



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB0722

Introduced 1/25/2017, by Rep. Robert Rita

SYNOPSIS AS INTRODUCED:

225 ILCS 459/165

Amends the Appraisal Management Company Registration Act. Provides that an appraisal management company shall not require an appraiser to pay the specified appraisal management company national registry fee assessed by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council for a person that is certified as an appraiser in this State and is on the appraiser panel of the appraisal management company; require an appraiser to pay any fee directly or indirectly to an appraisal management company or to reimburse an appraisal management company for any costs, fees, or other expenses incurred solely by the appraisal management company as a prerequisite to an appraiser being added to an appraiser panel or as a prerequisite to an appraiser receiving an order for an appraisal from an appraisal management company; or deduct any amount from the reasonable and customary fee paid to an appraiser for any costs, fees, or other expenses incurred solely by the appraisal management company.

LRB100 06155 SMS 16188 b

FISCAL NOTE ACT
MAY APPLY

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 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
17 expressed or by implication, future business from, or
18 demoting, or terminating, or threatening to demote or
19 terminate an Illinois licensed or certified appraiser.

20 (3) Expressly or impliedly promising future business,
21 promotions, or increased compensation for an independent
22 appraiser.

23 (4) Conditioning an assignment for an appraisal

1 service or the payment of an appraisal fee or salary or
2 bonus on the opinion, conclusion, or valuation to be
3 reached in an appraisal report.

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

8 (6) Allowing or directing the removal of an appraiser
9 from an appraisal panel without prior written notice to the
10 appraiser.

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

13 (8) Requiring an appraiser to sign any sort of
14 indemnification agreement that would require the appraiser
15 to defend and hold harmless the appraisal management
16 company or any of its agents, employees, or independent
17 contractors for any liability, damage, losses, or claims
18 arising out of the services performed by the appraisal
19 management company or its agents, employees, or
20 independent contractors and not the services performed by
21 the appraiser.

22 (9) Prohibiting or attempting to prohibit the
23 appraiser from including or referencing the appraisal fee,
24 the appraisal management company name or identity, or the
25 client's or lender's name or identity within the body of
26 the appraisal report.

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

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

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

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

14 (1) permanently or temporarily removing the
15 appraiser's signature or seal; or

16 (2) adding information to, or removing information
17 from, the appraisal report with an intent to change the
18 value conclusion or the condition of the property.

19 (d) No appraisal management company may require an
20 appraiser to provide it with the appraiser's digital signature
21 or seal. However, nothing in this Act shall be deemed to
22 prohibit an appraiser from voluntarily providing his or her
23 digital signature or seal to another person on an
24 assignment-by-assignment basis, in accordance with USPAP.

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

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

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

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

7 (f) An appraisal management company shall not:

8 (1) require an appraiser to pay the appraisal
9 management company national registry fee assessed by the
10 Appraisal Subcommittee of the Federal Financial
11 Institutions Examination Council pursuant to 12 U.S.C.
12 3338 for a person that is certified as an appraiser in this
13 State and is on the appraiser panel of the appraisal
14 management company;

15 (2) require an appraiser to pay any fee directly or
16 indirectly to an appraisal management company or to
17 reimburse an appraisal management company for any costs,
18 fees, or other expenses incurred solely by the appraisal
19 management company as a prerequisite to an appraiser being
20 added to an appraiser panel or as a prerequisite to an
21 appraiser receiving an order for an appraisal from an
22 appraisal management company; or

23 (3) deduct any amount from the reasonable and customary
24 fee paid to an appraiser for any costs, fees, or other
25 expenses incurred solely by the appraisal management
26 company.

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