

# IllinoisAppraiser

## What You Need to Know Now

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Illinois appraisers, and those holding Illinois licenses but reside elsewhere, need to embrace the Administrative Rule changes (1455.160) that directly affect *this year's* renewal.

While the **renewal** deadline remains **September 30, 2019**, the **CE Completion Deadline** is **June 30, 2019**.

This means that Illinois licensed appraisers need to complete 28 hours of CE no later than June 30, 2019, in order to be *compliant*.

**What if an appraiser has completed something less than 28 hours and it's now July 1?**

*If you're short by a 7-hour CE offering, you'd be subject to a \$100 per missed hour administrative fee. In this case, \$700. If you missed 14 hours, the fee would be \$1,400.*

**Would the fee be reported to the National Registry?**

*No. It is not a public discipline.*

**Would an appraiser short in hours still need to complete the CE or would the fee cover it?**

*Appraisers in Illinois need 28 hours no matter what. An appraiser short 7 hours would have until **September 30, 2019** to complete the course or courses. Fees do not eliminate the obligation.*

**What if an appraiser still hasn't completed their CE by September 30, 2019?**

*The issue will be referred to prosecution for possible enforcement action.*

**If an appraiser still hasn't complied by September 30, 2019, and the issue is referred to prosecution, must the appraiser still complete the required CE?**

*Absolutely. An appraiser's CE obligation still needs to be completed.*

**What if an appraiser takes their CE in other states, will it count in Illinois?**

*Over 500 appraisers live outside of Illinois but hold an Illinois license. In most cases, the Board approves out-of-state CE. However, approval by the Board must occur **before June 30, 2019** in order to avoid the administrative fee. The Out-of-State CE form must be completed in order for the CE to be considered.*

**Licensed, Illinois education providers have until the 15th of each month to upload courses that will be banked by the Division. If I take CE in the last week of June, will it be uploaded in time?**

*No. This is why the Division needs time to process renewals beginning on July 1, 2019. Don't wait until the last minute.*

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## What You Need to Know Now

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### **What if an appraiser is planning to retire and doesn't intend to renew?**

*There's no law requiring that a licensee renew. You'll need to send a letter to licensing informing them of your anticipated retirement date. Again, this letter needs to arrive prior to **June 30, 2019**. Retirement is seldom done without advanced preparation. Plan accordingly.*



### **Can an appraiser place their license on HOLD or InActive status?**

*That is not available.*

### **If an appraiser holds an ACTIVE license but doesn't practice, are they still subject to the Administrative Rules regarding CE?**

*Whether or not an appraiser is actively participating in appraisal assignments does not relieve the obligation so long as they are actively licensed.*

### **I'm trying to upgrade from trainee to certified. I've been taking many QE classes. Do these count toward my CE obligation?**

*No. Only QE courses that are dually licensed as CE in Illinois can count for both. Ask your provider if the QE offering is licensed as CE in Illinois, too.*

### **How do I know how much CE has been "banked" by the Division?**

*Go to the following web address, enter your license number and a list of everything you've taken from licensed providers for the current cycle will appear.*

[https://www.idfpr.com/applications/ce\\_lookup/](https://www.idfpr.com/applications/ce_lookup/)

### **Does the CE Lookup feature include courses that I've taken in other states?**

*No. While the Board typically approves most out-of-state appraisal education offerings, we have no way to "bank" them in our system.*

### **If I take an on-line CE offering on the last day of June, but cannot complete the quiz portion until July 1, am I still in compliance?**

*No. Everything must be completed before midnight preceding July 1.*

*This is not a brand new process for handling CE. The Division did a "dry run" of this entire process during the 2017 renewal. The only difference was that the administrative fees were not employed.*

*You need to be diligent about completing all of your CE on time.*

## Upgrading Changes

Trainee

Residential

General

In May of 2018, the AQB put forward a raft of changes affecting experience and formal education.

No sooner were the changes adopted by AQB then my phone started ringing and my inbox was flooded with questions as to *if* or *when* would Illinois adopt the same.

Like any legislative change, it took time, but on **November 26, 2018** the changes were adopted and a new application was born shortly thereafter.



### What changed?

First, experience changed. For those trainees seeking to become a **Certified Residential Appraiser**, the number of experience hours dropped from 2,500 to 1,500.

The minimum required time in the field was cut in half from 24 months to 12 months.

The trainee exam was eliminated in the Act as of January 1, 2019.

Because the AQB requires that the three core courses to obtain a trainee license be no older than **five-years** old, the exam became moot.

For those seeking to become a **Certified General Appraiser**, the minimum required time in the field was cut from 30 months to 18 months. However, the 3,000 hour experience requirement remains unchanged.

The most impactful changes came in the form of additional options to the formal education requirement. The previously required Bachelor's Degree requirement remains as **Option 1**.

The good news is that there are five other avenues available to achieving a certified credential.

**Option 2** outlines an Associates Degree.

**Option 3** details specific courses in a 30 semester hour endeavor.

**Option 4** involves CLEP examinations.

**Option 5** involves a combination of **Options 3 and 4**.

**Option 6** is the least likely avenue as it requires having held a credential that Illinois hasn't had available for many years.

Everything you need to know can be found under Administrative Rule **1455.150**.

Will this increase the number of people trying to enter the profession?

That remains to be seen. Illinois remains committed to removing as many barriers as legally possible.

## Hybrid Assignments

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The concept of a third party providing one or more functions in an appraisal assignment is nothing new.

Back in the 1970s and 1980s there were plenty of appraisers who used somebody else to do the sketch or to take the pictures or to pull comps.

The “*appraiser*” put all of the pieces together and signed the report.

Then came USPAP in 1989.

Licensing followed shortly thereafter.

Today, there are a number of lenders and AMCs who believe that they’ve invented something no one else has ever considered.

The bifurcated or hybrid appraisal process.

To be clear, we’re not talking about “*drive-by*” reports where nobody leaves their vehicle to inspect the subject property or pure “*desktop*” reports where nobody leaves their office to see if the subject property even exists.

What we are discussing in this article are assignments where an *unlicensed third party* reports to the licensed appraiser, the quality and/or condition of a supposedly, fully inspected subject property.

On **March 29, 2018**, the ASB issued a Q&A regarding this topic.

The question involved whether an *extraordinary assumption* should be employed when a third party was used.

The response was dependent on whether the third party’s information was *complete enough* and *reliable*.

Let’s unpack that.



It is the *appraiser* who must determine just how **reliable** third party information is before committing to it.

**Not the client.**

When should an appraiser *determine*, as required by **USPAP**, that a third party inspection was **adequate or not**?

*Before* the assignment?

*During* the assignment?

*After* the assignment?

If it’s before the assignment then the appraiser wouldn’t rely on it at all.

How would an appraiser find out *during* the assignment?

*After* the assignment is the most likely time an appraiser would discover any inadequacy. By then, it’s too late.

The third party inspection starts out and ends up as additional *risk* to the credential holder.

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## Hybrid Assignments

### IllinoisAppraiser

Provided as a service to licensed and registered Illinois appraisal professionals and AMCs as well as Illinois course providers and users of appraisals. This publication promotes a greater understanding of USPAP, the Act, and the Administrative Rules of the State of Illinois.

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### What is it that a third party inspector provides?

One prominent player in this space writes:

*"A trained, local inspector conducts a review of the property. Photos are time/date-stamped and geo-coded to ensure validity."*

Trained? In what? By whom?

What is meant by *review of the property*?

Another entity promotes:

*"...a hybrid appraisal that combines a boots-on-the-ground inspection with a local, appraiser-completed desktop valuation."*

AMCs and lenders who create proprietary forms for hybrids are careful to craft an elusive SOW that boxes in the appraiser and places the responsibility for selecting reliable information, squarely on the appraiser...not the "inspector".

In Illinois, here's what an unlicensed "inspector", trained or not, can confidently provide to an appraiser:

Photographs? — *Absolutely.*

Improvement Quality? — *No.*

Improvement Condition? — *No.*

Room Count? — Even **appraisers** can't agree on room counts (*attics, add-ons, three-season rooms*), or whether certain rooms are bedrooms or not (*pass-throughs*).

Improvement Size — **Appraisers** can't come together on how to properly measure a structure. Are they round-

ing to the nearest foot? Half foot? No rounding at all?

In Illinois, *filtered* data needs to come from a *licensed* appraiser.

### What about hybrids and AMCs in Illinois?

Registered AMCs certify to provide the following:

(225 ILCS 459/40)

**Sec. 40. Qualifications for registration.** (6) *a certification that the applicant will utilize Illinois licensed appraisers to provide appraisal services within the State of Illinois;*

If it is clear that *unlicensed inspectors* are providing *filtered data* to appraisers, an *appraisal service*, then AMCs have breached this section of the Act and are subject to enforcement action.

In its simplest terms, third party "inspectors" can tell an appraiser what they see; not provide their opinion of what they see.

In short, we're not telling anyone not to provide hybrid reports; we're just spelling out the consequences.

