

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

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 October 30 through November 3, 2023, to determine the 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 Appraiser Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the Illinois Appraiser Program is attached.

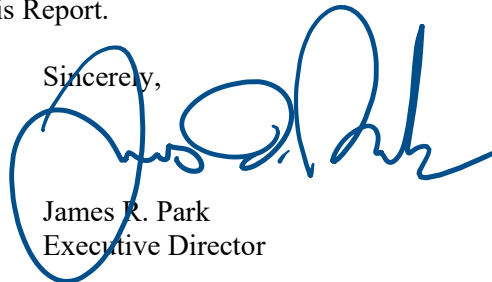
The ASC identified the following area of non-compliance:

- States must recognize on a temporary basis appraiser credentials issued by another State if the property to be appraised is part of a federally related transaction.¹

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Illinois will be moved to 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,



James R. Park
Executive Director

Attachment

cc: Adrienne Levatino, Associate General Counsel, Adrienne.M.Levatino@illinois.gov;
Brian Weaver, Coordinator, Brian.Weaver@illinois.gov

¹ 12 U.S.C. § 3351; Policy Statement 2.

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: January 4, 2024

Illinois Appraiser Regulatory Program (State)			
Illinois Real Estate Appraisal Administration and Disciplinary Board (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 State Credentialed Appraisers on Appraiser Registry: 3366	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			No compliance issues noted.	N/A	None	None
Temporary Practice: States must recognize on a temporary basis appraiser credentials issued by another State if the property to be appraised is part of a federally related transaction. (12 U.S.C. § 3351; Policy Statement 2.)		X		The State does not recognize on a temporary basis the license of an appraiser issued by another State if the property to be appraised is part of a federally related transaction.	On December 12, 2023, the State reported that although Illinois law does not authorize and Illinois does not issue Licensed Residential Appraiser credentials, going forward, Illinois will recognize the Licensed Residential Appraiser credentials of non-resident appraisers applying for temporary practice.	The State must update its Temporary Practice Permit application noting "Licensed Residential Real Estate Appraiser" as a choice under "please check the box that indicates your out-of-state application rank."	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 2.
National Registry: States must ensure that staff authorization information provided to the ASC is updated and accurate. (12 U.S.C. § 3347; Policy Statement 3 A, C.)			X	The State failed to remove access for two employees who had left the program.	On December 12, 2023, the State reported that it corrected this issue by submitting a new "Appointment of Authorized Registry Officials" Resolution to ASC staff on October 16, 2023. The resolution updated all State personnel and the type of access for each.	The State should develop a plan to ensure that staff authorization information is kept updated and accurate.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 3.
Application Process:	X			No compliance issues noted.	N/A	None	None
Reciprocity:	X			No compliance issues noted.	N/A	None	None
Education:	X			No compliance issues noted.	N/A	None	None
Enforcement: States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date in the absence of special documented circumstances. (12 U.S.C. § 3347; Policy Statement 7 B.)			X	The State had 2 aged complaints which were unresolved for more than 1 year without the exemption for special documented circumstances.	On December 12, 2023, the State reported that 1 case had a settlement conference and is anticipated to be closed in January 2024. In the other case, a settlement was not reached, and now the Department is preparing for a formal hearing. The preparation involves obtaining multiple review appraisals, causing this case to fall within the exemption for "special documented circumstances."	The State should continue to employ ways to process complaints in a timely manner.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI and ASC Policy Statement 7.