

February 27, 2026

Via Email

Laurie Murphy, Director
Division of Real Estate
Illinois Department of Financial and Professional Regulation
555 West Monroe Street, 5th Floor
Chicago, IL 60661
Laurie.Murphy@illinois.gov

RE: ASC Compliance Review of Illinois' Appraisal Management Company (AMC) Regulatory Program

Dear Laurie Murphy:

The Appraisal Subcommittee (ASC) staff conducted an ASC Compliance Review (Review) of the Illinois AMC regulatory program (AMC Program) on November 17-21, 2025, to determine the AMC Program's compliance with Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.¹

The ASC considered the preliminary results of the Review and the State's response to those results. The AMC Program has been awarded an ASC Finding of "Good." The final ASC Compliance Review Report (Report) of the Illinois AMC Program is attached.

The ASC identified the following area of non-compliance:

- States must impose requirements on State-registered AMCs to direct the appraiser to perform the assignment in accordance with USPAP.²
- States must enforce and document ownership limitations for State-registered AMCs.³
- States must ensure the accuracy of all data submitted to the National Registry.⁴

ASC staff will confirm that appropriate corrective actions have been taken during the next Review. Illinois will remain on a two-year Review Cycle.

¹ 12 U.S.C. §§ 3331-3356.

² 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8

³ 12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8

⁴ 12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9

This letter and the attached Report are public records and available on the ASC website. Please contact us if you have any questions about this Report.

Sincerely,

A handwritten signature in cursive script that reads "Frederick Grier".

Frederick Grier
Acting Executive Director

Attachment

cc: Jeremy Reed, Deputy Director, Jeremy.Reed@illinois.gov
Brian Weaver, Appraisal Coordinator, Brian.Weaver@illinois.gov
Gabriela Nicolau, Deputy General Counsel, Gabriela.Nicolau@illinois.gov
Adrienne Levatino, Associate General Counsel, Adrienne.Levatino@illinois.gov

ASC Finding Descriptions

ASC Finding	Rating Criteria	Review Cycle*
Excellent	<ul style="list-style-type: none"> • State meets all Title XI mandates and complies with requirements of ASC Policy Statements • State maintains a strong regulatory Program • Very low risk of Program failure 	2-year
Good	<ul style="list-style-type: none"> • State meets the majority of Title XI mandates and complies with the majority of ASC Policy Statement requirements • Deficiencies are minor in nature • State is adequately addressing deficiencies identified and correcting them in the normal course of business • State maintains an effective regulatory Program • Low risk of Program failure 	2-year
Needs Improvement	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies are material but manageable and if not corrected in a timely manner pose a potential risk to the Program • State may have a history of repeated deficiencies but is showing progress toward correcting deficiencies • State regulatory Program needs improvement • Moderate risk of Program failure 	2-year with additional monitoring
Not Satisfactory	<ul style="list-style-type: none"> • State does not meet all Title XI mandates and does not comply with all requirements of ASC Policy Statements • Deficiencies present a significant risk and if not corrected in a timely manner pose a well-defined risk to the Program • State may have a history of repeated deficiencies and requires more supervision to ensure corrective actions are progressing • State regulatory Program has substantial deficiencies • Substantial risk of Program failure 	1-year
Poor**	<ul style="list-style-type: none"> • State does not meet Title XI mandates and does not comply with requirements of ASC Policy Statements • Deficiencies are significant and severe, require immediate attention and if not corrected represent critical flaws in the Program • State may have a history of repeated deficiencies and may show a lack of willingness or ability to correct deficiencies • High risk of Program failure 	Continuous monitoring

*Program history or nature of deficiency may warrant a more accelerated Review Cycle.

**An ASC Finding of “Poor” may result in significant consequences to the State. See Policy Statement 5, Reciprocity; see also Policy Statement 12, Interim Sanctions.



ASC State AMC Program Compliance Review Report

ASC Finding: Good

Final Report Issue Date: February 27, 2026

Illinois AMC Regulatory Program (State)

Illinois Real Estate Appraisal Administration and Disciplinary Board (Board)	PM: M. Brown	ASC Compliance Review Date: November 17-21, 2025	Review Period: September 2023 to October 2025
Umbrella Agency: Illinois Department of Financial and Professional Regulation		Number of AMCs on National Registry: 105	Review Cycle: Two Year

Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures:		X					
States must impose requirements on State-registered AMCs to direct the appraiser to perform the assignment in accordance with USPAP. (12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				<p>The State's existing regulations continue to reference the January 1, 2012, edition of USPAP. The State's proposed regulatory amendments to adopt the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP) remain pending and have not yet been approved.</p> <p>This concern was also identified in the 2023 Final Compliance Review Report.</p>	<p>On February 12, 2026, the State reported its AMC Rule was amended effective January 5, 2026, marking the first full rewrite since its adoption in 2013. Updates referencing the current USPAP edition (effective January 1, 2024) appear in Sections 68 Ill. Adm. Code 1452.10 and 1452.140.</p> <p>The State went on to report that rule amendments are subject to the Illinois Administrative Procedure Act (5 ILCS 100) and review by the Illinois Joint Committee on Administrative Rules (JCAR). The rulemaking process typically requires four to six months, depending on whether objections or revisions arise. For efficiency, the Division submitted all revisions as part of a single comprehensive rulemaking rather than piecemeal, and although the Division intended to finalize the amendments prior to the ASC's Compliance Review, it understands the preliminary finding as stated.</p>	None	The State addressed the concern.



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Applicable Federal Citations	Compliance (YES/NO) Areas of Concern (AC)			ASC Staff Observations	State Response	Required/Recommended State Actions	General Comments
	YES	NO	AC				
Statutes, Regulations, Policies and Procedures Continued:		X					
States must enforce and document ownership limitations for State-registered AMCs. (12 U.S.C. § 3353; 12 CFR 34.210 – 34.216; 12 CFR 225.190 – 225.196; 12 CFR 323.8 -323.14; 12 CFR 1222.20 – 1222.26; Policy Statement 8.)				The State's AMC application form permits applicants to determine whether substantive cause exists when an owner's appraisal license or certificate was refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any State.	On February 12, 2026, the State reported the application is designed to identify individuals who, as direct or indirect owners of an AMC, have been disciplined in another jurisdiction for substantive causes that would be relevant under Sections 225 ILCS 459/65 and 67 of the Act. The State went on to report that while denials, cancellations, or revocations are generally based on substantive regulatory grounds, the Division acknowledges the potential confusion created by the question and recognizes that the ultimate determination regarding licensure, including consideration of prior disciplinary history, rests with the licensing authority.	None	Although not confirmed by the State, an independent review of the State's website revealed the State's AMC application has been updated and the term "substantive cause" has been removed from each of the qualifying questions. Therefore, the State addressed the concern.
National Registry:		X					
States must ensure the accuracy of all data submitted to the National Registry. (12 U.S.C. § 3338; 12 U.S.C. § 3347; Policy Statement 9.)				The National Registry reflects 2 AMCs that do not appear on the State's list of registered AMCs. 3 AMC names listed on the National Registry differ from the names recorded in the State's AMC registration records.	On February 12, 2026, the State reported its AMC list provided to the ASC was manually compiled for internal use because its current system has limited reporting capabilities. The State went on to report it is transitioning to a new system that will allow for real-time, fully accurate registration reporting and eliminate the need for manual compilation. The limitations of the prior system may account for certain discrepancies in the initial list submitted to the ASC.	The State must implement a process to ensure the accuracy of all data submitted to the National Registry.	During the next Compliance Review, ASC staff will pay particular attention to this area for compliance.
Enforcement:							
					N/A	None	None