

IllinoisAppraiser

Administrative Rules Updates

INSIDE THIS ISSUE:

Carbon Monoxide Detection	5
Networking Opportunity	6

The updated Administrative Rules for appraisers started on Monday, **June 1, 2015**.

If you look back at previous Rules releases you'll notice effective dates never seem to follow the first of a month. This year we were able to make the effective date June 1.

The trek from proposed amendments to adoption began with the *January 23, 2015* publication for public comment.

After responding to public comments the Department was able to present JCAR with something everyone could accept.

What's changed?

Most of the changes reflected the AQB's 2015 requirements.

Under definitions we added:

Prerequisite education means any education course that does not meet AQB requirements under qualifying education but is necessary prior to being issued an Illinois appraiser credential as an Associate Real Estate Trainee Appraiser.

For those who served our country, we added:

Effective January 1, 2015, an applicant in a Reserve component of the U.S. Armed Forces who was pursuing an appraiser license or certification prior to December 1, 2011, and who was called to active duty between December 1, 2011 and December

31, 2014, may satisfy the qualifications required under the AQB 2008 Criteria for an additional time period after January 1, 2015. The extension of time shall be equal to the applicant's time of active duty, plus 12 months.

With regard to Temporary Practice Permits

we ended the practice of out-of-state appraisers submitting multiple, simultaneous permit applications:

The term for a temporary practice permit shall be 6 months from the date of issuance and may be extended for a period of an additional 6 months by request in writing to the Division. The Division shall not issue contemporaneous temporary practice permits involving multiple clients within any 6 month period.

The **2014-2015 USPAP** was officially adopted:

Pursuant to Section 10-10 of the Act, the 2015 USPAP are hereby incorporated by reference with no later amendments or editions.

(Continued on page 2)



Administrative Rules Updates



(Continued from page 1)

A section was added that clarifies what a residential appraiser must disclose in order to avoid being caught up in the Home Inspection Act.

Be mindful of the required language that every 1 to 4 family appraisal must contain. This is to protect appraisers from unintended consequences.

Section 1455.245 Scope of Property Condition Inspections by Real Estate Appraisers

Licensed real estate appraisers may include in an appraisal report comments on the condition of the property that affect property value, including physical deficiencies, adverse conditions and renovations, based on observations by the licensed real estate appraiser during the appraisal of the property. Licensed real estate appraisers may not provide these comments for compensation, or with the expectation of receiving compensation, directly or indirectly, as a substitute for a home inspection, or a home inspection report, prepared by a licensed home inspector. All appraisal reports of a property that is 1 to 4 residential units prepared by licensed real estate appraisers must include the following statement:

"The comments by the licensed real estate appraiser contained within this appraisal report on the condition of the property do not address "standards of practice" as defined in the Home Inspector License Act [225 ILCS 441] and 68 Ill. Adm. Code 1410 and are not to be considered a home inspection or home inspection report."

Supervisor and Trainee language was clarified in light of AQB changes:

Requirements of a Supervising Appraiser

1) *A supervising appraiser shall provide to the Division in writing the name and address of each Associate Real Estate Trainee Appraiser within 10 days after engagement, and notify the Division in writing within 10 days after termination of the engagement on a form provided by the Division.*

2) *A supervising appraiser shall instruct and directly supervise an Associate Real Estate Trainee Appraiser for any classification of license or certificate in the entire preparation of each appraisal. A supervising appraiser shall provide direct supervision, being personally and physically present, during a minimum of the first 500 hours of experience for no fewer than 25 assignments. If a State Certified General Real Estate Appraiser is supervising an Associate Real Estate Trainee Appraiser, all appraisals completed during the first 500 hours of experience may be non-residential appraisals. The supervising appraiser shall approve and sign all final appraisal documents certifying that the appraisals are in compliance with USPAP.*



(Continued on page 3)

Administrative Rules Updates

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(Continued from page 2)

Section 1455.375 Prerequisite Education Course – Supervisor-Trainee Course

a) Beginning January 1, 2015, prior to issuance of the initial Associate Real Estate Trainee Appraiser credential, the applicant shall provide evidence to the Division that he or she has successfully completed:

- 1) The 3-hour ILST-15 AQB Outline Supervisor-Trainee Course; or*
- 2) The 6-hour ILST-15 Supervisor-Trainee Course, which covers both the AQB nationwide materials and Illinois specific materials.*

b) If the applicant has only completed the 3-hour AQB version, he or she must complete a 3-hour Illinois specific course or the 6-hour ILST-15 Supervisor-Trainee Course within 365 days after completing the AQB Outline version.

Education Providers were given a price break going forward with respect to provider renewals:

The application fee to renew a license as an education provider shall be \$250 per year.

This is the last scheduled downward price shift we will be able to do. It is now *half* of what it was when I started.

All USPAP course offerings *must* include the effective year(s) in the title:

All USPAP course offerings shall contain the effective years in the course title.

The new criminal history record section will only apply to NEW applicants. At least for the time being.

Section 1455.335 Refusal to Issue an Appraiser License Based on Criminal History Record

a) For purposes of this Part, criminal history record information is defined as information collected by criminal justice agencies (see the Criminal Identification Act [20 ILCS 2630]) on individuals consisting of identifiable descriptions and notation of arrests, detention, indictments, information or other formal criminal charges, and any disposition arising from those actions, sentencing, correctional supervision and release. The individual records must contain both information sufficient to identify the subject of the record and notations regarding any formal criminal justice transaction involving the identified individual.

b) In determining whether an applicant for an appraiser's license is unfit for licensure because of criminal history record information, the Division shall consider the following standards:

- 1) Whether the crime was one of armed violence (see Article 33A of the Criminal Code of 2012 [720 ILCS 5]) or moral turpitude. Moral turpitude consists of:*
 - A) Crime involving dishonesty, false statement or some other element of deceit, untruthfulness or falsification (including but*



(Continued on page 4)

Administrative Rules Updates

(Continued from page 3)

not limited to perjury, inducement of perjury, false statement, criminal fraud, embezzlement, false pretense, forgery, counterfeiting and theft).

B) Drug offenses, including but not limited to violations of the Illinois Controlled Substances Act [720 ILCS 570] and Federal Drug Enforcement Laws (21 USC 801 et seq.).

C) Sex offenses, including but not limited to all crimes listed in Article 11 of the Criminal Code of 2012 [720 ILCS 5].

2) Whether the crime is related to any of the real estate professions.

3) Whether more than 10 years have elapsed since the date of completion of the imposed sentence.

4) Whether the conviction was from a city ordinance violation or a conviction for which a jail sentence was not imposed.

5) Whether the applicant has been sufficiently rehabilitated to warrant the following in considering whether an applicant has been presumed to be rehabilitated:

A) Completion of probation;

B) Completion of parole supervision; or

C) If no parole was granted, a period of 10 years has elapsed after final discharge or release from any term of imprisonment without any subsequent conviction.

c) If any one of the following factors exists, this outweighs the presumption of rehabilitation established in subsection (b)(5):

1) Lack of compliance with terms of punishment (i.e., failure to pay fines or make restitution, violation of the terms of probation or parole);

2) Unwillingness to undergo, or lack of cooperation in, medical or psychiatric treatment/counseling;

3) Falsification of an application for licensure with the Division;

4) Failure to furnish to the Division additional information or failure to appear for an interview or meeting with the Division in relation to the applicant's application for licensure.

d) The following criminal history records shall not be considered in connection with an application for licensure:

1) Juvenile adjudications;

2) Records of arrest not followed by a conviction;

3) Convictions overturned by a higher court;

4) Convictions that have been the subject of a pardon or expungement.

e) Notification of Denial and Request for Hearing

1) If the determination is made that the applicant is unfit for licensure, the Division shall send the notice of denial by certified mail, return receipt requested, to the applicant at the applicant's address of record. All such notices will include a statement of the

(Continued on page 5)

Summer 2015—IMPORTANT information

Due to on-going delays in implementing the criminal background/fingerprint requirement for NEW real estate appraiser applicants; this portion of the application will be waived until *approximately August 1, 2015*. The revised application will NOT be posted until the process is fully in place.

However, ALL 2015 (*examination*) applicants for either Certified Residential or Certified General credentials must provide evidence that they've obtained a Bachelor's degree or greater as a condition of qualification.



Administrative Rules Updates

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(Continued from page 4)

reason for the Division's action.

2) An applicant may request a hearing to contest the Division's action pursuant to 68 Ill. Adm. Code 1110. The request shall be in writing and must be received by the Division not later than 20 days after the date the Division mailed or personally delivered the notice of its action to the applicant.

3) After receipt of a request for a hearing and prior to any such hearing, the Division may schedule an informal conference with

the applicant in an attempt to resolve issues in controversy. The Division shall notify the applicant of the informal conference at least 20 days prior to the hearing. Failure by the applicant to attend the informal conference shall act as a withdrawal of the applicant's request for a hearing. The provisions of this subsection (e)(3) shall not apply if an informal conference was held prior to the Division serving notice upon the applicant as described in subsection (e)(1).

Carbon Monoxide Detection



The object to the left, is it a smoke detector or a carbon monoxide detector?

Is it both?

How can you tell?

You can't.

Yet, clients, banks and AMCs are *requiring* appraisers to certify the presence and functionality of smoke and carbon monoxide detectors in residential buildings.

Appraisers have a keen eye for the obvious. If clients want to know whether an object appears to be in a home, appraisers are happy to provide that information.

What cannot be done with any reasonable degree of certainty is certify as to what an *unmarked* object does or whether it functions or not.

Appraisers are not in the business of identifying and certifying whether these devices work.

Oh yeah...the device pictured was both. If a client can't tell, don't expect the appraiser to be able to tell, either.



Chairman Lansford presenting LeeAnn Moss a gift on behalf of the Board for her service.

Networking Opportunity



Board member David DuBois hosted his second *get together* for African American Appraisers on May 21st.

This is not a chartered group like NAIFA or the ASFMRA. This is merely a group of appraisers looking for a connection in their chosen profession.

Attendees of note were Cook County Recorder of Deeds, Karen Yarbrough and her husband Henderson Yarbrough.

Illinois Appraisal Board Chair Lee Lansford made a long trip to the southside to offer advice to the assembled appraisers.

Yours truly answered questions and was an unofficial photographer.

Such gatherings are more helpful and more important than you might think. This is especially true for the few new people entering the profession.

There was no CE offered.

The only incentive was a chance to mix and mingle with others in the profession and to offer words of advice and encouragement.

This profession is ten times more complicated than when I started in 1980.

Don't wall yourself off.

Do yourself a favor and find a connection in this profession. It will help you in the long run.



Board Chair Lee Lansford and Former Board Chair David DuBois