



Sen. Bill Cunningham

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LRB104 07004 AAS 24894 a

1 AMENDMENT TO SENATE BILL 706

2 AMENDMENT NO. _____. Amend Senate Bill 706 by replacing
3 everything after the enacting clause with the following:

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

6 (225 ILCS 458/1-10)

7 (Section scheduled to be repealed on January 1, 2027)

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
13 by 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 street address,

1 which may not be a post office box, recorded by the Department
2 in the applicant's or licensee's application file or license
3 file as maintained by the Department.

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

6 "Appraisal" means (noun) the act or process of developing
7 an opinion of value; an opinion of value (adjective) of or
8 pertaining to appraising and related functions, such as
9 appraisal practice or appraisal services.

10 "Appraisal assignment" means a valuation service provided
11 pursuant to an agreement between an appraiser and a client.

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

17 "Appraisal management company" means any corporation,
18 limited liability company, partnership, sole proprietorship,
19 subsidiary, unit, or other business entity that directly or
20 indirectly: (1) provides appraisal management services to
21 creditors or secondary mortgage market participants, including
22 affiliates; (2) provides appraisal management services in
23 connection with valuing the consumer's principal dwelling as
24 security for a consumer credit transaction (including consumer
25 credit transactions incorporated into securitizations); and
26 (3) any appraisal management company that, within a given

1 12-month period, oversees an appraiser panel of 16 or more
2 State-certified appraisers in Illinois or 25 or more
3 State-certified or State-licensed appraisers in 2 or more
4 jurisdictions. "Appraisal management company" includes a
5 hybrid entity.

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

9 "Appraisal qualification board (AQB)" means the
10 independent board of the Appraisal Foundation, which, under
11 the provisions of Title XI of the Financial Institutions
12 Reform, Recovery, and Enforcement Act of 1989, establishes the
13 minimum education, experience, and examination requirements
14 for real property appraisers to obtain a state certification
15 or license.

16 "Appraisal report" means any communication, written or
17 oral, of an appraisal or appraisal review that is transmitted
18 to a client upon completion of an assignment.

19 "Appraisal review" means the act or process of developing
20 and communicating an opinion about the quality of another
21 appraiser's work that was performed as part of an appraisal,
22 appraisal review, or appraisal assignment.

23 "Appraisal Subcommittee" means the Appraisal Subcommittee
24 of the Federal Financial Institutions Examination Council as
25 established by Title XI.

26 "Appraiser" means a person who performs real estate or

1 real property appraisals competently and in a manner that is
2 independent, impartial, and objective.

3 "Appraiser panel" means a network, list, or roster of
4 licensed or certified appraisers approved by the appraisal
5 management company or by the end-user client to perform
6 appraisals as independent contractors for the appraisal
7 management company. "Appraiser panel" includes both appraisers
8 accepted by an appraisal management company for consideration
9 for future appraisal assignments and appraisers engaged by an
10 appraisal management company to perform one or more
11 appraisals. For the purposes of determining the size of an
12 appraiser panel, only independent contractors of hybrid
13 entities shall be counted towards the appraiser panel.

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

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

23 "Board" means the Real Estate Appraisal Administration and
24 Disciplinary Board.

25 "Broker price opinion" means an estimate or analysis of
26 the probable selling price of a particular interest in real

1 estate, which may provide a varying level of detail about the
2 property's condition, market, and neighborhood and information
3 on comparable sales. The activities of a real estate broker or
4 managing broker engaging in the ordinary course of business as
5 a broker, as defined in this Section, shall not be considered a
6 broker price opinion if no compensation is paid to the broker
7 or managing broker, other than compensation based upon the
8 sale or rental of real estate.

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

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

14 "Comparative market analysis" is an analysis or opinion
15 regarding pricing, marketing, or financial aspects relating to
16 a specified interest or interests in real estate that may be
17 based upon an analysis of comparative market data, the
18 expertise of the real estate broker or managing broker, and
19 such other factors as the broker or managing broker may deem
20 appropriate in developing or preparing such analysis or
21 opinion. The activities of a real estate broker or managing
22 broker engaging in the ordinary course of business as a
23 broker, as defined in this Section, shall not be considered a
24 comparative market analysis if no compensation is paid to the
25 broker or managing broker, other than compensation based upon
26 the sale or rental of real estate.

1 "Coordinator" means the Real Estate Appraisal Coordinator
2 created in Section 25-15.

3 "Data collector" means a person who is hired by an
4 appraisal management company or mortgage lender to inspect and
5 collect data and pictures of a specific tract of real estate
6 for the appraisal management company or mortgage lender with
7 the intent of the data and information, which will be provided
8 to an appraiser for the sole basis of preparation of an
9 appraisal, to support a mortgage on the real estate.

10 "Department" means the Department of Financial and
11 Professional Regulation.

12 "Email address of record" means the designated email
13 address recorded by the Department in the applicant's
14 application file or the licensee's license file maintained by
15 the Department.

16 "Evaluation" means a valuation permitted by the appraisal
17 regulations of the Federal Financial Institutions Examination
18 Council and its federal agencies for transactions that qualify
19 for the appraisal threshold exemption, business loan
20 exemption, or subsequent transaction exemption.

21 "Federal financial institutions regulatory agencies" means
22 the Board of Governors of the Federal Reserve System, the
23 Federal Deposit Insurance Corporation, the Office of the
24 Comptroller of the Currency, the Consumer Financial Protection
25 Bureau, and the National Credit Union Administration.

26 "Federally related transaction" means any real

1 estate-related financial transaction in which a federal
2 financial institutions regulatory agency engages in, contracts
3 for, or regulates and requires the services of an appraiser.

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

11 "Hybrid entity" means an appraisal management company that
12 hires an appraiser as an employee to perform an appraisal and
13 engages an independent contractor to perform an appraisal.

14 "License" means the privilege conferred by the Department
15 to a person that has fulfilled all requirements prerequisite
16 to any type of licensure under this Act.

17 "Licensee" means any person licensed under this Act.

18 "Multi-state licensing system" means a web-based platform
19 that allows an applicant to submit the application or license
20 renewal application to the Department online.

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

26 "Real estate" means an identified parcel or tract of land,

1 including any improvements.

2 "Real estate related financial transaction" means any
3 transaction involving:

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

7 (2) the refinancing of real property or interests in
8 real property; and

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

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

14 "Secretary" means the Secretary of Financial and
15 Professional Regulation or the Secretary's designee.

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

21 "State certified residential real estate appraiser" means
22 an appraiser who holds a license of this classification under
23 this Act and such classification applies to the appraisal of
24 one to 4 units of residential real property without regard to
25 transaction value or complexity, but with restrictions as to
26 the scope of practice in a federally related transaction in

1 accordance with Title XI, the provisions of USPAP, criteria
2 established by the AQB, and further defined by rule.

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

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

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

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

20 (Source: P.A. 102-20, eff. 1-1-22; 102-687, eff. 12-17-21;
21 102-970, eff. 5-27-22; 103-236, eff. 1-1-24.)

22 (225 ILCS 458/5-5)

23 (Section scheduled to be repealed on January 1, 2027)

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
4 real estate appraisal, (iii) practice as a real estate
5 appraiser, ~~or~~ (iv) advertise as a real estate appraiser, or
6 (v) act as a data collector without a license issued under this
7 Act. A person who violates this subsection is guilty of a Class
8 A misdemeanor for a first offense and a Class 4 felony for any
9 subsequent offense.

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

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

1 4 felony for any subsequent offense.

2 (c) This Act does not apply to a person who holds a valid
3 license as a real estate broker or managing broker pursuant to
4 the Real Estate License Act of 2000 who prepares or provides a
5 broker price opinion or comparative market analysis in
6 compliance with Section 10-45 of the Real Estate License Act
7 of 2000.

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

16 (e) This Act does not apply to a county assessor, township
17 assessor, multi-township assessor, county supervisor of
18 assessments, or any deputy or employee of any county assessor,
19 township assessor, multi-township assessor, or county
20 supervisor of assessments in performance of respective duties
21 in accordance with the provisions of the Property Tax Code.

22 (e-5) For the purposes of this Act, valuation waivers may
23 be prepared by a licensed appraiser notwithstanding any other
24 provision of this Act, and the following types of valuations
25 are not appraisals and may not be represented to be
26 appraisals, and a license is not required under this Act to

1 perform such valuations if the valuations are performed by (1)
2 an employee of the Illinois Department of Transportation who
3 has completed a minimum of 45 hours of course work in real
4 estate appraisal, including the principles of real estate
5 appraisals, appraisal of partial acquisitions, easement
6 valuation, reviewing appraisals in eminent domain, appraisal
7 for federal aid highway programs, and appraisal review for
8 federal aid highway programs and has at least 2 years'
9 experience in a field closely related to real estate; (2) a
10 county engineer who is a registered professional engineer
11 under the Professional Engineering Practice Act of 1989; (3)
12 an employee of a municipality who has (i) completed a minimum
13 of 45 hours of coursework in real estate appraisal, including
14 the principles of real estate appraisals, appraisal of partial
15 acquisitions, easement valuation, reviewing appraisals in
16 eminent domain, appraisal for federal aid highway programs,
17 and appraisal review for federal aid highway programs and (ii)
18 has either 2 years' experience in a field clearly related to
19 real estate or has completed 20 hours of additional coursework
20 that is sufficient for a person to complete waiver valuations
21 as approved by the Federal Highway Administration; or (4) a
22 municipal engineer who has completed coursework that is
23 sufficient for waiver valuations to be approved by the Federal
24 Highway Administration and who is a registered professional
25 engineer under the Professional Engineering Act of 1989, under
26 the following circumstances:

1 (A) a valuation waiver in an amount not to exceed
2 \$20,000 prepared pursuant to the federal Uniform
3 Relocation Assistance and Real Property Acquisition
4 Policies Act of 1970, or prepared pursuant to the federal
5 Uniform Relocation Assistance and Real Property
6 Acquisition for Federal and Federally-Assisted Programs
7 regulations and which is performed by (1) an employee of
8 the Illinois Department of Transportation and co-signed,
9 with a license number affixed, by another employee of the
10 Illinois Department of Transportation who is a registered
11 professional engineer under the Professional Engineering
12 Practice Act of 1989 or (2) an employee of a municipality
13 and co-signed with a license number affixed by a county or
14 municipal engineer who is a registered professional
15 engineer under the Professional Engineering Practice Act
16 of 1989; and

17 (B) a valuation waiver in an amount not to exceed
18 \$20,000 prepared pursuant to the federal Uniform
19 Relocation Assistance and Real Property Acquisition
20 Policies Act of 1970, or prepared pursuant to the federal
21 Uniform Relocation Assistance and Real Property
22 Acquisition for Federal and Federally-Assisted Programs
23 regulations and which is performed by a county or
24 municipal engineer who is employed by a county or
25 municipality and is a registered professional engineer
26 under the Professional Engineering Practice Act of 1989.

1 The valuation shall include the county or municipal
2 engineer's signature and license number.

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

7 (f) A State real estate appraisal certification or license
8 is not required under this Act for any person, partnership,
9 association, or corporation that performs appraisals of
10 property owned by that person, partnership, association, or
11 corporation for the sole use of that person, partnership,
12 association, or corporation.

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

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

1 under Title XI of the federal Financial Institutions Reform,
2 Recovery, and Enforcement Act of 1989.

3 (h) This Act does not apply to the procurement of an
4 automated valuation model.

5 (Source: P.A. 102-20, eff. 1-1-22.)".