



Rep. Angelo Saviano

Filed: 3/15/2011

09700HB2956ham001

LRB097 08576 CEL 53022 a

1 AMENDMENT TO HOUSE BILL 2956

2 AMENDMENT NO. _____. Amend House Bill 2956 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Appraisal Management Company Registration Act.

6 Section 5. Findings. The General Assembly finds that: It
7 is the intent of the General Assembly that this Act provide for
8 the regulation of those persons or entities engaged as
9 appraisal management companies for the protection of the public
10 and for the maintenance of high standards of professional
11 conduct by those registered as appraisal management companies
12 and to ensure appraisal independence in the determination of
13 real estate valuations.

14 Section 10. Definitions. In this Act:

15 "Address of record" means the designated address recorded

1 by the Department in the applicant's or registrant's
2 application file or registration file maintained by the
3 Department's registration maintenance unit. It is the duty of
4 the applicant or registrant to inform the Department of any
5 change of address, and the changes must be made either through
6 the Department's website or by contacting the Department's
7 registration maintenance unit within a prescribed time period
8 as defined by rule.

9 "Applicant" means a person or entity who applies to the
10 Department for a registration under this Act.

11 "Appraisal" means (noun) the act or process of developing
12 an opinion of value; an opinion of value (adjective) of or
13 pertaining to appraising and related functions.

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

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

1 client, enters into an agreement with one or more independent
2 appraisers to perform the real estate appraisal services
3 contained in the request; or (3) otherwise serves as a
4 third-party broker of appraisal management services between
5 clients and appraisers.

6 "Appraisal report" means a written appraisal by an
7 appraiser to a client.

8 "Appraisal practice service" means valuation services
9 performed by an individual acting as an appraiser, including,
10 but not limited to, appraisal, appraisal review, or appraisal
11 consulting.

12 "Appraiser" means a person who performs real estate or real
13 property appraisals.

14 "Assignment result" means an appraiser's opinions and
15 conclusions developed specific to an assignment.

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

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

20 "Controlling Person" means:

21 (1) an owner, officer, or director of an entity seeking
22 to offer appraisal management services;

23 (2) an individual employed, appointed, or authorized
24 by an appraisal management company who has the authority
25 to:

26 (A) enter into a contractual relationship with a

1 client for the performance of an appraisal management
2 service or appraisal practice service; and

3 (B) enter into an agreement with an appraiser for
4 the performance of a real estate appraisal activity; or

5 (3) an individual who possesses, directly or
6 indirectly, the power to direct or cause the direction of
7 the management or policies of an appraisal management
8 company.

9 "Coordinator" means the Coordinator of the Appraisal
10 Management Company Registration Unit of the Department or his
11 or her designee.

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

14 "Entity" means a corporation, a limited liability company,
15 partnership, a sole proprietorship, or other entity providing
16 services or holding itself out to provide services as an
17 appraisal management company or an appraisal management
18 service.

19 "End-user client" means any person who utilizes or engages
20 the services of an appraiser through an appraisal management
21 company.

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

1 company of any registrant, or any institution involved in real
2 estate financing that is regulated by State or federal law.

3 "Person" means individuals, entities, sole
4 proprietorships, corporations, limited liability companies,
5 and partnerships, foreign or domestic, except that when the
6 context otherwise requires, the term may refer to a single
7 individual or other described entity.

8 "Quality control review" means a review of an appraisal
9 report for compliance and completeness, including grammatical,
10 typographical, or other similar errors, unrelated to
11 developing an opinion of value.

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

14 "Real estate related financial transaction" means any
15 transaction involving:

16 (1) the sale, lease, purchase, investment in, or
17 exchange of real property, including interests in property
18 or the financing thereof;

19 (2) the refinancing of real property or interests in
20 real property; and

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

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

26 "Secretary" means the Secretary of Financial and

1 Professional Regulation.

2 "USPAP" means the Uniform Standards of Professional
3 Appraisal Practice as adopted by the Appraisal Standards Board
4 under Title XI.

5 "Valuation" means any estimate of the value of real
6 property in connection with a creditor's decision to provide
7 credit, including those values developed under a policy of a
8 government sponsored enterprise or by an automated valuation
9 model, a broker price opinion, or other methodology or
10 mechanism.

11 Section 15. Exemptions. Nothing in this Act shall to apply
12 to any of the following:

13 (1) an agency of the federal, State, county, or
14 municipal government or an officer or employee of a
15 government agency, or person, described in this Section
16 when acting within the scope of employment of the officer
17 or employee;

18 (2) a corporate relocation company whereby the
19 appraisal is not used for mortgage purposes and the end
20 user client is an employer company;

21 (3) any person licensed in this State under any other
22 Act while engaged in the activities or practice for which
23 he or she is licensed;

24 (4) any person licensed to practice law in this State
25 who is working with or on behalf of a client of that person

1 in connection with one or more appraisals for that client;
2 or

3 (5) an appraiser that enters into an agreement, whether
4 written or otherwise, with another appraiser for the
5 performance of an appraisal, and upon the completion of the
6 appraisal, the report of the appraiser performing the
7 appraisal is signed by both the appraiser who completed the
8 appraisal and the appraiser who requested the completion of
9 the appraisal, except that an appraisal management company
10 may not avoid the requirement of registration under this
11 Act by requiring an employee of the appraisal management
12 company who is an appraiser to sign an appraisal that was
13 completed by another appraiser who is part of the appraisal
14 panel of the appraisal management company.

15 In the event that the Final Interim Rule of the federal
16 Dodd-Frank Wall Street Reform and Consumer Protection Act
17 provides that an appraisal management company is a subsidiary
18 owned and controlled by a financial institution regulated by a
19 federal financial institution's regulatory agency and is
20 exempt from State appraisal management company registration
21 requirements, the Department, shall, by rule, provide for the
22 implementation of such an exemption.

23 Section 20. Restrictions and limitations. Beginning
24 January 1, 2012, it is unlawful for a person or entity to act
25 or assume to act as an appraisal management company as defined

1 in this Act, to engage in the business of appraisal management
2 service, or to advertise or hold himself or herself out to be a
3 registered appraisal management company without first
4 obtaining a registration issued by the Department under this
5 Act. A person or entity that violates this Section is guilty of
6 a Class A misdemeanor for the first offense and a Class 4
7 felony for second and subsequent offenses.

8 Persons practicing as an appraisal management company in
9 Illinois as of the effective date of this Act may continue to
10 practice as provided in this Act until the Department has
11 adopted rules implementing this Act. To continue practicing as
12 an appraisal management company after the adoption of rules,
13 persons shall apply for registration within 180 days after the
14 effective date of the rules. If an application is received
15 during the 180-day period, the person may continue to practice
16 until the Department acts to grant or deny registration. If an
17 application is not filed within the 180-day period, the person
18 must cease the practice at the conclusion of the 180-day period
19 and until the Department acts to grant a registration to the
20 person.

21 Section 25. Powers and duties of the Department. Subject
22 to the provisions of this Act:

23 (1) The Department may ascertain the qualifications
24 and fitness of applicants for registration and pass upon
25 the qualifications of applicants for registration.

1 (2) The Department may conduct hearings on proceedings
2 to refuse to issue or renew or to revoke registrations or
3 suspend, place on probation, or reprimand persons or
4 otherwise discipline individuals or entities subject to
5 this Act.

6 (3) The Department may formulate all rules required for
7 the administration of this Act. With the exception of
8 emergency rules, any proposed rules, amendments, second
9 notice materials, and adopted rule or amendment materials
10 or policy statements concerning appraisal management
11 companies shall be presented to the Real Estate Appraisal
12 Administration and Disciplinary Board for review and
13 comment. The recommendations of the Board shall be
14 presented to the Secretary for consideration in making
15 final decisions.

16 (4) The Department may maintain rosters of the names
17 and addresses of all registrants, and all persons whose
18 registrations have been suspended, revoked, or denied
19 renewal for cause within the previous calendar year or
20 otherwise disciplined. These rosters shall be available
21 upon written request and payment of the required fee as
22 established by rule.

23 Section 30. Coordinator of Appraisal Management Company
24 Registration. The Coordinator of Real Estate Appraisal shall
25 serve as the Coordinator of Appraisal Management Company

1 Registration. The Coordinator shall have the same duties and
2 responsibilities in regards to appraisal management company
3 registration as the Coordinator has in regards to appraisal
4 licensure as set forth in the Real Estate Appraiser Licensing
5 Act of 2002.

6 Section 35. Application for original registration.
7 Applications for original registration shall be made to the
8 Department on forms prescribed by the Department and
9 accompanied by the required fee. All applications shall contain
10 the information that, in the judgment of the Department, will
11 enable the Department to pass on the qualifications of the
12 applicant to be registered to practice as set by rule.

13 Section 40. Qualifications for registration.

14 (a) The Department may issue a certification of
15 registration to practice under this Act to any applicant who
16 applies to the Department on forms provided by the Department,
17 pays the required non-refundable fee, and who provides the
18 following:

19 (1) the business name of the applicant seeking
20 registration;

21 (2) the business address or addresses and contact
22 information of the applicant seeking registration;

23 (3) if the business applicant is not a corporation that
24 is domiciled in this State, then the name and contact

1 information for the company's agent for service of process
2 in this State;

3 (4) the name, address, and contact information for any
4 individual or any corporation, partnership, limited
5 liability company, association, or other business
6 applicant that owns 10% or more of the appraisal management
7 company;

8 (5) the name, address, and contact information for a
9 designated controlling person;

10 (6) a certification that the applicant will utilize
11 Illinois licensed appraisers to provide appraisal services
12 within the State of Illinois;

13 (7) a certification that the applicant has a system in
14 place utilizing a licensed Illinois appraiser to review the
15 work of all employed and independent appraisers that are
16 performing real estate appraisal services in Illinois for
17 the appraisal management company on a periodic basis,
18 except for a quality control review, to verify that the
19 real estate appraisal assignments are being conducted in
20 accordance with USPAP;

21 (8) a certification that the applicant maintains a
22 detailed record of each service request that it receives
23 and the independent appraiser that performs the real estate
24 appraisal services for the appraisal management company;

25 (9) a certification that the employees of the appraisal
26 management company working on behalf of the appraisal

1 management company directly involved in providing
2 appraisal management services, will be appropriately
3 trained and familiar with the appraisal process to
4 completely provide appraisal management services;

5 (10) an irrevocable Uniform Consent to Service of
6 Process, under rule; and

7 (11) a certification that the applicant shall comply
8 with all other requirements of this Act and rules
9 established for the implementation of this Act.

10 (b) Applicants have 3 years from the date of application to
11 complete the application process. If the process has not been
12 completed in 3 years, the application shall be denied, the fee
13 shall be forfeited, and the applicant must reapply and meet the
14 requirements in effect at the time of reapplication.

15 Section 45. Expiration and renewal of registration. The
16 expiration date and renewal period for each registration shall
17 be set by rule. A registrant whose registration has expired may
18 reinstate his or her registration at any time within 5 years
19 after the expiration thereof, by making a renewal application
20 and by paying the required fee.

21 Any registrant whose registration has expired for more than
22 5 years may have it restored by making application to the
23 Department, paying the required fee, and filing acceptable
24 proof of fitness to have the registration restored as set by
25 rule.

1 Section 50. Bonds of registrants. All registrants shall
2 maintain a bond in accordance with this Section. Each bond
3 shall be for the recovery of expenses, fines, or fees due to or
4 levied by the Department in accordance with this Act. The bond
5 shall be payable when the registrant fails to comply with any
6 provisions of this Act and shall be in the form of a surety
7 bond in the amount of \$25,000 as prescribed by the Department
8 by rule. The bond shall be payable to the Department and shall
9 be issued by an insurance company authorized to do business in
10 this State. A copy of the bond, including any and all riders
11 and endorsements executed subsequent to the effective date of
12 the bond, shall be placed on file with the Department within 10
13 days of the execution thereof. The bond may only be used for
14 the recovery of expenses or the collection of fines or fees due
15 to or levied by the Department and is not to be utilized for
16 any other purpose.

17 Section 55. Fees.

18 (a) The fees for the administration and enforcement of this
19 Act, including, but not limited to, original registration,
20 renewal, and restoration fees, shall be set by the Department
21 by rule. The fees shall not be refundable.

22 (b) All fees and other moneys collected under this Act
23 shall be deposited in the Appraisal Administration Fund.

1 Section 60. Returned checks; fines. Any person who
2 delivers a check or other payment to the Department that is
3 returned to the Department unpaid by the financial institution
4 upon which it is drawn shall pay to the Department, in addition
5 to the amount already owed to the Department, a fine of \$50.
6 The fines imposed by this Section are in addition to any other
7 discipline provided under this Act for unregistered practice or
8 practice on a nonrenewed registration. The Department shall
9 notify the person that payment of fees and fines shall be paid
10 to the Department by certified check or money order within 30
11 calendar days of the notification. If, after the expiration of
12 30 days after the date of the notification, the person has
13 failed to submit the necessary remittance, the Department shall
14 automatically terminate the registration or deny the
15 application, without hearing. If, after termination or denial,
16 the person seeks a registration, he or she shall apply to the
17 Department for restoration or issuance of the registration and
18 pay all fees and fines due to the Department. The Department
19 may establish a fee for the processing of an application for
20 restoration of a registration to pay all expenses of processing
21 this application. The Secretary may waive the fines due under
22 this Section in individual cases where the Secretary finds that
23 the fines would be unreasonable or unnecessarily burdensome.

24 Section 65. Disciplinary actions.

25 (a) The Department may refuse to issue or renew, or may

1 revoke, suspend, place on probation, reprimand, or take other
2 disciplinary or non-disciplinary action as the Department may
3 deem appropriate, including imposing fines not to exceed
4 \$25,000 for each violation, with regard to any registration for
5 any one or combination of the following:

6 (1) Material misstatement in furnishing information to
7 the Department.

8 (2) Violations of this Act, or of the rules adopted
9 under this Act.

10 (3) Conviction of, or entry of a plea of guilty or nolo
11 contendere to any crime that is a felony under the laws of
12 the United States or any state or territory thereof or that
13 is a misdemeanor of which an essential element is
14 dishonesty, or any crime that is directly related to the
15 practice of the profession.

16 (4) Making any misrepresentation for the purpose of
17 obtaining registration or violating any provision of this
18 Act or the rules adopted under this Act pertaining to
19 advertising.

20 (5) Professional incompetence.

21 (6) Gross malpractice.

22 (7) Aiding or assisting another person in violating any
23 provision of this Act or rules adopted under this Act.

24 (8) Failing, within 30 days after requested, to provide
25 information in response to a written request made by the
26 Department.

1 (9) Engaging in dishonorable, unethical, or
2 unprofessional conduct of a character likely to deceive,
3 defraud, or harm the public.

4 (10) Discipline by another state, District of
5 Columbia, territory, or foreign nation, if at least one of
6 the grounds for the discipline is the same or substantially
7 equivalent to those set forth in this Section.

8 (11) A finding by the Department that the registrant,
9 after having his or her registration placed on probationary
10 status, has violated the terms of probation.

11 (12) Willfully making or filing false records or
12 reports in his or her practice, including, but not limited
13 to, false records filed with State agencies or departments.

14 (13) Filing false statements for collection of fees for
15 which services are not rendered.

16 (14) Practicing under a false or, except as provided by
17 law, an assumed name.

18 (15) Fraud or misrepresentation in applying for, or
19 procuring, a registration under this Act or in connection
20 with applying for renewal of a registration under this Act.

21 (16) Being adjudicated liable in a civil proceeding for
22 violation of a state or federal fair housing law.

23 (17) Failure to obtain or maintain the bond required
24 under Section 50 of this Act.

25 (b) The Department may refuse to issue or may suspend
26 without hearing as provided for in the Civil Administrative

1 Code the registration of any person who fails to file a return,
2 or to pay the tax, penalty or interest shown in a filed return,
3 or to pay any final assessment of the tax, penalty, or interest
4 as required by any tax Act administered by the Illinois
5 Department of Revenue, until such time as the requirements of
6 any such tax Act are satisfied.

7 Section 70. Injunctive action; cease and desist order.

8 (a) If any person violates the provisions of this Act, the
9 Secretary, in the name of the People of the State of Illinois,
10 through the Attorney General or the State's Attorney of the
11 county in which the violation is alleged to have occurred, may
12 petition for an order enjoining the violation or for an order
13 enforcing compliance with this Act. Upon the filing of a
14 verified petition, the court with appropriate jurisdiction may
15 issue a temporary restraining order, without notice or bond,
16 and may preliminarily and permanently enjoin the violation. If
17 it is established that the person has violated or is violating
18 the injunction, the court may punish the offender for contempt
19 of court. Proceedings under this Section are in addition to,
20 and not in lieu of, all other remedies and penalties provided
21 by this Act.

22 (b) Whenever, in the opinion of the Department, a person
23 violates any provision of this Act, the Department may issue a
24 rule to show cause why an order to cease and desist should not
25 be entered against that person. The rule shall clearly set

1 forth the grounds relied upon by the Department and shall allow
2 at least 7 days from the date of the rule to file an answer
3 satisfactory to the Department. Failure to answer to the
4 satisfaction of the Department shall cause an order to cease
5 and desist to be issued.

6 Section 75. Investigations; notice and hearing. The
7 Department may investigate the actions of any applicant or of
8 any person or persons rendering or offering to render any
9 services requiring registration under this Act or any person
10 holding or claiming to hold a registration as an appraisal
11 management company. The Department shall, before revoking,
12 suspending, placing on probation, reprimanding, or taking any
13 other disciplinary or non-disciplinary action under Section 65
14 of this Act, at least 30 days before the date set for the
15 hearing, (i) notify the accused in writing of the charges made
16 and the time and place for the hearing on the charges, (ii)
17 direct him or her to file a written answer to the charges with
18 the Department under oath within 20 days after the service on
19 him or her of the notice, and (iii) inform the accused that, if
20 he or she fails to answer, default will be taken against him or
21 her or that his or her registration may be suspended, revoked,
22 placed on probationary status, or other disciplinary action
23 taken with regard to the registration, including limiting the
24 scope, nature, or extent of his or her practice, as the
25 Department may consider proper. At the time and place fixed in

1 the notice, the Department shall proceed to hear the charges
2 and the parties or their counsel shall be accorded ample
3 opportunity to present any pertinent statements, testimony,
4 evidence, and arguments. The Department may continue the
5 hearing from time to time. In case the person, after receiving
6 the notice, fails to file an answer, his or her registration
7 may, in the discretion of the Department, be suspended,
8 revoked, placed on probationary status, or the Department may
9 take whatever disciplinary action considered proper, including
10 limiting the scope, nature, or extent of the person's practice
11 or the imposition of a fine, without a hearing, if the act or
12 acts charged constitute sufficient grounds for that action
13 under this Act. The written notice may be served by personal
14 delivery or by certified mail to the address specified by the
15 accused in his or her last notification with the Department.

16 Section 80. Record of proceedings; transcript. The
17 Department, at its expense, shall preserve a record of all
18 proceedings at the formal hearing of any case. The notice of
19 hearing, complaint, all other documents in the nature of
20 pleadings, written motions filed in the proceedings, the
21 transcripts of testimony, the report of the hearing officer,
22 and orders of the Department shall be in the record of the
23 proceeding. The Department shall furnish a transcript of the
24 record to any person interested in the hearing upon payment of
25 the fee required under Section 2105-115 of the Department of

1 Professional Regulation Law.

2 Section 85. Subpoenas; depositions; oaths. The Department
3 has the power to subpoena documents, books, records, or other
4 materials and to bring before it any person and to take
5 testimony either orally or by deposition, or both, with the
6 same fees and mileage and in the same manner as prescribed in
7 civil cases in the courts of this State.

8 The Secretary and the designated hearing officer have the
9 power to administer oaths to witnesses at any hearing that the
10 Department is authorized to conduct, and any other oaths
11 authorized in any Act administered by the Department.

12 Section 90. Compelling testimony. Any circuit court, upon
13 application of the Department or designated hearing officer may
14 enter an order requiring the attendance of witnesses and their
15 testimony, and the production of documents, papers, files,
16 books, and records in connection with any hearing or
17 investigation. The court may compel obedience to its order by
18 proceedings for contempt.

19 Section 95. Findings and recommendations. At the
20 conclusion of the hearing, the designated hearing officer shall
21 present to the Secretary a written report of his or her
22 findings of fact, conclusions of law, and recommendations. The
23 report shall contain a finding whether or not the accused

1 person violated this Act or its rules or failed to comply with
2 the conditions required in this Act or its rules. The hearing
3 officer shall specify the nature of any violations or failure
4 to comply and shall make his or her recommendations to the
5 Secretary. In making recommendations for any disciplinary
6 actions, the hearing officer may take into consideration all
7 facts and circumstances bearing upon the reasonableness of the
8 conduct of the accused and the potential for future harm to the
9 public, including, but not limited to, previous discipline of
10 the accused by the Department, intent, degree of harm to the
11 public and likelihood of harm in the future, any restitution
12 made by the accused, and whether the incident or incidents
13 contained in the complaint appear to be isolated or represent a
14 continuing pattern of conduct. In making his or her
15 recommendations for discipline, the hearing officer shall
16 endeavor to ensure that the severity of the discipline
17 recommended is reasonably related to the severity of the
18 violation. The report of findings of fact, conclusions of law,
19 and recommendation of the hearing officer shall be the basis
20 for the Department's order refusing to issue, restore, or renew
21 a registration, or otherwise disciplining a registrant. If the
22 Secretary disagrees with the recommendations of the hearing
23 officer, the Secretary may issue an order in contravention of
24 the hearing officer recommendations. The finding is not
25 admissible in evidence against the person in a criminal
26 prosecution brought for a violation of this Act, but the

1 hearing and finding are not a bar to a criminal prosecution
2 brought for a violation of this Act.

3 Section 100. Hearing officer; rehearing. At the conclusion
4 of the hearing, a copy of the hearing officer's report shall be
5 served upon the applicant or registrant by the Department,
6 either personally or as provided in this Act for the service of
7 a notice of hearing. Within 20 days after service, the
8 applicant or registrant may present to the Department a motion
9 in writing for a rehearing, which shall specify the particular
10 grounds for rehearing. The Department may respond to the motion
11 for rehearing within 20 days after its service on the
12 Department. If no motion for rehearing is filed, then upon the
13 expiration of the time specified for filing such a motion, or
14 if a motion for rehearing is denied, then upon denial, the
15 Secretary may enter an order in accordance with recommendations
16 of the hearing officer except as provided in Sections 105 or
17 110 of this Act. If the applicant or registrant orders from the
18 reporting service and pays for a transcript of the record
19 within the time for filing a motion for rehearing, the 20-day
20 period within which a motion may be filed shall commence upon
21 the delivery of the transcript to the applicant or registrant.

22 Section 105. Secretary; rehearing. Whenever the Secretary
23 believes that substantial justice has not been done in the
24 revocation, suspension, or refusal to issue, restore, or renew

1 a registration, or other discipline of an applicant or
2 registrant, he or she may order a rehearing by the same or
3 other hearing officers.

4 Section 110. Appointment of a hearing officer. The
5 Secretary has the authority to appoint any attorney licensed to
6 practice law in the State to serve as the hearing officer in
7 any action for refusal to issue, restore, or renew a
8 registration or to discipline a registrant. The hearing officer
9 has full authority to conduct the hearing. The hearing officer
10 shall report his or her findings of fact, conclusions of law,
11 and recommendations to the Secretary. If the Secretary
12 disagrees with the recommendation of the hearing officer, the
13 Secretary may issue an order in contravention of the
14 recommendation.

15 Section 115. Order or certified copy; prima facie proof.
16 An order or certified copy thereof, over the seal of the
17 Department and purporting to be signed by the Secretary, is
18 prima facie proof that:

19 (1) the signature is the genuine signature of the
20 Secretary; and

21 (2) the Secretary is duly appointed and qualified.

22 Section 120. Restoration of suspended or revoked
23 registration. At any time after the successful completion of a

1 term of suspension or revocation of a registration, the
2 Department may restore it to the registrant, upon the written
3 recommendation of the hearing officer, unless after an
4 investigation and a hearing the Secretary determines that
5 restoration is not in the public interest.

6 Section 125. Surrender of registration. Upon the
7 revocation or suspension of a registration, the registrant
8 shall immediately surrender his or her registration to the
9 Department. If the registrant fails to do so, the Department
10 has the right to seize the registration.

11 Section 130. Summary suspension of a registration. The
12 Secretary may summarily suspend the registration of any
13 registrant under this Act without a hearing, simultaneously
14 with the institution of proceedings for a hearing provided for
15 in Section 75 of this Act, if the Secretary finds that evidence
16 in the Secretary's possession indicates that the continuation
17 of practice by the registrant would constitute an imminent
18 danger to the public. In the event that the Secretary summarily
19 suspends the registration of a registrant under this Section
20 without a hearing, a hearing must be commenced within 30 days
21 after the suspension has occurred and concluded as
22 expeditiously as practical.

23 Section 135. Administrative review; venue.

1 (a) All final administrative decisions of the Department
2 are subject to judicial review under the Administrative Review
3 Law and its rules. The term "administrative decision" is
4 defined as in Section 3-101 of the Code of Civil Procedure.

5 (b) Proceedings for judicial review shall be commenced in
6 the circuit court of the county in which the party applying for
7 review resides, but if the party is not a resident of Illinois,
8 the venue shall be in Sangamon County.

9 Section 140. Certifications of record; costs. The
10 Department shall not be required to certify any record to the
11 court, to file an answer in court, or to otherwise appear in
12 any court in a judicial review proceeding unless and until the
13 Department has received from the plaintiff payment of the costs
14 of furnishing and certifying the record, which costs shall be
15 determined by the Department. Failure on the part of the
16 plaintiff to file the receipt in court is grounds for dismissal
17 of the action.

18 Section 145. Violations. Any person who is found to have
19 violated any provision of this Act is guilty of a Class A
20 misdemeanor. On conviction of a second or subsequent offense,
21 the violator is guilty of a Class 4 felony.

22 Section 150. Civil penalties.

23 (a) In addition to any other penalty provided by law, any

1 person who violates this Act shall forfeit and pay a civil
2 penalty to the Department in an amount not to exceed \$25,000
3 for each violation as determined by the Department. The civil
4 penalty shall be assessed by the Department in accordance with
5 the provisions of this Act.

6 (b) The Department has the authority and power to
7 investigate any and all unregistered activity.

8 (c) The civil penalty shall be paid within 60 days after
9 the effective date of the order imposing the civil penalty. The
10 order shall constitute a judgment and may be filed and
11 execution had thereon in the same manner as any judgment from
12 any court of record.

13 (d) All moneys collected under this Section shall be
14 deposited into the Appraisal Administration Fund.

15 Section 155. Consent order. At any point in the
16 proceedings as provided in this Act, both parties may agree to
17 a negotiated consent order. The consent order shall be final
18 upon signature of the Secretary.

19 Section 160. Business practice provisions; standards of
20 practice.

21 (a) The Department may adopt by rule the Uniform Standards
22 of Professional Appraisal Practice as published from time to
23 time by the Appraisal Standards Board of the Appraisal
24 Foundation. Appraisal management companies shall not interfere

1 with adherence to the Uniform Standards of Professional
2 Appraisal Practice or the Real Estate Appraiser Act of 2002 or
3 a subsequent Act by individuals licensed under the respective
4 Acts.

5 (b) All payment policies from registrants under this Act to
6 appraisers shall be written and definitive in nature.

7 (c) In the event of a value dispute or a requested
8 reconsideration of value, the appraisal management company
9 shall deliver all information that supports an increase or
10 decrease in value to the appraiser. This information may
11 include, but is not limited to, additional comparable sales.

12 (d) Each entity registered under this Act shall designate a
13 controlling person who is responsible to assure that the
14 company operates in compliance with this Act. The company shall
15 file a form provided by the Department indicating the company's
16 designation of the controlling person and such individual's
17 acceptance of the responsibility. A registrant shall notify the
18 Department of any change in its controlling person within 30
19 days. Any registrant who does not comply with this subsection
20 (d) shall have its registration suspended under the provisions
21 set forth in this Act until the registrant complies with this
22 Section. Any individual registrant who operates as a sole
23 proprietorship shall be considered a designated controlling
24 person for the purposes of this Act.

25 (e) Appraisal management companies or employees of an
26 appraisal management company involved in a real estate

1 transaction who have a reasonable basis to believe that an
2 appraiser involved in the preparation of an appraisal for the
3 real estate transaction has failed to comply with the Uniform
4 Standards of Professional Appraisal Practice, has violated
5 this Act or its rules, or has otherwise engaged in unethical
6 conduct shall report the matter to the Department. Any
7 registrant, employee, or individual acting on behalf of a
8 registrant, acting in good faith, and not in a willful and
9 wanton manner, in complying with this Act by reporting the
10 conduct to the Department shall not, as a result of such
11 actions, be subject to criminal prosecution or civil damages.

12 (f) Appraisal management companies are required to be in
13 compliance with the appraisal independence standards
14 established under Section 129E of the federal Truth in Lending
15 Act, including the requirement that fee appraisers be
16 compensated at a customary and reasonable rate when the
17 appraisal management company is providing services for a
18 consumer credit transaction secured by the principal dwelling
19 of a consumer. The Department shall formulate rules pertaining
20 to customary and reasonable rates of compensation for complex
21 assignments consistent with the Final Interim Rule or other
22 rule of the federal Dodd-Frank Wall Street Reform and Consumer
23 Protection Act. The appraisal management company must certify
24 to the Department that it has policies and procedures in place
25 to be in compliance, however, the Department may not adopt
26 rules or policies that contradict or change the presumptions of

1 compliance as established under the Final Interim Rule of the
2 federal Dodd-Frank Wall Street Reform and Consumer Protection
3 Act.

4 (g) No appraisal management company procuring or
5 facilitating an appraisal may have a direct or indirect
6 interest, financial or otherwise, in the real estate or the
7 transaction that is the subject of the appraisal, as defined by
8 the federal Dodd-Frank Wall Street Reform and Consumer
9 Protection Act, any amendments thereto, or successor acts or
10 other applicable provisions of federal law or regulations.

11 Section 165. Prohibited activities.

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

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

20 (2) Withholding or threatening to withhold, either
21 expressed or by implication, future business from, or
22 demoting, or terminating, or threatening to demote or
23 terminate an Illinois licensed or certified appraiser.

24 (3) Expressly or impliedly promising future business,
25 promotions, or increased compensation for an independent

1 appraiser.

2 (4) Conditioning an assignment for an appraisal
3 service or the payment of an appraisal fee or salary or
4 bonus on the opinion, conclusion, or valuation to be
5 reached in an appraisal report.

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

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

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

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

24 (9) Prohibiting or attempting to prohibit the
25 appraiser from including or referencing the appraisal fee,
26 the appraisal management company name or identity, or the

1 client's or lender's name or identity within the body of
2 the appraisal report.

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

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

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

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

16 (1) permanently or temporarily removing the
17 appraiser's signature or seal; or

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

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

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

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

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

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

9 Section 170. Confidentiality. All information collected by
10 the Department in the course of an examination or investigation
11 of a licensee or applicant, including, but not limited to, any
12 complaint against a licensee filed with the Department and
13 information collected to investigate any such complaint, shall
14 be maintained for the confidential use of the Department and
15 shall not be disclosed. The Department may not disclose the
16 information to anyone other than law enforcement officials,
17 other regulatory agencies that have an appropriate regulatory
18 interest as determined by the Secretary, or to a party
19 presenting a lawful subpoena to the Department. Information and
20 documents disclosed to a federal, State, county, or local law
21 enforcement agency shall not be disclosed by the agency for any
22 purpose to any other agency or person. A formal complaint filed
23 against a licensee by the Department or any order issued by the
24 Department against a licensee or applicant shall be a public
25 record, except as otherwise prohibited by law.

1 Section 175. Illinois Administrative Procedure Act;
2 application. The Illinois Administrative Procedure Act is
3 expressly adopted and incorporated in this Act as if all of the
4 provisions of that Act were included in this Act, except that
5 the provision of paragraph (d) of Section 10-65 of the Illinois
6 Administrative Procedure Act, which provides that at hearings
7 the registrant has the right to show compliance with all lawful
8 requirements for retention or continuation or renewal of the
9 registration, is specifically excluded. For the purpose of this
10 Act, the notice required under Section 10-25 of the Illinois
11 Administrative Procedure Act is considered sufficient when
12 mailed to the last known address of a party.

13 Section 180. Home rule. The regulation and registration of
14 practice as an appraisal management company are exclusive
15 powers and functions of the State. A home rule unit may not
16 regulate the practice or require the registration as an
17 appraisal management company. This Section is a denial and
18 limitation of home rule powers and functions under subsection
19 (h) of Section 6 of Article VII of the Illinois Constitution.

20 Section 999. Effective date. This Act takes effect upon
21 becoming law.".