

January 4, 2024

**Via Email**

Laurie Murphy, Director  
Division of Real Estate  
Illinois Department of Financial and Professional Regulation  
555 West Monroe Street  
Suite 500  
Chicago, IL 60661  
[Laurie.Murphy@illinois.gov](mailto:Laurie.Murphy@illinois.gov)

RE: ASC Compliance Review of Illinois' Appraisal Management Company (AMC) Regulatory Program

Dear Laurie Murphy:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Illinois AMC regulatory program (AMC Program) on October 30 through November 3, 2023, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

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

The ASC identified the following areas of non-compliance:

- States must impose requirements on State-registered AMCs to direct the appraiser to perform the assignment in accordance with USPAP;<sup>1</sup> and
- States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect and transmit the registry fees.<sup>2</sup>

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

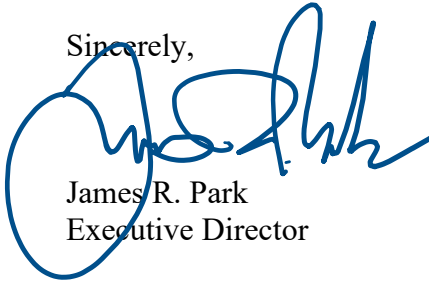
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<sup>1</sup> 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.

<sup>2</sup> Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9.

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 blue ink, appearing to read 'James R. Park', is written over the word 'Sincerely,'. The signature is fluid and cursive, with a large initial 'J'.

James R. Park  
Executive Director

Attachment

cc: Adrienne Levatino, Associate General Counsel, [Adrienne.M.Levatino@illinois.gov](mailto:Adrienne.M.Levatino@illinois.gov);  
Brian Weaver, Coordinator, [Brian.Weaver@illinois.gov](mailto:Brian.Weaver@illinois.gov)

## ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> <li>• State meets all Title XI mandates and complies with requirements of ASC Policy Statements</li> <li>• State maintains a strong regulatory Program</li> <li>• Very low risk of Program failure</li> </ul>	2-year
Good	<ul style="list-style-type: none"> <li>• State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements</li> <li>• Deficiencies are minor in nature</li> <li>• State is adequately addressing deficiencies identified and correcting them in the normal course of business</li> <li>• State maintains an effective regulatory Program</li> <li>• Low risk of Program failure</li> </ul>	2-year
Needs Improvement	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program</li> <li>• State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies</li> <li>• State regulatory Program needs improvement</li> <li>• Moderate risk of Program failure</li> </ul>	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> <li>• State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements</li> <li>• Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program</li> <li>• State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing</li> <li>• State regulatory Program has substantial deficiencies</li> <li>• Substantial risk of Program failure</li> </ul>	1-year
Poor**	<ul style="list-style-type: none"> <li>• State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements</li> <li>• Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program</li> <li>• State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies</li> <li>• High risk of Program failure</li> </ul>	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 12, Interim Sanctions.



## ASC State AMC Program Compliance Review Report

ASC Finding: Good  
 Final Report Issue Date: January 4, 2024

<b>Illinois AMC Regulatory Program (State)</b>			
No Board	PM: J. Tidwell	ASC Compliance Review Date: October 30 - November 3, 2023	Review Period: August 2021 - September 2023
Umbrella Agency: Illinois Department of Financial and Professional Regulation		Number of AMCs on AMC Registry: 135	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				
<b>Statutes, Regulations, Policies and Procedures:</b>		X					
States must impose requirements on State-registered AMCs to direct the appraiser to perform the assignment in accordance with USPAP. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				Illinois’ AMC regulations 68 ILCS 1452 have not been amended to adopt the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP). Section 1452.140 a) references the USPAP effective January 1, 2012, with no later amendments or editions. Other portions of the Act reference this section, when defining the USPAP.	On December 12, 2023, the State reported that it is drafting proposed amendments to the Administrative Rule to correct this issue.	The State must continue the process to amend its Rules to bring them into compliance with Title XI, and provide ASC staff with a copy once finalized.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 8.
<b>National Registry:</b>		X					
States must determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect and transmit the registry fees. (Title XI § 1109, 12 U.S.C. § 3338; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; 12 CFR 1102.403; Policy Statements 8 and 9.)				The State failed to determine the eligibility of 9 State registered AMCs.	On December 12, 2023, the State reported that the Illinois Secretary of State had revoked one AMC’s authority to conduct business in Illinois and that another had an inactive credential. As a result, only seven AMCs failed to file an Annual Report. The Division diligently sought to obtain information necessary to determine the eligibility of State registered AMCs for the National Registry.	The State must develop a plan to determine whether State registered AMCs meet the federal definition of an AMC to be eligible to be on the AMC Registry and if eligible, collect and transmit the registry fees.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statements 8 & 9.
<b>Enforcement:</b>	X						
				No compliance issues noted.	N/A	None	None