

**SB3430**



**98TH GENERAL ASSEMBLY**

**State of Illinois**

**2013 and 2014**

**SB3430**

Introduced 2/14/2014, by Sen. Karen McConnaughay

**SYNOPSIS AS INTRODUCED:**

225 ILCS 458/1-10

Amends the Real Estate Appraiser Licensing Act of 2002. Makes changes to the definitions of "appraisal", "appraisal report", "appraiser", "federal financial institutions regulatory agencies", and "federally related transaction" and deletes the definition of "modular course".

LRB098 19702 ZMM 54913 b

**A BILL FOR**

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 5. The Real Estate Appraiser Licensing Act of 2002  
5 is amended by changing Section 1-10 as follows:

6 (225 ILCS 458/1-10)

7 (Section scheduled to be repealed on January 1, 2022)

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

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

16 "Address of record" means the designated address recorded  
17 by the Department in the applicant's or licensee's application  
18 file or license file as maintained by the Department's  
19 licensure maintenance unit. It is the duty of the applicant or  
20 licensee to inform the Department of any change of address and  
21 those changes must be made either through the Department's  
22 website or by contacting the Department.

23 "Applicant" means person who applies to the Department for

1 a license under this Act.

2 "Appraisal" means (noun) the act or process of developing  
3 an opinion of value; an opinion of value (adjective) of or  
4 pertaining to appraising and related functions, such as  
5 appraisal practice or valuation ~~appraisal~~ services.

6 "Appraisal assignment" means a valuation service provided  
7 as a consequence of an agreement between an appraiser and a  
8 client.

9 "Appraisal consulting" means the act or process of  
10 developing an analysis, recommendation, or opinion to solve a  
11 problem, where an opinion of value is a component of the  
12 analysis leading to the assignment results.

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

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

1 appraisers to perform the real estate appraisal services  
2 contained in the request; or (3) otherwise serves as a  
3 third-party broker of appraisal management services between  
4 clients and appraisers. "Appraisal management company" does  
5 not include an appraisal firm.

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 or 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 who performs real estate or real  
22 property appraisals in accordance with the Uniform Standards of  
23 Professional Appraisal Practice.

24 "AQB" means the Appraisal Qualifications Board of the  
25 Appraisal Foundation.

26 "Associate real estate trainee appraiser" means an

1 entry-level appraiser who holds a license of this  
2 classification under this Act with restrictions as to the scope  
3 of practice in accordance with this Act.

4 "Board" means the Real Estate Appraisal Administration and  
5 Disciplinary Board.

6 "Classroom hour" means 50 minutes of instruction out of  
7 each 60 minute segment of coursework.

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

10 "Coordinator" means the Coordinator of Real Estate  
11 Appraisal of the Division of Professional Regulation of the  
12 Department of Financial and Professional Regulation.

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

15 "Federal financial institutions regulatory agencies" means  
16 the Board of Governors of the Federal Reserve System, the  
17 Federal Deposit Insurance Corporation, the Office of the  
18 Comptroller of the Currency, the Consumer Financial Protection  
19 Bureau ~~Office of Thrift Supervision~~, and the National Credit  
20 Union Administration.

21 "Federally related transaction" means any real  
22 estate-related financial transaction in which a federal  
23 financial institutions regulatory agency, ~~the Department of~~  
24 ~~Housing and Urban Development, Fannie Mae, Freddie Mac, or the~~  
25 ~~National Credit Union Administration~~ engages in, contracts  
26 for, ~~or~~ regulates, or ~~and~~ requires the services of an

1 appraiser.

2 "Financial institution" means any bank, savings bank,  
3 savings and loan association, credit union, mortgage broker,  
4 mortgage banker, licensee under the Consumer Installment Loan  
5 Act or the Sales Finance Agency Act, or a corporate fiduciary,  
6 subsidiary, affiliate, parent company, or holding company of  
7 any such licensee, or any institution involved in real estate  
8 financing that is regulated by state or federal law.

9 ~~"Modular Course" means the Appraisal Qualifying Course~~  
10 ~~Design conforming to the Sub Topics Course Outline contained in~~  
11 ~~the AQB Criteria 2008.~~

12 "Person" means an individual, entity, sole proprietorship,  
13 corporation, limited liability company, partnership, and joint  
14 venture, foreign or domestic, except that when the context  
15 otherwise requires, the term may refer to more than one  
16 individual or other described entity.

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

19 "Real estate related financial transaction" means any  
20 transaction involving:

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

24 (2) the refinancing of real property or interests in  
25 real property; and

26 (3) the use of real property or interest in property as

1 security for a loan or investment, including mortgage  
2 backed securities.

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

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

7 "State certified general real estate appraiser" means an  
8 appraiser who holds a license of this classification under this  
9 Act and such classification applies to the appraisal of all  
10 types of real property without restrictions as to the scope of  
11 practice.

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

20 "Supervising appraiser" means either (i) an appraiser who  
21 holds a valid license under this Act as either a State  
22 certified general real estate appraiser or a State certified  
23 residential real estate appraiser, who co-signs an appraisal  
24 report for an associate real estate trainee appraiser or (ii) a  
25 State certified general real estate appraiser who holds a valid  
26 license under this Act who co-signs an appraisal report for a

1 State certified residential real estate appraiser on  
2 properties other than one to 4 units of residential real  
3 property without regard to transaction value or complexity.

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

6 "USPAP" means the Uniform Standards of Professional  
7 Appraisal Practice as promulgated by the Appraisal Standards  
8 Board pursuant to Title XI and by rule.

9 "Valuation services" means services pertaining to aspects  
10 of property value.

11 (Source: P.A. 96-844, eff. 12-23-09; 97-602, eff. 8-26-11.)