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Appraisal Subcommittee

Federal Financial Institutions Examination Council

November 4, 2014

The Honorable Manuel Flores, Acting Secretary
Illinois Department of Financial and Professional Regulation
James R. Thompson Center
100 West Randolph, Suite 9-321
Chicago, IL 60601

RE: Appraisal Subcommittee Staff Follow-Up Review

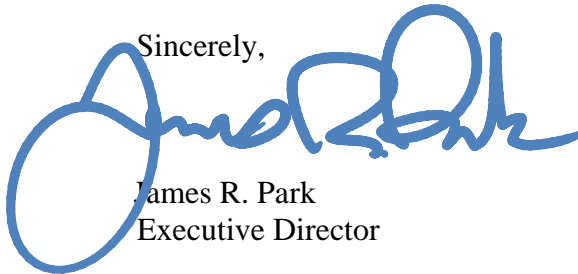
Dear Secretary Flores:

Thank you for your cooperation and your staff's assistance in the September 3 and 12, 2014, Appraisal Subcommittee (ASC) staff Follow-up Review. This was a Follow-up Review of the September 9-13, 2013, ASC Compliance Review of the Illinois appraiser regulatory program.

As detailed in the attached Follow-up Report, Illinois resolved one of the three areas of concern identified in the September 9-13, 2013 Compliance Review Report. Illinois also made significant progress toward addressing the area of non-compliance identified.

This letter and the attached Follow-up Report are public record and available on the ASC website in accordance with the Freedom of Information Act. Please contact us if you have any questions.

Sincerely,



James R. Park
Executive Director

Attachment

cc: Mr. Mike Garvin, ASC Liaison

ASC Staff Follow-Up Report: 2013 Compliance Review

Illinois Appraiser Regulatory Program (Program)						
Real Estate Appraisal Administration & Disciplinary Board/Advisory			Follow-Up Review Date: September 3 & 12, 2014		Follow-Up Report Issue Date: November 4, 2014	
Umbrella Agency: Department of Financial & Professional Regulation, Division of Professional Regulation			ASC Compliance Review Date: September 9-13, 2013		PM: K. Klamet	
Requirement/Guidance	ASC Staff Assessment			Required/Recommended State Actions from the September 9-13, 2013 Compliance Review	Status as of September 3 & 12, 2014 Follow-Up	Further Required Actions/Comments
	Compliance (YES/NO)	Areas of Concern (AC)				
	Yes	No	AC			
Education:			X			
States must ensure that appraiser education courses are consistent with AQB Criteria. (Title XI § 1118 (a), 12 U.S.C. § 3347; AQB Real Property Appraiser Qualification Criteria; ASC Policy Statement 6.)				None	Illinois conducted an audit of all qualifying and continuing education courses with a "begin" date prior to 2010 to ensure education course files contained appropriate documentation necessary to demonstrate compliance with AQB Criteria. Illinois also revised their renewal application forms and process to ensure continued compliance with current AQB Criteria. At the time of the September 12, 2014, Follow-up Review (Follow-up) Illinois had audited over 150 courses. However, based on a random review of 20 education course files, ASC staff found 4 files did not contain sufficient documentation to ensure compliance with AQB Criteria. ASC staff discussed this concern with Program staff. Program staff advised that during the upcoming education course renewal cycle, courses will not be renewed without the required documentation.	Further Required Actions: Illinois must ensure that education course files contain the appropriate documentation for compliance with AQB Criteria. During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI, AQB Criteria and ASC Policy Statement 6. Comments: None
Education continued:	X					
States must ensure the delivery mechanism for distance education courses offered by a non-academic provider has been approved by an AQB-approved organization providing approval of course design and delivery. (Title XI § 1118 (a), 12 U.S.C. § 3347; AQB Real Property Appraiser Qualification Criteria; ASC Policy Statement 6.)				None	Illinois conducted an audit of all Program approved on-line qualifying and continuing education courses to ensure that each course had current International Distance Certification Center (IDECC) approval. At the time of the September 12, 2014 Follow-up Illinois had documentation of current IDECC approval for all on-line courses. In addition, Illinois revised the renewal application forms and process to ensure continued compliance with current AQB Criteria. Courses that do not have current IDECC approval will not be renewed.	Further Required Actions: None Comments: None

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Requirement/Guidance	ASC Staff Assessment			Required/Recommended State Actions from the September 9-13, 2013 Compliance Review	Status as of September 3 & 12, 2014 Follow-Up	Further Required Actions/Comments
	Compliance (YES/NO)	Areas of Concern (AC)				
	Yes	No	AC			
Education continued:			X			
States must ensure that appraiser education courses are consistent with AQB Criteria. (Title XI § 1118 (a), 12 U.S.C. § 3347; AQB Real Property Appraiser Qualification Criteria; ASC Policy Statement 6.)				None	Illinois developed an internal renewal form to document that each approved USPAP instructor has met all requirements to ensure approved 15-hour and 7-hour National USPAP courses renewed are taught by instructors who are State certified appraisers and AQB certified. USPAP courses will not be approved without the required documentation. At the time of the September 12, 2014, Follow-up Illinois had not yet completed the education course renewal as all courses expire 12/31/2014.	Further Required Actions: Illinois must ensure that education course files contain the appropriate documentation for compliance with AQB Criteria. During the next Compliance Review, ASC staff will pay particular attention to this area for compliance with Title XI, AQB Criteria and ASC Policy Statement 6. Comments: None
Enforcement:		X				
States must resolve all complaints filed against appraisers within one year (12 months) of the complaint filing date, except for special documented circumstances. (Title XI § 1118 (a), 12 U.S.C. § 3347; ASC Policy Statement 7.)				Illinois must continue to submit quarterly complaint logs to ASC staff. Staff will analyze each log. If continued progress is not made, the ASC may place additional requirements upon the State.	Illinois submits quarterly complaint logs to ASC staff as required. Based on an analysis of the logs submitted, Illinois continues to make progress in timely complaint resolution. At the time of the September 3, 2014, Follow-up Illinois had 180 open cases of which 41 were over 1 year. Of those 41 cases over a year, 39 were in prosecutions and 2 were in investigations.	Further Required Actions: Illinois must continue to submit quarterly complaint logs to ASC staff. Staff will analyze each log to ensure continued progress is made. Through off-site monitoring as well as during the next Compliance Review, ASC staff will pay particular attention to this area for compliance with ASC Policy Statement 7. Comments: Although Illinois is still out of compliance in enforcement, the State continues to make progress towards timely complaint resolution.