

May 20, 2026

Via Email

Laurie Murphy, Director
Division of Real Estate
Illinois Department of Financial and Professional Regulation
555 West Monroe Street, 5th Floor
Chicago, IL 60661
Laurie.Murphy@illinois.gov

RE: ASC Compliance Review of Illinois' Appraiser Regulatory Program

Dear Laurie Murphy:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Illinois appraiser regulatory program (Appraiser Program) on November 17-21, 2025, to determine the Appraiser Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

The ASC considered the preliminary results of the Review and the State's response to those results. The Appraiser Program is given an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the Illinois Appraiser Program is attached.

The ASC identified the following area(s) of non-compliance:

- States must, at a minimum, adopt and implement all relevant AQB Criteria;²
- States must, at a minimum, adopt and implement all relevant AQB Criteria;³
- States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action;⁴
- States must track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any;⁵
- States must ensure the accuracy of all data submitted to the National Registry;⁶ and
- States must ensure appraiser credential applications submitted for processing do not contain invalid examinations as established by AQB Criteria.⁷

¹ 12 U.S.C. §§ 3331-3356.

² 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D

³ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D

⁴ 12 U.S.C. § 3351; Policy Statement 2 B

⁵ 12 U.S.C. § 3351; Policy Statement 2 B

⁶ 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 3 A, D

⁷ 12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 E

ASC staff will confirm appropriate corrective actions have been taken during the next Review. Illinois will remain on a two-year Review Cycle.

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,

A handwritten signature in cursive script that reads "Frederick Grier".

Frederick Grier
Acting Executive Director

Attachment

cc: Jeremy Reed, Deputy Director, Jeremy.Reed@illinois.gov
Brian Weaver, Appraisal Coordinator, Brian.Weaver@illinois.gov
Gabriela Nicolau, Deputy General Counsel, Gabriela.Nicolau@illinois.gov
Adrienne Levatino, Associate General Counsel, Adrienne.M.Levatino@illinois.gov

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> • State meets all Title XI mandates and complies with requirements of ASC Policy Statements • State maintains a strong regulatory Program • Very low risk of Program failure 	2-year
Good	<ul style="list-style-type: none"> • State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure 	2-year
Needs Improvement	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure 	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure 	1-year
Poor**	<ul style="list-style-type: none"> • State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure 	Continuous monitoring

*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

** An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.



ASC State Appraiser Program Compliance Review Report

ASC Finding: Good
 Final Report Issue Date: May 20, 2026

Illinois Appraiser Regulatory Program (State)			
Illinois Real Estate Appraisal Administration and Disciplinary Board (Board)	PM: M. Brown	ASC Compliance Review Date: November 17-21, 2025	Review Period: September 2023 to October 2025
Umbrella Agency: Illinois Department of Financial and Professional Regulation		Number of State Credentialed Appraisers on National Registry: 2868	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:		X					
States must, at a minimum, adopt and implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.)				<p>The State did not verify that Supervisory Appraisers satisfied the requirements established in the Real Property Appraiser Qualification Criteria (AQB Criteria).</p>	<p>On February 12, 2026, the State reported it verifies completion of the required AQB Supervisory Appraiser course prior to the commencement of supervision, and the completion date is recorded in its licensing system.</p> <p>The State went on to report that its application states that the AQB Supervisor–Trainee course must be completed before supervision begins.</p> <p>Applicants are not required to submit course certificates, as education providers electronically report completion dates directly to the Division, and its system tracks those records.</p> <p>The initial list submitted to the ASC was compiled manually because the State's current system does not have the reporting capability to generate a consolidated list of Supervisors and their respective Trainees. The Department is in the process of transitioning to a new system designed to eliminate manual processes and to capture licensing and registration data in real time with improved accuracy and reporting functionality.</p>	<p>The State must ensure that all documentation to support its validation methods is available to ASC staff for future Compliance Reviews.</p>	<p>During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.</p>



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Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures (continued):		X					
States must, at a minimum, adopt and implement all relevant AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 1 C, D.)				<p>The State failed to completely verify applicants' experience prior to granting approval to sit for the national examination.</p> <p>The State went on to report that after the applicant passes the examination, and prior to credential issuance, the Appraisal Coordinator, the Real Estate Appraisal Administration, and Disciplinary Board review at least three appraisal reports to ensure compliance with USPAP and AQB Criteria. Due to resource limitations, the Coordinator and Board are unable to review all reports prior to examination approval.</p> <p>The State also went on to report that the Licensing Unit conducts an initial review of education and experience logs to confirm eligibility for examination. The Division believes this process complies with AQB Criteria and represents the most efficient use of staffing and Board resources.</p>	<p>On February 12, 2026, the State reported its Licensing Unit reviews and verifies that all required pre-licensure education and experience, including total hours, and reports are completed before an applicant is approved to sit for the examination. Applicants do not self certify; Division approval is required.</p> <p>The State must immediately cease issuing appraiser credentials to applicants who have not met the requirements set forth in the AQB Criteria.</p>	<p>During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.</p>	



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Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Temporary Practice:		X					
States must issue temporary practice permits within five business days of receipt of a completed application or notify the applicant and document the file as to the circumstances justifying delay or other action. (12 U.S.C. § 3351; Policy Statement 2 B.)				Of the 181 temporary practice applications recorded on the permit log submitted by the State, 25 were not issued within 5 business days of the State's receipt of a completed application.	On February 12, 2026, the State reported that of the 25 temporary practice permits not issued within 5 business days, 23 were delayed due to application deficiencies, primarily fingerprint or documentation issues, and in some cases extended background check processing. Once resolved, those 23 permits were issued within 5 business days of completion. The State went on to report that 2 applications required additional review and exceeded the timeframe. The State also went on to report that, although the system does not track application completion dates, staff identified when deficiencies were resolved and added a "Deficiency Resolution Date" column to clarify the timeframe between completion and issuance "First Effective Date."	The State must ensure that all documentation to support the circumstances justifying the delay of issuing temporary practice permits within 5 business days of receipt of a completed application is available to ASC staff for future Compliance Reviews.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.



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	YES	NO	AC				
Temporary Practice (continued):		X					
States must track all temporary practice permits using a permit log which includes the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any. (12 U.S.C. § 3351; Policy Statement 2 B.)				The State's temporary practice permit log does not include the date a completed application was received.	On February 12, 2026, the State reported the temporary practice permit log provided to the ASC was manually compiled and may not have clearly reflected the requested data, although the information exists in our internal system. The State reported that the "Application Date" reflects when the Division receives an application, whether complete or not. If complete, the "First Effective Date" matches the Application Date and reflects issuance. When applications are incomplete, the gap between these dates is due to outstanding documentation, fingerprint processing, or background check delays. When complete, and staffing permits, licenses are typically issued the same day. The State went on to report that the Division is transitioning to a new system intended to eliminate manual reporting and provide more accurate, real-time tracking of licensing and registration timelines.	The State must continue the process of transitioning to a system that accurately tracks the name of the applicant, date application received, date completed application received, date of issuance, and date of expiration, if any.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
National Registry:		X					
States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 3 A, D.)				The State added an individual to the National Registry who did not meet all requirements for the credential obtained. The individual had passed the national examination more than 24 months before the license was approved and issued.	On February 12, 2026, the State reported that it believes this was an isolated anomaly, involving 1 applicant out of 446 licenses issued in 2025. The State went on to say that staff have identified the oversight regarding the missed expiration date and are implementing additional safeguards to prevent recurrence.	The State must immediately cease adding individuals to the National Registry who have not met the requirements set forth in the AQB Criteria. The State must ensure the appraiser met AQB Criteria or inactivate the credential in the National Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.



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	YES	NO	AC				
Application Process:		X					
States must ensure appraiser credential applications submitted for processing do not contain invalid examinations as established by AQB Criteria. (12 U.S.C. § 3345; 12 U.S.C. § 3347; Policy Statement 4 E.)				The State granted a credential to an individual whose national examination had been completed more than 24 months prior to issuance.	On February 12, 2026, the State reported that this appears to have been an isolated anomaly, affecting 1 of 446 licenses issued in 2025. The State went on to say that staff have identified the missed expiration date and are implementing additional safeguards to prevent recurrence.	The State must adopt written policies and procedures that ensure the State issues credentials only when an applicant's examination pass date is less than 24 months prior to the date of credentialing. The State must ensure the appraiser has met the AQB Criteria or take appropriate action.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement:	X			No compliance issues noted.	N/A	None	None