



**Illinois Department of Financial and Professional Regulation**  
**Division of Professional Regulation**

**ROD R. BLAGOJEVICH**  
Governor

**DEAN MARTINEZ**

Secretary

**DANIEL E. BLUTHARDT**  
Director

Division of Professional Regulation

November 13, 2007

Ms. Virginia M. Gibbs, Chairperson  
Appraisal Subcommittee  
2000 K Street NW  
Suite 310

Dear Ms. Gibbs:

On behalf of the Illinois Department of Financial and Professional Regulation, and the Illinois Real Estate Appraisal Board, we thank you for your consideration and professionalism during the field review in June 2007.

Your correspondence dated August 13, 2007, identified four areas for corrective action to bring the Illinois Program into substantial compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended (hereinafter "Title XI"). In this letter, I have restated these issues followed by our responses.

**Illinois' complaint investigation and resolution program does not comply with Title XI and ASC Policy Statement 10 because complaints were not investigated and resolved in a timely manner.**

The Appraisal Coordinator was hired in mid-April 2007 after a vacancy period following the departure of his predecessor. At that time, the Coordinator immediately began to prioritize, reassign and finish dated cases. Since the ASC visit in June 2007, 108 *new* complaints have been received while 52 open complaints have been closed. The 108 new complaints represent a nearly 59% increase over the same period in 2006. Currently, there is activity on all 246 open complaints.

Illinois is aggressively moving to narrow the timeline from initial complaint to resolution by streamlining the in-take process and by generating investigation activity within days of receiving the initial complaint. Complaints that are referred to the Legal Department are processed as quickly as possible, given the of due process rights of the Respondents.

In sum, and in direct response to the issues set forth in ASC's letter of 8/13/07, Illinois affirms that it will do the following:

1. Make every effort to investigate and resolve complaints in a timely manner, and whenever possible, to resolve the complaints in less than one year.
2. Continue to devote the necessary resources to address the backlog of pending cases and to remain current with incoming complaints.

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3. Continue to provide an electronic copy of the complaint log quarterly to Denise Graves at [denise@asc.gov](mailto:denise@asc.gov).

**Illinois did not submit disciplinary action data to the ASC for inclusion in the National Registry in accordance with ASC Policy Statement 9.**

Upon investigation with ASC staff, it was learned that Illinois reported all disciplinary Orders on the monthly national registry file submission, but due to a glitch in the ASC macro, not all Orders appeared on the National Registry. The missing Orders were identified and the National Registry is now current.

With regard to reporting Consent to Administrative orders (“CAS orders”), Illinois offers the following: In the ASC’s letter to Illinois, dated 8/13/07, Ms. Gibbs states that the production of CAS orders is required to comply with ASC Policy Statement 9. As you know, Statement 9 requires the reporting of “*any disciplinary action taken against an appraiser.*” Illinois understands that ASC has made a good faith request regarding the reporting of the CAS orders.

However, Illinois faces a legal bar against reporting the CAS orders. The Illinois Appraiser Act expressly states that CAS orders are not disciplinary. The Act further expressly states that the CAS orders shall not be reported. The express language specifically states: “*This order [Consent to Administrative Supervision] shall not be reported or considered by [the agency] to be a discipline of the licensee.*” See 225 ILCS 458/15-10(c) (2002).

Therefore, reporting the CAS orders to ASC would place Illinois in the position of violating its own Act. Just as importantly, it would place Illinois in the position of refuting the legal expectations of the Respondents and their counsel who enter into the CAS orders. Illinois is hopeful that ASC appreciates this predicament.

Nonetheless, Illinois plans to make certain changes regarding the terms and conditions included in CAS orders, to better comport with the objective of accurate reporting of disciplinary action. Illinois will no longer include conditions in CAS orders that provide for “Probation” or “Fines,” as those terms are used in Consent Orders and Final Orders.

In sum, and in direct response to the issues set forth in ASC’s letter of 8/13/07, Illinois affirms that it will do the following:

1. Continue to report a list of every disciplinary Order, as legally defined by the Illinois Real Estate Appraiser Licensing Act of 2002. This will include all Consent Orders and Final Orders (whether the result of a Formal Hearing or a default on a Formal Complaint).
2. Establish and implement written procedures to ensure that all future disciplinary actions are reported to ASC. In this regard, Illinois will continue to use its past procedure. That procedure is:
  - The disciplinary Order is signed by the Director of the Division of Professional Regulation, thereby making the Order effective.
  - The Docket Administrator receives the Order and enters the Order into the Division’s internal database.
  - On the first day of the month, the Division’s IT staff retrieve the list of Orders entered during the month and forward the list to the ASC IT staff.

**Illinois' credential renewal regulations do not conform to Appraiser Qualifications Board ("AQB") continuing education criteria.**

Illinois will amend the Administrative Rules to reflect the current AQB Criteria as outlined in the **"Interpretation – Continuing Education Requirements for Partial Years"** bulletin that was issued on May 5, 2006 with an effective date of January 1, 2007. We will notify you immediately upon the change.

**2008 AQB Criteria**

Illinois is keenly aware of the AQB Criteria changes taking effect on January 1, 2008. Illinois has been proactive by providing its licensees advanced notice of the changes. Illinois is further aware of the importance of ensuring that the language in our Act and Rules comports with the changes. In this regard, Illinois will continue to pursue the appropriate legislative updates. Illinois will notify ASC of any legislative changes as they occur.

If any other clarifications are needed, please direct all such inquiries to my attention to the James R. Thompson Center address in Chicago.

Sincerely,

Dean Martinez, Secretary  
Department of Financial and Professional Regulation