financial institutions.

2 (b) The term for members of the Board shall be 4 years, and
3 each member shall serve until his or her successor is appointed
4 and qualified. No member shall serve more than 10 years in a
5 lifetime.

6 (c) The Governor may terminate the appointment of a member
7 for cause that, in the opinion of the Governor, reasonably
8 justifies the termination. Cause for termination may include,
9 without limitation, misconduct, incapacity, neglect of duty,
10 or missing 4 Board meetings during any one calendar year.

11 (d) Six ~~A majority of the~~ Board members shall constitute a
12 quorum. ~~A vacancy in the membership of the Board shall not~~
13 ~~impair the right of a~~ quorum is required to exercise all of the
14 rights and perform all of the duties of the Board.

15 (e) The Board shall meet at least quarterly and may be
16 convened by the Chairperson, Vice-Chairperson, or 3 members of
17 the Board upon 10 days written notice.

18 (f) The Board shall, annually at the first meeting of the
19 fiscal year, elect a Chairperson and Vice-Chairperson from its
20 members. The Chairperson shall preside over the meetings and
21 shall coordinate with the Coordinator in developing and
22 distributing an agenda for each meeting. In the absence of the
23 Chairperson, the Vice-Chairperson shall preside over the
24 meeting.

25 (g) The Coordinator of the Real Estate Appraisal Division
26 shall serve as a member of the Board without vote.

1 (h) The Board shall advise and make recommendations to the
2 Department on the education and experience qualifications of
3 any applicant for initial licensure as a State certified
4 general real estate appraiser or a State certified residential
5 real estate appraiser. The Department shall not make any
6 decisions concerning education or experience qualifications of
7 an applicant for initial licensure as a State certified general
8 real estate appraiser or a State certified residential real
9 estate appraiser without having first received the advice and
10 recommendation of the Board and shall give due consideration to
11 all such advice and recommendations; however, if the Board does
12 not render advice or make a recommendation within a reasonable
13 amount of time, then the Department may render a decision.

14 (h-5) The Board shall issue educational findings, as it
15 deems appropriate.

16 (i) Except as provided in Section 15-17 of this Act, the
17 Board shall hear and make recommendations to the Secretary on
18 disciplinary matters that require a formal evidentiary
19 hearing. The Secretary shall give due consideration to the
20 recommendations of the Board involving discipline and
21 questions involving standards of professional conduct of
22 licensees.

23 (j) The Department shall seek and the Board shall provide
24 recommendations to the Department consistent with the
25 provisions of this Act and for the administration and
26 enforcement of all rules adopted pursuant to this Act. The

1 Department shall give due consideration to such
2 recommendations prior to adopting rules.

3 (k) The Department shall seek and the Board shall provide
4 recommendations to the Department on the approval of all
5 courses submitted to the Department pursuant to this Act and
6 the rules adopted pursuant to this Act. The Department shall
7 not approve any courses without having first received the
8 recommendation of the Board and shall give due consideration to
9 such recommendations prior to approving and licensing courses;
10 however, if the Board does not make a recommendation within a
11 reasonable amount of time, then the Department may approve
12 courses.

13 (l) Each voting member of the Board shall receive a per
14 diem stipend in an amount to be determined by the Secretary.
15 Each member shall be paid his or her necessary expenses while
16 engaged in the performance of his or her duties.

17 (m) Members of the Board shall be immune from suit in an
18 action based upon any disciplinary proceedings or other acts
19 performed in good faith as members of the Board.

20 (n) If the Department disagrees with any advice or
21 recommendation provided by the Board under this Section to the
22 Secretary or the Department, then notice of such disagreement
23 must be provided to the Board by the Department.

24 (o) Upon resolution adopted at any Board meeting, the
25 exercise of any Board function, power, or duty enumerated in
26 this Section or in subsection (d) of Section 15-10 of this Act

1 may be suspended. The exercise of any suspended function,
2 power, or duty of the Board may be reinstated by a resolution
3 adopted at a subsequent Board meeting. Any resolution adopted
4 pursuant to this Section shall take effect immediately.

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