

Illinois Department of Financial and Professional Regulation

To help prevent the further spread of COVID-19, on March 20, 2020, Governor JB Pritzker issued Executive Order 2020-10 (“Order”) requiring all Illinoisans to stay in their homes beginning on March 21, 2020 at 5:00 PM. Through Executive Order 2020-18, this directive is currently scheduled to last through and including April 30, 2020. Subsection 1(12) of Executive Order 2020-10 sets forth various categories of “Essential Businesses and Operations,” which include real estate services (including appraisal and title services) under Subsection 1(12)(r), “Professional Services.” The following FAQs are intended to address ongoing inquiries on this topic from licensees and the general public.

FAQs

Q. How does Executive Order 2020-10 and Executive Order 2020-18 (the “Executive Orders”) affect professional real estate services?

A. Under Subsection (1)(12)(r) of Executive Order 2020-10, “real estate services (including appraisal and title services)” are included as essential businesses and operations that may continue to provide their professional services. However, Subsection 1(15) of Executive Order 2020-10 requires “Essential Business and Operations” to take proactive measures to ensure compliance with Social Distancing Requirements, including, where possible: (1) designating with signage, tape, or by other means six-foot spacing for employees and customers in line to maintain appropriate distance; (2) having hand sanitizer and sanitizing products readily available for employees and customers; (3) implementing separate operating hours for elderly and vulnerable customers; and (4) posting online whether a facility is open and how best to reach the facility and continue services by phone or remotely. Keeping this in mind, this FAQ provides additional practical guidance for real estate brokers and firms, appraisers, home inspectors, auctioneers, community association managers, and education providers.

Q. Do the Executive Orders mean that I am required to operate my real estate business?

A. The Executive Orders are permissive in allowing essential businesses and operations to operate but do not require operation. Licensees, including individuals and business entities, may use their discretion whether or not they wish to continue to operate the essential services of their business within the parameters outlined in this document. All licensees are encouraged to work from home or remotely. Individuals may take a number of concerns into consideration including, but not limited to, health and financial circumstances.

Q. I currently have a real estate contract with a closing date within the term of the shelter-in-place order. Should I make any modifications to the contract?

A. Consumers are strongly encouraged to amend their real estate contracts to change the closing date to a date after April 30, 2020, recognizing that the effective period of the Executive Orders may be extended. Given that unique sets of individual circumstances could make a real estate closing essential during the current period of the Executive Orders, closings are permitted to occur during this time frame. Real estate professionals must continue to act in accordance with the provisions of the Real Estate License Act of 2000 and may not unilaterally make changes to the contract between buyers and sellers. Any change in closing dates must be agreed to by the parties to the transaction and properly documented.

Q. If I elect to continue my essential real estate broker services, what best practices should I adopt during the duration of the Executive Orders?

A. The health and welfare of the residents of Illinois is the primary concern of the Department. Real estate transactions are also critical to an individual's ability to own, lease and/or sell property as well as to the state's economy. Accordingly, the Department puts forth the following guidance for real estate brokerage professions permitted under the Order:

1. **Meetings Between Licensees and Clients or Customers.** All meetings between real estate brokerage professionals and clients or prospective customers should take place remotely via phone, video, or other electronic means. If meetings cannot take place remotely, all applicable social distancing requirements must be in place for the meeting to occur in a physical office location.
2. **Open Houses.** Physical or in-person open houses are not permitted. Virtual or remote open houses are permitted.
3. **Showings.** For purposes of this guidance, individual showings consisting of the licensee and one additional person and group showings consistent of the licensee and two or more people, not to exceed a total of four people including the licensee.
 - a. **Unoccupied or Vacant Properties.** Real estate brokerage professionals may conduct individual or group showings of unoccupied or vacant properties. However, real estate brokerage professionals must comply with all social distancing requirements specified in the Executive Orders.
 - b. **Owner-Occupied Properties.** While virtual or remote showings are highly encouraged, individual and group showings are permitted for owner-occupied properties. For all owner-occupied properties, in order to conduct individual or group showings, showings must be scheduled in advance and the real estate brokerage professional should receive consent from the owner of that property. In all instances, the real estate brokerage professional must comply with all social distancing requirements specified in the Executive Orders.
 - c. **Occupied Rental Properties** Individual or group showings are prohibited for occupied rental properties.
4. **Closings.** Real estate closings are permitted to occur either through remote means or with all applicable social distancing requirements put in place for any in-person transaction.

B. As a licensed auctioneer, what services am I permitted to provide during the duration of the Executive Orders?

A. Virtual or remote auctioneer services may be conducted during the duration of the Executive Orders. Since auctions are likely to attract large numbers of individuals in a single location, thus exceeding the ten-person limitation provision in the Executive Orders, all in-person auctions are prohibited at this time. This prohibition includes in-person and physical live auctions.

Q. Do community association manager services fall under an essential business or service and what requirements must I comply with during the duration of the Executive Orders?

A. Community association manager services are permitted under the Executive Orders. Community association managers must comply with all applicable social distancing requirements specified in the Order.

Q. If I elect to continue my essential appraisal services, what best practices should I adopt during the duration of the Executive Orders?

A. Appraisal services are permitted under the Executive Orders. However, as a profession whose standards and qualifications are authorized by the United States Congress, this profession requires that licensees conform to both state and federal regulations.

Any real estate appraisal service that can be conducted within an office or outside of a subject property is permitted. Where consent is granted by the property owner and an appraisal is required by a financial institution, interior inspections are permitted by licensed real estate appraisers only when complying with all applicable social distancing requirements specified in the Executive Orders. If a property owner does not grant access to the interior of the property due to COVID-19 concerns, alternative arrangements should be pursued.

As it relates to modified alternative appraisals, such as desktop appraisals, as permitted by their government-sponsored enterprise (“GSE”) or federal agencies, appraisers are encouraged to pursue these appraisal methods. Appraisers must educate themselves on all matters related to these modified alternative appraisals.

At the time of this publication, federal guidance has been provided by the Appraisal Foundation, Fannie Mae, Freddie Mac, the Federal Deposit Insurance Corporation, the United States Department of Agriculture, Veterans Administration, and the Federal Housing Administration. The Department encourages licensees to regularly review federal requirements and updates.

Q. If I elect to continue my essential home inspector services, what best practices should I adopt during the duration of the Executive Orders?

Home inspector services are permitted under the Executive Orders. Home inspectors must continue to obtain valid consent prior to entering the subject property from the real estate brokerage professional authorized by the property owner to give consent or from the property owner. When conducting the home inspection, all applicable social distancing requirements specified in the Executive Orders must be met.

Q. As an education provider for licensed real estate professionals, what courses may I offer during the duration of the Executive Orders?

A. Only virtual, on-line, or home study education courses may be offered during the duration of the Executive Orders.

Q. Are there any other items I should consider during this time period?

A. First and foremost, the health and welfare of our licensees, residents of Illinois, and prospective residents of Illinois is our top priority at the Division of Real Estate. Do not put yourself or others at risk. Take all necessary precautions to ensure a healthy and safe environment for real estate transactions.

Please be aware that as the COVID-19 pandemic is rapidly changing, so are the policies and procedures. Additionally, please note that local jurisdictions may have different policies and procedures in place relating to Executive Order 2020-10 and Executive Order 2020-18.

We encourage you to regularly check our website for any updates: www.idfpr.com.