



Illinois Department of Financial and Professional Regulation
Division of Professional Regulation

ROD R. BLAGOJEVICH
Governor

MICHAEL T. McRAITH
Acting Secretary

DANIEL E. BLUTHARDT
Director
Division of Professional Regulation

December 18, 2008

Ms. Virginia M. Gibbs, Chairperson
Appraisal Subcommittee
1401 H Street, N.W. Suite 760

DEC 23 2008

Dear Ms. Gibbs:

The Illinois Department of Financial and Professional Regulation, and the Illinois Real Estate Appraisal Board would like to thank you for your cooperative assistance and professionalism during the field review of April 2008.

Your June 18, 2008, correspondence identified three areas for corrective action to bring the Illinois Program into substantial compliance with Title XI of the Financial Institution Reform, Recovery, and Enforcement Act of 1989, as amended ("Title XI" hereinafter). In this letter I have restated the areas for corrective action followed by our responses.

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

The Department persists in the resolve of backlogged cases. Initial complaints are now processed within days of receipt with investigation activity commencing soon after.

The Division concurs with the recommendations and will execute the following:

1. Continue to devote the necessary resources to address the backlog of pending cases and to remain current with incoming complaints. As you know, the Division lost three investigators during the previous year. Two of the vacancies have been filled. The other vacancy is in the process of being filled. Additionally, Real Estate examiners have been temporarily assigned to assist this area.

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2. Continue to provide an electronic copy of the complaint log quarterly to Vicki Ledbetter at Vicki@asc.gov.

- **Illinois accepted affidavits to support continuing education without a reliable means of validation, which is inconsistent with ASC Policy Statement 10 F.**

In reference to the statement that the Division does not have a reliable means of validation for continuing education, we do not concur. The Division has established a viable method to audit continuing education.

Electronic files are routinely sent to the Department from approved continuing education providers. The files contain a list of licensees who have completed a specific continuing education course. This information is directly uploaded into our licensing data base.

Our audit was conducted on the basis of the data received through electronic files. Based upon our computer records, 80% of our total active licensees complied with the continuing education requirements. Of the remaining licensees (20%), the Division sent 170 letters or 15% (5% over the audit percentage recommended by ASC) to those licensees who had not complied. These licensees were instructed to submit proof of their continuing education. Of the 170 letters, 71% or 121 licensees were cleared as they submitted proof of meeting the continuing education requirement. The remaining 29% or 49 licensees were forwarded to the Division's Enforcement Section for possible disciplinary action.

All licensees who were deemed not to be in compliance with the continuing education requirements were reported to the ASC's National Registry as non compliant under "meets AQB criteria."

Illinois strongly believes that our current auditing practices are viable and defensible. Of course we welcome any recommendations from ASC for improvement.


- **Illinois' Administrative Rules did not reference the most current version of the Uniform Standards of Professional Appraisal Practice ("USPAP") and its statute and regulations did not conform to AQB criteria.**

The proposed Administrative Rules have been corrected and have been filed and are pending approval of the Joint Committee on Administrative Rules (JCAR). A copy of the Rules are enclosed for your review. The Department is seeking statutory changes necessary to conform to AQB criteria; however, we are at the mercy of the State Legislature and they have not taken action as of this date.

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As a matter of information, Secretary Martinez is no longer with the Department of Financial and Professional Regulation. Michael T. McRaith was recently named Acting Secretary of the Department. If any other clarifications are required, please direct all such inquiries to my attention to the Division of Professional Regulation, 320 W. Washington Street, 3rd Floor, Springfield, Illinois 62786

Sincerely,


Daniel E. Bluthardt
Director
Division of Professional Regulation