



Rep. Robert Rita

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LRB099 19338 SMS 45922 a

1 AMENDMENT TO HOUSE BILL 5880

2 AMENDMENT NO. _____. Amend House Bill 5880 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Appraisal Management Company Registration
5 Act is amended by changing Section 165 as follows:

6 (225 ILCS 459/165)

7 Sec. 165. Prohibited activities.

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

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

16 (2) Withholding or threatening to withhold, either

1 expressed or by implication, future business from, or
2 demoting, or terminating, or threatening to demote or
3 terminate an Illinois licensed or certified appraiser.

4 (3) Expressly or impliedly promising future business,
5 promotions, or increased compensation for an independent
6 appraiser.

7 (4) Conditioning an assignment for an appraisal
8 service or the payment of an appraisal fee or salary or
9 bonus on the opinion, conclusion, or valuation to be
10 reached in an appraisal report.

11 (5) Requesting that an appraiser provide an estimated,
12 predetermined, or desired valuation in an appraisal report
13 or provide estimated values or sales at any time prior to
14 the appraiser's completion of an appraisal report.

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

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

20 (8) Requiring an appraiser to sign any sort of
21 indemnification agreement that would require the appraiser
22 to defend and hold harmless the appraisal management
23 company or any of its agents, employees, or independent
24 contractors for any liability, damage, losses, or claims
25 arising out of the services performed by the appraisal
26 management company or its agents, employees, or

1 independent contractors and not the services performed by
2 the appraiser.

3 (9) Prohibiting or attempting to prohibit the
4 appraiser from including or referencing the appraisal fee,
5 the appraisal management company name or identity, or the
6 client's or lender's name or identity within the body of
7 the appraisal report.

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

10 (11) Knowingly withholding any end-user client
11 guidelines, policies, requirements, standards, assignment
12 conditions, and special instructions from an appraiser
13 prior to the acceptance of an appraisal assignment.

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

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

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

23 (2) adding information to, or removing information
24 from, the appraisal report with an intent to change the
25 value conclusion or the condition of the property.

26 (d) No appraisal management company may require an

1 appraiser to provide it with the appraiser's digital signature
2 or seal. However, nothing in this Act shall be deemed to
3 prohibit an appraiser from voluntarily providing his or her
4 digital signature or seal to another person on an
5 assignment-by-assignment basis, in accordance with USPAP.

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

8 (1) consider additional appropriate property
9 information, including the consideration of additional
10 comparable properties to make or support an appraisal;

11 (2) provide further detail, substantiation, or
12 explanation for the appraiser's value conclusion; or

13 (3) correct factual errors in the appraisal report.

14 (f) An appraisal management company shall not:

15 (1) require an appraiser to pay the appraisal
16 management company national registry fee assessed by the
17 Appraisal Subcommittee of the Federal Financial
18 Institutions Examination Council pursuant to 12 U.S.C.
19 3338 for a person that is certified as an appraiser in this
20 State and is on the appraiser panel of the appraisal
21 management company;

22 (2) require an appraiser to pay any fee directly or
23 indirectly to an appraisal management company or to
24 reimburse an appraisal management company for any costs,
25 fees, or other expenses incurred solely by the appraisal
26 management company as a prerequisite to an appraiser being

1 added to an appraiser panel or as a prerequisite to an
2 appraiser receiving an order for an appraisal from an
3 appraisal management company; or

4 (3) deduct any amount from the reasonable and customary
5 fee paid to an appraiser for any costs, fees, or other
6 expenses incurred solely by the appraisal management
7 company.

8 (Source: P.A. 97-602, eff. 8-26-11.)".