



IDFPR

Illinois Department of Financial and Professional Regulation

Division of Real Estate

idfpr.illinois.gov

JB PRITZKER
Governor

MARIO TRETO, JR.
Secretary

LAURIE MURPHY
Director

Illinois Department of Financial & Professional Regulation Real Estate Valuation Task Force OPEN Minutes

Date: October 16th, 2024

Call to Order: 11:06 a.m. –Ericka Johnson

Location: IDFPR - Division of Real Estate ("DRE")
555 West Monroe Street 4th Floor, Peoria Room
Chicago, IL 60661
And
Via Interactive Video Conference at IDFPR
320 West Washington Street, 2nd Floor, Conference Room 258
Springfield, IL 62786

Board Member(s) Present: Adrianna Suits Bailey, Jeffery Baker, Paul Brown, Deborah Fears,
Dan Hofacker, Steven Monroy, Tito Quinones, Ericka Johnson, Ashia
Walker, Cassandra Halm, Anthony Simpkins.

Board Member(s) Absent: Leader Marcus Evans, Jamie Cumbie, Javier Gumucio.

Division Staff Present: Gabriela Nicolau- DRE Deputy General Counsel, Jennifer Rossiter
Moreno- DRE Operations Manager, Tia Davis- Legislative Liaison

Guest(s) Present: Marjorie Roubitchek, Jim Blaydes, Jeremy Reed- DRE Deput
Director, Nuala- Cozen O'Conner Strategies, Michelle- Cozen
O'Conner Strategies, Richard DeVerdier, Sarah Brune- NHS,
Danielle Stanly- NHS Chicago, Gideon Blustein, Kevin Jackson,
Lutalo McGee, Sofia Papoutsis.

Topic	Discussion	Action
Call to Order	With no Chair or Vice Chair Present, Deputy Secretary Ericka Johnson opened the meeting.	The meeting was called to order at 11:05 am by Ericka Johnson
Roll Call	<p>Speaker of the House: Leader Marcus Evans- Absent</p> <p>Minority Leader of the House: Dan Hofacker- Present</p> <p>Minority Leader of the Senate: Jeffrey Baker- Present</p> <p>Director of the Department of Commerce and Economic Opportunity or Designee: Tito G. Quinones - Present</p> <p>Director of Department of Human Rights or Designee: Steven Monroy - Present</p> <p>Director of Department of Revenue or Designee: Adrienne Suits Bailey - Present</p> <p>Executive Director of the Illinois Housing Development or Designee: Javier Gumucio - Absent</p> <p>Representative of Statewide Banking Association Representing banks of all asset size: Ashia Walker - Present</p> <p>Representative of Statewide Banking Association exclusively representing banks with assets below \$20,000,000,000: Jamie Cumbie - Absent</p> <p>Representative of a Statewide Association representing Credit Unions: Deborah Fears - Present</p> <p>Representative of an Agency, Organization, or Association advocating for Fair Housing: Anthony E. Simpkins - Present</p> <p>Representative of an Agency, Organization, or Association for Consumer Protection: Cassandra Halm - Present</p> <p>Representative of a Statewide Appraisal Organization: Paul D. Brown - Present</p> <p>Secretary of Department of Financial and Professional Regulation or Designee: Ericka D. Johnson- Present</p>	Members Leader Marcus Evans, Jamie Cumbie, and Javier Gumucio were absent.
Approval of Minutes: August and September	Miss Johnson explained to task force members that due to many members being absent at the last meeting, the voting for August minutes were held until today. Miss Johnson asked if there were any edits or changes for August minutes. Hearing none, Miss Johnson asked if there were any edits or changes for September minutes. Hearing none, both months minutes were adopted.	Dan Hofacker motioned for the approval of August minutes and Deborah Fears made the second motion. Miss Fears made the motion to approve September minutes with Jeff Hofacker second.

Topic	Discussion	Action
<p>Draft Walk-Through</p>	<p>Miss Johnson told the task force that with everyone having read the September minutes, she would like to give an update on the draft and have everyone walk through their section. Miss Johnson said she would also like to discuss the goals of the task force so that members don't feel pressured. When it comes to the draft due to the GA, the original plan was to submit the report to the graphic designer around Thanksgiving, but the date needed to be moved up and the draft will need to be submitted a week sooner. The new date for submission is November 15th which is about 4 weeks from the current date. Miss Johnson told members that they will be receiving a copy of the draft in the next day or two so that edits can be made. Member will have two weeks to make edits and changes before everything will need to be with IDFPR. Miss Johnson then shared her screen and told the task force that she wanted to show them the order of the draft and welcomes comments on the draft order via email or through the current meeting.</p> <p>Miss Johnson then went through the draft starting with the title page. Miss Johnson said that the Graphic Designer will have a standard title page and the task force will pick out pictures to be used throughout the report. On the title page will be the task force name and a letter of transmittal that states the authority by which the task force is submitting the report. The title page will be followed by the table of context that will have sub-titles for each section. Those sub-titles will be determined by what information is in the section which can be changed or edited. The report will go into the introduction that was provided by Tito Quinones. The introduction will discuss why the task force has assembled and a list of contributors to the report. Miss Johnson showed the list of contributors via share screen and asked if she was missing anyone and if members notice that a contributor is missing, to please let the task force members know so that everyone gets the proper credit. After the introduction, the report will move into Danielle's section on the History of appraisal and after, the Current Regulatory Structure that was drafted by Miss Johnson and Dan Hofacker. Miss Johnson asked that if a member has a graphic that they want to use to support their section, to send it to IDFPR so that it can be put into the report. Miss Johnson also told the task force not to worry about copyright because the graphic designer can redesign the graphic. The next section on the different approaches was written by Paul Brown and will show some examples for the sales, cost, and income approach using graphics. The section will also lay out what is in USPAP for the different approaches. The Department's law clerk for the report also added a section on non-discrimination in the section as well as Steven Monroy contributing a section on appraiser liability. Mr. Monroy section will discuss what laws are in place that hold appraisers accountable if they do discriminate. The next section is over challenges in a limited and inactive markets that Miss Johnson wrote. Miss Johnson said she put some graphic maps into the report but if task force members think the graphics belong somewhere else in the report, to let the task force know. Even so, the maps were provided by the IL Realtors for the task force use. In the next section, it will discuss</p>	

Topic		Action
	<p>Reconsideration of Value. Miss Johnson told the group who worked on this section (Dan Hofacker, Paul Brown, Cassandra Halm and VC Anthony Simpkins) that if they have any graphics to add to the section to let the Department know or the graphic designer will put in graphics that she thinks is fitting for the section such as, families and homes. Miss Johnson informed the task force that the report is about 130 pages and needs edits done throughout. The next section of the report is Barriers of Entry into the appraisal profession. This section was done by Mr. Hofacker and his contributor. Miss Johnson did not know the ladies name but said she would like to get it so that the contributor can be added. In the section it will discuss disparities in Real Estate Valuation. Dr. Luis Lopez contributed to the section along with Jeff Hofacker and Giadeon Blustein on cause for these disparities. Following this section will be recommendations which will be pulled from relevant sections. Then there will be the appendix that will reference anything that is in each section such as links, maps, etc. Miss Johnson said she also put the task force letter to the Appraiser Qualification Board (AQB) that will be referenced at the beginning of the report. The report will then end with a glossary as there might be terms throughout the report that some people may not know the meaning of. Miss Johnson said that the task force will have two weeks to do any edits and that the order of the report can be changed. Miss Johnson asked if there are any questions, comments, or concerns.</p> <p>Mr. Hofacker asked if the report meets the requirements of what is being asked for in the report and if the major categories are being covered.</p> <p>Miss Johnson said she believes that the report covers what is being asked in statue and that Mr. Hofacker asked a good question. Miss Johnson said she can redistribute what the task force is being asked in statue. Miss Johnson bought up a document that showed what the task force needed to accomplish in statue. Miss Johnson told the task force that if there is anything that the task force has not touched on, the task force can asked for more time to explore these topics.</p> <p>Gabriela Nicolau said that the task force should be good and has covered most if not all topics listed in statue.</p> <p>Miss Johnson started going through the statue and said that the statue asked for collateral underwriting which is included in the report but the task force had not touched on the topic very much. For specific definitions for limited and inactive markets is within the report . Statue asked for the task force to conduct a study on racial disparities which is included in the report via Dr. Lopez study he conducted. However, the task force can look at the topic again for the next report. The next task for the task force is to look at causes for racial disparities, which is covered in the report. Then for evaluation on barriers to entry into the appraisal profession for minorities, the task force to discussed and included in the report. Also, the task force is meant to consult with the public and it has been doing that.</p>	

Topic	Discussion	Action
	<p>Mr. Hofacker pointed out that Dr. Lopez study was done in a time period that was not within the last 5 years and it should be noted within the report that his study is somewhat out of date.</p> <p>Miss Nicolau said that will have to added to the report.</p> <p>Miss Johnson asked Mr. Hofacker that when he is reviewing the report for edits, to make a comment on suggested language but Mr. Hofacker is correct and that information should be added. Miss Johnson asked if anyone else had any comments. Hearing none, Miss Johnson reminded the task force that there will be two weeks for edits and will be due back to IDFPR by November 1st.</p> <p>Vice Chair Simpkins asked if the next meeting is on the 20th and if Miss Johnson wants to have edits in before that date.</p> <p>Miss Johnson said yes. That the report needs to be turned in to the graphic designer by November 15th due to the holidays and other projects the designer has. Therefore, November 1st is the deadline in order to give members time to read the report and be comfortable with what is in the report along with any edits. Miss Johnson said the final two weeks before the report is due will be with IDFPR for internal edits. Miss Johnson asked if that worked for everyone.</p> <p>VC Simpkins said that is that the recommendation section of the report is the most important and all task force members should have their input included. Therefore, he doesn't know if the two week limit will be enough time.</p> <p>Miss Johnson said that the graphic designer needs the report by November 15th in order to have enough time to add graphics in time for the reports due date. If edits take longer to complete, IDFPR will do what it can to get edits done and the report turned in on time. When the report does come out, most people will jump to the executive summery and recommendation sections first.</p> <p>VC Simpkins said that things can probably be adjusted and that the recommendation section will also include things for what the task force will be tackling as a group in future reports.</p> <p>Miss Johnson said that yes, more topics can be explored in a future report. Once the graphic designer gives the draft back, the task force will have some time to add and take things out of the report. Miss Johnson said that the report is in good shape and she doesn't want anyone to feel pressured. That the task force can discuss what to take from the current report and add to the next one. Miss Johnson asked if there were any comments about editing or the statue before moving on to the next topic. Miss Johnson then had one last thing about editing and informed the task force that the goal of editing is to make edits for grammar and punctuation and not to edit a person's style of writing. That people should respect how other communicate and want the task force to deliver it's message as a whole without offending anyone.</p>	

Topic	Discussion	Action
<p>Goals and Project Plan Through 2029</p>	<p>Miss Johnson asked the task force what the task force goal is. At the last meeting, the task force discussed various topics such as compensation structure. Miss Johnson asked Jeff Baker if he could elaborate.</p> <p>Mr. Baker said that everyone should anticipate that MLS will change for appraisers and data collection. In yesterday's news, regulators was looking at this more intently. The data that is available to an appraisers in a MLS should take into consideration things such as closing cost. Even so, the data that is currently available will no longer be included and could affect what an appraiser might consider a reliable appraiser value. This is something Mr. Baker wanted to put on everyone's radar in order to keep an eye out for those changes.</p> <p>Miss Johnson said some initial topics that were discussed at the last meeting was disparities in property taxes, burden shift in taxes, subcommittees/working groups, commission structure for real estate brokers and impact on appraisers, recommendations and reforms other entities have implemented. Miss Johnson asked if there were any other topics the task force should look into over the next few years. That the task force can take on singular issues and can do other activities. Miss Johnson said she sees that Lutalo McGee on the call and that he is a part of several organizations and recently did an event that showed people how to read an appraiser report.</p> <p>Mr. McGee said that he is a Housing Manager for the Chicago Urban League and did a three part zoom series to raise the education level of consumers and professionals. That there was a need for both groups to be able to spot red flags and read a report. People should be educated in this topic in order to better advocate for themselves.</p> <p>Miss Johnson thanked Mr. McGee for sharing and told the task force that as a group, they can take whatever direction the task force wants to go in and it would be nice to go into next year with a project plan. Miss Johnson told the task force that she would like to hear from members.</p> <p>Mr. Hofacker said that he has been thinking about is reconciliation of various studies that have been done over the past couple of years. That the task force can bring in evaluation bias and the appraiser gap with explained conclusions from these studies. Fannie Mae, Freddie Mac and Brookens did a study in 2018 over the topic but updated their study last year using FHFA data. The task force can focus on putting a need for studies that get to the root causes for these biases and gaps.</p> <p>VC Simpkins asked if Fannie Mae will have any analysis on the effects of the new data base they are using within a year.</p> <p>Mr. Hofacker said that he doesn't know and that would be a good question to ask Fannie Mae but that FHFA and Fannie Mae have enough data to have a joint study. Even so, Fannie Mae and Freddie Mac should have a study that uses both their data.</p>	

Topic	Discussion	Action
	<p data-bbox="337 226 1101 289">XE"Uk o rmkpu"cumgf"kh"vjgtg" y cu"cp"kuuwg" y kvj" j q o g" k o r t q x g o g p v" n q c p u" cu"vjgtg" j cxg" dggp" r g q r n g" q h" e q n q t" y j q" j c x g" j c f" k u u w g u 0</p> <p data-bbox="337 321 1101 384">O t 0" J q h c e m g t" u c k f" v j c v" j g" y c u" p q v" h c o k n k c t" y k v j" v j c v" n g x g n" q h" f g v c k n" q t" c" u v w f { " j c x k p i" d g g p" f q p g 0"</p> <p data-bbox="337 415 906 447">XE"Uk o rmkpu"uckf" jg" jcu"uq o g" fcv"cpf" y knn"u jctg"kv0</p> <p data-bbox="337 478 1101 604">O t 0" J q h c e m g t" u c k f" v j c v" e c p" d g" c p q v" j g t" r g t u q p" v q" k p x k v g" v q" r t g u g p v" v q" v j g" v c u m" h q t e g 0" V j c v" u v w f k g u" j c x g" f k h h g t g p v" e q p e n w u k q p u" c p f" k p" u q o g" k p u v c p e g u." v j g" u v w f k g u" l w u v" f k u e w u u" q d u g t x c v k q p u" c p f" p q v" v j g" t q q v" e c w u g u" q h" v j g" k u u w g u 0"</p> <p data-bbox="337 636 1101 730">Miss Johnson said that was a good idea and thanked Mr. Hofacker. The goal is to put together an additional report and asked the task force what they would want to do.</p> <p data-bbox="337 762 1101 951">Mr. Hofacker said that the task force can bring in participants from other organizations over the course of a few meetings. The task force can have the participants highlight components of their study and if there are further studies being planned by that organization. These organizations can reconcile the differences of their conclusions and focus on the root cause of their analysis.</p> <p data-bbox="337 982 1101 1077">VC Simpkins said that one thing the task force can do is to get these organizations to start thinking about a way to harmonize some of their conclusions, root causes and strategies.</p> <p data-bbox="337 1108 1101 1560">Miss Johnson said that was very good and thanked both speakers. Miss Johnson asked if anyone else has any thoughts on what the task force should be thinking about in terms of projects to do in the next couple of years. Miss Johnson said she has been tossing around the fact that IL doesn't license appraisers but issues licenses to trainees. That this may be controversial but possibly licensing appraisers. Miss Johnson said she has had a couple of conversations but have not gotten a solid answer on the topic. That she is hearing that appraiser's may not get work which is why some are against it. Licensing appraisers will go more toward their credentials and would offer an opportunity for people to get into the appraiser profession without formal college education. Miss Johnson said that IDFPR licensed appraiser one time years ago but the topic may not be worth exploring and is asking thoughts from the task force.</p>	

Topic	Discussion	Action
Open Discussion/ New Business	Miss Johnson told the task force that the previously discussed topic was more open discussion and asked if there were any other topics the task force wanted to discuss. Hearing none, Miss Johnson went to public comments.	
Public Comments	No public comments were made	
Adjournment	The next meeting is scheduled for October 16th, 2024.	There being no further business to discuss, motion to adjourn was made by Adrienne Suits Bailey and seconded by Steven Monroy at 11:41am. Motion carried unanimously.