

Governor's Office of Management and Budget

Alexis Sturm

Director



Regulatory Sunset Act Study on

The Real Estate Appraiser Licensing Act of 2002

May 8, 2026

**To the Honorable JB Pritzker
Governor of Illinois**

Governor Pritzker:

As required by Section 5 of the Regulatory Sunset Act (5 ILCS 80/1 et seq.), GOMB facilitated a study with the Illinois Department of Financial and Professional Regulation's (IDFPR), the agency responsible for oversight of the Real Estate Appraiser Licensing Act of 2002 (225 ILCS 458) (the Act), which is scheduled to be repealed on January 1, 2027. This study provides justification for the recommendation to continue this Act.

GOMB's examination of this Act was conducted considering the factors set out in Sections 6 and 7 of the Regulatory Sunset Act. The following report outlines the work of GOMB's study and details the criteria and data utilized to arrive at the above recommendation.

Respectfully,

Alexis Sturm
Director
Governor's Office of Management and Budget

GOMB Regulatory Sunset Act Report: Real Estate Appraiser Licensing Act of 2002

The State of Illinois, acting through the Illinois Department of Financial and Professional Regulation (IDFPR or the Department), licenses the profession of individual appraisers and include State certified general real estate appraisers (senior appraisers who provide opinions of value for both residential and commercial properties), State certified residential real estate appraisers (senior appraisers who provide opinions of value for residential property) and associate real estate trainee appraisers (entry-level appraisers who learn under the supervision of one of the senior license types) pursuant to the Act.

Continued licensing of appraisers in Illinois is mandated by the federal government in order to perform federally related property transactions or transactions involving a federally regulated financial institution. Appraisers are required to be independent reviewers providing an unbiased opinion of value to facilitate a home loan or mortgage.

Absence of licensure poses direct harm to the welfare and safety of homeowners and buyers. Any federally related transaction cannot be completed without an estimation of market value for purposes of a mortgage loan. IDFPR protects the public's safety and welfare through a licensing and enforcement process to ensure the standards for the profession are regulated and enforced.

1. License Count and Fee Structure (5 ILCS 80/6(1) and (3))

As of July 31, 2025, IDFPR states that there are 317 active licenses for Certified General real estate appraisers in Illinois. See the following table for the number of licenses issued by IDFPR under this Act in the fiscal years indicated:

License Type	FY20	FY21	FY22	FY23	FY24
553 - Certified General Real Estate Appraiser	54	65	70	76	52
555 - Licensed Appraiser Education Provider	0	0	2	1	3
556 - Certified Residential Real Estate Appraiser	31	47	43	43	21
557 - Associate Real Estate Trainee Appraiser	123	162	69	78	63
572 - Temporary Practice Real Estate Appraiser	41	65	73	65	99
573 - Licensed Appraiser Pre-License Course	20	6	9	16	11
575 - Licensed Appraiser Continuing Education Course	91	58	85	90	89

This Act has the following licensure fee structure:

License, Credential, or Certification Type	Fee Amount	Online Payment Option
553 - Certified General Real Estate Appraiser		
Application Fee	\$315	<input checked="" type="checkbox"/>
Renewal Fee	\$530	<input checked="" type="checkbox"/>

Duplicate Fee	\$NA	<input type="checkbox"/>
Examination Fee	\$NA	<input type="checkbox"/>
Late Fee	\$75	<input checked="" type="checkbox"/>
555 - Licensed Appraiser Education Provider		
Application Fee	\$550	<input checked="" type="checkbox"/>
Renewal Fee	\$550	<input checked="" type="checkbox"/>
Duplicate Fee	\$NA	<input type="checkbox"/>
Examination Fee	\$NA	<input type="checkbox"/>
Late Fee	\$75	<input checked="" type="checkbox"/>
556 - Certified Residential Real Estate Appraiser		
Application Fee	\$315	<input checked="" type="checkbox"/>
Renewal Fee	\$530	<input checked="" type="checkbox"/>
Duplicate Fee	\$NA	<input type="checkbox"/>
Examination Fee	\$NA	<input type="checkbox"/>
Late Fee	\$75	<input checked="" type="checkbox"/>
557 - Associate Real Estate Trainee Appraiser		
Application Fee	\$225	<input checked="" type="checkbox"/>
Renewal Fee	\$300	<input checked="" type="checkbox"/>
Duplicate Fee	\$NA	<input type="checkbox"/>
Examination Fee	\$NA	<input type="checkbox"/>
Late Fee	\$75	<input checked="" type="checkbox"/>
572 - Temporary Practice Real Estate Appraiser		
Application Fee	\$150	<input checked="" type="checkbox"/>
Extension Fee	\$75	<input checked="" type="checkbox"/>
Duplicate Fee	\$NA	<input type="checkbox"/>
Examination Fee	\$NA	<input type="checkbox"/>
Late Fee	\$NA	<input type="checkbox"/>
573 - Licensed Appraiser Pre- License Course		
Application Fee	\$150	<input checked="" type="checkbox"/>
Renewal Fee	\$150	<input checked="" type="checkbox"/>
Duplicate Fee	\$NA	<input type="checkbox"/>

Examination Fee	\$NA	<input type="checkbox"/>
Late Fee	\$75	<input checked="" type="checkbox"/>
575 - Licensed Appraiser Continuing Education Course		
Application Fee	\$100	<input checked="" type="checkbox"/>
Renewal Fee	\$100	<input checked="" type="checkbox"/>
Duplicate Fee	\$NA	<input type="checkbox"/>
Examination Fee	\$NA	<input type="checkbox"/>
Late Fee	\$75	<input checked="" type="checkbox"/>

2. Obtaining Certification in Illinois (5 ILCS 80/6(11))

To obtain licensure, applicants for a Real Estate Appraisal license must submit specific application forms that collect and verify requirements for licensure including proof of completion of the required Qualifying /Pre-License Education, proof of experience requirements, passage of the Illinois Licensure Exam, and payment of the licensure fee. The requirements are set and reviewed by the Federal Government's Appraisal Sub Committee (ASC) and endorsed by the Appraisal Foundation/Appraisal Qualifying Board (AQB). Detailed information about the Illinois requirements may be found in the Administrative Code, 68 Ill. Admin. Code § 1455 (Real Estate Appraiser Licensing).

Detailed information about the Illinois Licensure Exam may be found on the exam vendor's Appraisal Exam Page (<https://test-takers.psiexams.com/ilrap/test>).

Illinois standards for testing and licensure are established in both Statute and Rule. The Appraisal Profession has federal governmental oversight via the ASC and AQB. Illinois is responsible for the regulation and enforcement of this profession.

Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) protects consumer welfare in real estate related transactions by requiring real estate appraisals used with federally related transactions to be performed in writing, in accordance with uniform standards, by appraisers whose competency has been demonstrated and whose professional conduct is subject to effective supervision.

Federal law requires each U.S. state or territory to have a real estate appraiser regulatory agency that is responsible for licensing and certifying real estate appraisers and supervising their appraisal-related activities. The Real Estate Appraiser Licensing Act of 2002 applies to all real estate appraiser activity in Illinois. This ensures consumer protection by requiring adherence to the Uniform Standards of Professional Appraisal Practice (USPAP) and federal requirements when performing appraisals.

[Note: Illinois is a "mandatory" State, meaning that the Real Estate Appraiser Licensing Act of 2002 applies to all real estate appraiser activity, and not only to appraisals performed in connection with a federally related transaction.

Information about the Appraisal Subcommittee: Appraisal Subcommittee (asc.gov)

Information about the Appraisal Foundation: The Foundation Boards – The Appraisal Foundation (<https://appraisalfoundation.org/pages/boards>)

3. Equity Concerns (5 ILCS 80/6(10), (12) and (13))

IDFPR states that equity issues may have an impact on individuals seeking to become licensed in the State of Illinois. These issues include financial challenges such as the cost to obtain licensure and the failure to complete licensure due to access to training or education.

The law permits reasonable accommodation for language, including use of a word-for-word language dictionary and additional time to complete the exam. There are no criminal convictions that automatically bar an individual from this profession. IDFPR states that there are very few denials of completed applications.

IDFPR asserts that it has done its best to minimize any barriers to licensure by requiring universally accepted qualification requirements and imposing fair standards of professionalism.

4. Agency recommendations to change the statute (5 ILCS 80/6(4) and (9))

IDFPR does not have amendatory recommendations for this Act. The Department is continuously monitoring the impact the current statutory language has on practitioners, while closely observing what changes can be made to better benefit the public.

Regulatory Sunset Act Reporting 2022 resulted in the most comprehensive change to this Act through Public Act 102-0020 when the Department made proposed revisions to comply with federal regulation. Subsequent changes have been technical cleanup and changes for consistency with other Real Estate Acts.

5. Agency efforts to comply with enabling laws (5 ILCS 80/6(3), (4) and (5))

At the time of this study, GOMB is not aware of any compliance issues by IDFPR related to the provisions of the Act.

The Real Estate Appraisal Administration and Disciplinary Board oversees the practice and licensing of this Act. The board is advisory and recommends discipline. The board meets 12 times a year through public meetings and its members provide insight to the Department about the profession, including recommendations for legislative or rule changes, participating in the complaint review process, informal conferences with licensees that have pending cases, and recommending final disciplinary action after reviewing the administrative law judge reports from cases that go to formal hearing.

6. Recent bills introduced by the General Assembly (5 ILCS 80/6(9))

Public Acts 102-687 (effective December 17, 2021), 102-20 (effective January 1, 2022), 102-813 (effective May 13, 2022), and 103-236 (effective January 1, 2024), amended the Act and led to a comprehensive Rule update, 68 Illinois Admin. Code 1455, effective in September of 2024.

There have also been changes in the federal regulations governing the Department's appraisal program. These changes were based on recommendations developed by the federal Interagency Task Force on

Property Appraisal and Valuation Equity (PAVE), which was created to reduce barriers to entry for the appraisal profession.

The changes included: (1) requiring applicants and licenses to complete a course on valuation bias and fair housing laws; (2) authorizing alternative experiences programs approved by the AQB such as the Practical Applications of Real Estate Appraisal (PAREA) or a practicum course as a substitute to traditional experience requirements; and (3) establishing a new Department disciplinary process for violations of antidiscrimination laws by licensees.

In addition, below is a list of non-substantive or technical change bills related to this Act introduced by the General Assembly in the last five years.

Public Acts: 100-831, effective 1-1-19; 101-81, effective 7-12-19; 102-16, effective 6-17-21; 102-538, effective 8-20-21; 102-687, effective 12-17-21; 102-20, effective 1-1-22; 102-813, effective 5-13-22; 102-970, effective 5-27-22; and 103-236, effective 1-1-24.

7. Stakeholder Feedback and Protocols for Licensure (5 ILCS 80/6(5), (6), (7), (8), (10) and 5 ILCS 80/7)

IDFPR solicits feedback from individuals regulated under this Act through board meetings, industry events, complaints, inquiries, legislators, and the Federal Oversight Agency the ASC. When proposing Act or Rule changes, the Department reaches out to industry stakeholders for their feedback. Additionally, IDFPR investigates complaints and analyzes the data to see if the Act needs to be modernized to reflect the current business practices of the industry.

Most of the problems or deficiencies raised are technical in nature and the Department has addressed them through legislation or rulemaking.

8. Public Outreach (5 ILCS 80/6(5), (6), (7) and (8) and 5 ILCS 80/7)

IDFPR provides multiple avenues for members of the public to contact the Department with comments or concerns about the programs it oversees or the Department's rules governing its programs. IDFPR conducts public outreach efforts through social media and other external-facing means.

Before the rules move through the JCAR process the Department works with the industry and the board requesting common on draft rules to proactively anticipate concerns that could be raised during the JCAR comment period.

The Department relies on the public comments to assist in creating rules for the licensees and the public. Because stakeholders have practical experience with the Act and Rules, their suggestions often increase effectiveness.

9. Industry Standards (5 ILCS 80/6(11) and (12))

IDFPR states that all jurisdictions that license appraisers in their state must abide by the minimum USPAP and federal regulations. States are permitted to set more restrictive regulations and some states do, as outlined by the federal PAVE Report issued under the Biden Administration.

The minimal national standards for appraisal in the U.S. are governed by the Uniform Standards of Professional Appraisal Practice (USPAP) USPAP® <https://appraisalfoundation.org/pages/uspap> developed by the Appraisal Standards Board of The Appraisal Foundation, and Federal Regulation appraisal standards. <https://www.ecfr.gov/current/title-12/chapter-III/subchapter-B/part-323/subpart-A/section-323.4>

As referenced in Section 6, changes in federal regulations required the Department to update Illinois appraisal program. The changes implemented by IDFPR support the federal government mandate to reduce barriers to entry into the appraisal profession.

10. Public Complaint Resolution (5 ILCS 80/6(3), (7), (8) and (10) and 5 ILCS 80/7)

IDFPR has received 146 complaints from the public regarding Certified General Real Estate Appraisers and 480 complaints regarding Certified Residential Real Estate Appraisers over the past five fiscal years. The Board is responsible for resolving complaints regarding IDFPR's regulation of Real Estate Appraiser Licensing Act of 2002.

The average time for resolution of a complaint is six to twelve months. The table below outlines the number of complaints received by the Department for all regulated entities under this Act in the last five years.

License, Credentials, or Certifications Type	FY21	FY22	FY23	FY24	FY25
553 - Certified General Real Estate Appraiser	19	38	40	22	27
554 -State Licensed Real Estate Appraiser	1	0	0	1	0
555 - Licensed Appraiser Education Provider	0	0	0	0	1
556 - Certified Residential Real Estate Appraiser	67	94	128	115	76
557 - Associate Real Estate Trainee Appraiser	1	5	5	4	13
558 - Appraisal Management Company	2	7	3	4	9

11. Disciplinary Action (5 ILCS 80/6(14))

IDFPR maintains an established disciplinary process, however, there are several different routes to discipline. Each is unique and requires varying levels of supervision by the Department. After a hearing or as part of a default or negotiation between a licensee and the Department, disciplinary action in the form of reprimand, probation for a length of time that requires certain conditions be met, suspension, or revocation may be taken. Any discipline may have an associated fine as well.

12. Conclusion

Federal regulations require Illinois appraisers to hold an active license in order to work on property transactions connected to federally regulated financial institutions. Appraisers serve as impartial professionals who provide an objective assessment of a property's value to support mortgage and home-loan decisions.

The Department, along with the federal government, are lines of defense to hold the licensee accountable to the professional standards set forth in the USPAP, the Act, and Administrative Rule. Professional regulation is paramount to ensuring that the standard is uniform to protect the buyer or seller's rights. This regulation provides an avenue for the public to file complaints against licensees or unlicensed persons accused of causing harm.

The Act mitigates harm within the industry by requiring educational standards to become licensed in the profession, continuing education to renew the license, imposing disciplinary actions against licensees who do harm, and enforcing civil penalties on those practicing the profession without a license. These requirements strengthen public trust with the industry.

Based on the factors in 5 ILCS 80/6 and the additional criteria in 5 ILCS 80/7, GOMB finds that the Act should be recommended for continuation. The record should expressly state that the public protection benefits of regulation outweigh the regulatory costs and that no less restrictive alternative would adequately address the significant and discernible harms identified in this report.

The Act should be continued to promote and enhance the safety and welfare of the public, without burdening licensees or commerce.