

# SB3235



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3235

Introduced 2/2/2026, by Sen. Bill Cunningham

### SYNOPSIS AS INTRODUCED:

225 ILCS 458/1-10  
225 ILCS 458/5-5

Amends the Real Estate Appraiser Licensing Act of 2002. Provides that it is unlawful for a person to act as a data collector without a license issued under the Act. Provides that "data collector" means a person who is hired by an appraisal management company or mortgage lender to inspect and collect data and pictures of a specific tract of real estate for the appraisal management company or mortgage lender with the intent of the data and information, which will be provided to an appraiser for the sole basis of preparation of an appraisal, to support a mortgage on the real estate.

LRB104 18759 AAS 32202 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 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7 (Section scheduled to be repealed on January 1, 2027)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,  
17 which may not be a post office box, recorded by the Department  
18 in the applicant's or licensee's application file or license  
19 file as maintained by the Department.

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

22 "Appraisal" means (noun) the act or process of developing  
23 an opinion of value; an opinion of value (adjective) of or

1 pertaining to appraising and related functions, such as  
2 appraisal practice or appraisal services.

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

5 "Appraisal firm" means an appraisal entity that is 100%  
6 owned and controlled by a person or persons licensed in  
7 Illinois as a certified general real estate appraiser or a  
8 certified residential real estate appraiser. "Appraisal firm"  
9 does not include an appraisal management company.

10 "Appraisal management company" means any corporation,  
11 limited liability company, partnership, sole proprietorship,  
12 subsidiary, unit, or other business entity that directly or  
13 indirectly: (1) provides appraisal management services to  
14 creditors or secondary mortgage market participants, including  
15 affiliates; (2) provides appraisal management services in  
16 connection with valuing the consumer's principal dwelling as  
17 security for a consumer credit transaction (including consumer  
18 credit transactions incorporated into securitizations); and  
19 (3) any appraisal management company that, within a given  
20 12-month period, oversees an appraiser panel of 16 or more  
21 State-certified appraisers in Illinois or 25 or more  
22 State-certified or State-licensed appraisers in 2 or more  
23 jurisdictions. "Appraisal management company" includes a  
24 hybrid entity.

25 "Appraisal practice" means valuation services performed by  
26 an individual acting as an appraiser, including, but not

1 limited to, appraisal or appraisal review.

2 "Appraisal qualification board (AQB)" means the  
3 independent board of the Appraisal Foundation, which, under  
4 the provisions of Title XI of the Financial Institutions  
5 Reform, Recovery, and Enforcement Act of 1989, establishes the  
6 minimum education, experience, and examination requirements  
7 for real property appraisers to obtain a state certification  
8 or license.

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

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

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

19 "Appraiser" means a person who performs real estate or  
20 real property appraisals competently and in a manner that is  
21 independent, impartial, and objective.

22 "Appraiser panel" means a network, list, or roster of  
23 licensed or certified appraisers approved by the appraisal  
24 management company or by the end-user client to perform  
25 appraisals as independent contractors for the appraisal  
26 management company. "Appraiser panel" includes both appraisers

1 accepted by an appraisal management company for consideration  
2 for future appraisal assignments and appraisers engaged by an  
3 appraisal management company to perform one or more  
4 appraisals. For the purposes of determining the size of an  
5 appraiser panel, only independent contractors of hybrid  
6 entities shall be counted towards the appraiser panel.

7 "Associate real estate trainee appraiser" means an  
8 entry-level appraiser who holds a license of this  
9 classification under this Act with restrictions as to the  
10 scope of practice in accordance with this Act.

11 "Automated valuation model" means an automated system that  
12 is used to derive a property value through the use of available  
13 property records and various analytic methodologies such as  
14 comparable sales prices, home characteristics, and price  
15 changes.

16 "Board" means the Real Estate Appraisal Administration and  
17 Disciplinary Board.

18 "Broker price opinion" means an estimate or analysis of  
19 the probable selling price of a particular interest in real  
20 estate, which may provide a varying level of detail about the  
21 property's condition, market, and neighborhood and information  
22 on comparable sales. The activities of a real estate broker or  
23 managing broker engaging in the ordinary course of business as  
24 a broker, as defined in this Section, shall not be considered a  
25 broker price opinion if no compensation is paid to the broker  
26 or managing broker, other than compensation based upon the

1 sale or rental of real estate.

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

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

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

20 "Coordinator" means the Real Estate Appraisal Coordinator  
21 created in Section 25-15.

22 "Data collector" means a person who is hired by an  
23 appraisal management company or mortgage lender to inspect and  
24 collect data and pictures of a specific tract of real estate  
25 for the appraisal management company or mortgage lender with  
26 the intent of the data and information, which will be provided

1 to an appraiser for the sole basis of preparation of an  
2 appraisal, to support a mortgage on the real estate.

3 "Department" means the Department of Financial and  
4 Professional Regulation.

5 "Email address of record" means the designated email  
6 address recorded by the Department in the applicant's  
7 application file or the licensee's license file maintained by  
8 the Department.

9 "Evaluation" means a valuation permitted by the appraisal  
10 regulations of the Federal Financial Institutions Examination  
11 Council and its federal agencies for transactions that qualify  
12 for the appraisal threshold exemption, business loan  
13 exemption, or subsequent transaction exemption.

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

19 "Federally related transaction" means any real  
20 estate-related financial transaction in which a federal  
21 financial institutions regulatory agency engages in, contracts  
22 for, or regulates and requires the services of an appraiser.

23 "Financial institution" means any bank, savings bank,  
24 savings and loan association, credit union, mortgage broker,  
25 mortgage banker, licensee under the Consumer Installment Loan  
26 Act or the Sales Finance Agency Act, or a corporate fiduciary,

1 subsidiary, affiliate, parent company, or holding company of  
2 any such licensee, or any institution involved in real estate  
3 financing that is regulated by state or federal law.

4 "Hybrid entity" means an appraisal management company that  
5 hires an appraiser as an employee to perform an appraisal and  
6 engages an independent contractor to perform an appraisal.

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

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

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

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

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

21 "Real estate related financial transaction" means any  
22 transaction involving:

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

26 (2) the refinancing of real property or interests in

1 real property; and

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

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

7 "Secretary" means the Secretary of Financial and  
8 Professional Regulation or the Secretary's designee.

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

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

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

1 a State certified general real estate appraiser who holds a  
2 valid license under this Act who co-signs an appraisal report  
3 for a State certified residential real estate appraiser on  
4 properties other than one to 4 units of residential real  
5 property without regard to transaction value or complexity.

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

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

11 "Valuation services" means services pertaining to aspects  
12 of property value.

13 (Source: P.A. 102-20, eff. 1-1-22; 102-687, eff. 12-17-21;  
14 102-970, eff. 5-27-22; 103-236, eff. 1-1-24.)

15 (225 ILCS 458/5-5)

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

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

18 (a) It is unlawful for a person to (i) act, offer services,  
19 or advertise services as a State certified general real estate  
20 appraiser, State certified residential real estate appraiser,  
21 or associate real estate trainee appraiser, (ii) develop a  
22 real estate appraisal, (iii) practice as a real estate  
23 appraiser, ~~or~~ (iv) advertise as a real estate appraiser, or  
24 (v) act as a data collector without a license issued under this  
25 Act. A person who violates this subsection is guilty of a Class

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

3 (a-5) It is unlawful for a person, unless registered as an  
4 appraisal management company, to solicit clients or enter into  
5 an appraisal engagement with clients without either a  
6 certified residential real estate appraiser license or a  
7 certified general real estate appraiser license issued under  
8 this Act. A person who violates this subsection is guilty of a  
9 Class A misdemeanor for a first offense and a Class 4 felony  
10 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  
18 pursuant to this Act. A person who violates this subsection is  
19 guilty of a Class A misdemeanor for a first offense and a Class  
20 4 felony for any subsequent offense.

21 (c) This Act does not apply to a person who holds a valid  
22 license as a real estate broker or managing broker pursuant to  
23 the Real Estate License Act of 2000 who prepares or provides a  
24 broker price opinion or comparative market analysis in  
25 compliance with Section 10-45 of the Real Estate License Act  
26 of 2000.

1 (d) Nothing in this Act shall preclude a State certified  
2 general real estate appraiser, a State certified residential  
3 real estate appraiser, or an associate real estate trainee  
4 appraiser from rendering appraisals for or on behalf of a  
5 partnership, association, corporation, firm, or group.  
6 However, no State appraisal license or certification shall be  
7 issued under this Act to a partnership, association,  
8 corporation, firm, or group.

9 (e) This Act does not apply to a county assessor, township  
10 assessor, multi-township assessor, county supervisor of  
11 assessments, or any deputy or employee of any county assessor,  
12 township assessor, multi-township assessor, or county  
13 supervisor of assessments in performance of respective duties  
14 in accordance with the provisions of the Property Tax Code.

15 (e-5) For the purposes of this Act, valuation waivers may  
16 be prepared by a licensed appraiser notwithstanding any other  
17 provision of this Act, and the following types of valuations  
18 are not appraisals and may not be represented to be  
19 appraisals, and a license is not required under this Act to  
20 perform such valuations if the valuations are performed by (1)  
21 an employee of the Illinois Department of Transportation who  
22 has completed a minimum of 45 hours of course work in real  
23 estate appraisal, including the principles of real estate  
24 appraisals, appraisal of partial acquisitions, easement  
25 valuation, reviewing appraisals in eminent domain, appraisal  
26 for federal aid highway programs, and appraisal review for

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

20 (A) a valuation waiver in an amount not to exceed  
21 \$20,000 prepared pursuant to the federal Uniform  
22 Relocation Assistance and Real Property Acquisition  
23 Policies Act of 1970, or prepared pursuant to the federal  
24 Uniform Relocation Assistance and Real Property  
25 Acquisition for Federal and Federally-Assisted Programs  
26 regulations and which is performed by (1) an employee of

1 the Illinois Department of Transportation and co-signed,  
2 with a license number affixed, by another employee of the  
3 Illinois Department of Transportation who is a registered  
4 professional engineer under the Professional Engineering  
5 Practice Act of 1989 or (2) an employee of a municipality  
6 and co-signed with a license number affixed by a county or  
7 municipal engineer who is a registered professional  
8 engineer under the Professional Engineering Practice Act  
9 of 1989; and

10 (B) a valuation waiver in an amount not to exceed  
11 \$20,000 prepared pursuant to the federal Uniform  
12 Relocation Assistance and Real Property Acquisition  
13 Policies Act of 1970, or prepared pursuant to the federal  
14 Uniform Relocation Assistance and Real Property  
15 Acquisition for Federal and Federally-Assisted Programs  
16 regulations and which is performed by a county or  
17 municipal engineer who is employed by a county or  
18 municipality and is a registered professional engineer  
19 under the Professional Engineering Practice Act of 1989.  
20 The valuation shall include the county or municipal  
21 engineer's signature and license number.

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

26 (f) A State real estate appraisal certification or license

1 is not required under this Act for any person, partnership,  
2 association, or corporation that performs appraisals of  
3 property owned by that person, partnership, association, or  
4 corporation for the sole use of that person, partnership,  
5 association, or corporation.

6 Any person who is certified or licensed under this Act and  
7 who performs any of the activities set forth in this  
8 subsection (f) must comply with the provisions of this Act. A  
9 person who violates this subsection (f) is guilty of a Class A  
10 misdemeanor for a first offense and a Class 4 felony for any  
11 subsequent offense.

12 (g) This Act does not apply to an employee, officer,  
13 director, or member of a credit or loan committee of a  
14 financial institution or any other person engaged by a  
15 financial institution when performing an evaluation of real  
16 property for the sole use of the financial institution in a  
17 transaction for which the financial institution would not be  
18 required to use the services of a State licensed or State  
19 certified appraiser pursuant to federal regulations adopted  
20 under Title XI of the federal Financial Institutions Reform,  
21 Recovery, and Enforcement Act of 1989.

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

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