



# 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 4<sup>th</sup> Floor, Peoria Room  
Chicago, IL 60661  
And  
Via Interactive Video Conference at IDFPR  
320 West Washington Street, 2<sup>nd</sup> 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 11:06 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 month's 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. When it comes to the draft due to the General Assembly, 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 would be receiving a copy of the draft in the next day or two so that edits could be made. Members 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 welcomed 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 contents that will have subtitles 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 noticed that a contributor is missing, to please let her know so that everyone gets the proper credit. After the introduction, the report will move into Danielle's section on History and after, then 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 comparison, 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 the new USPAP non-discrimination in the section as well as Steven Monroy contributing a section on appraiser liability.</p> <p>Mr. Monroy's 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 market 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 Reconsideration of Value. Miss Johnson told the group who</p>	

Topic		Action
	<p>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 photos of diverse families and homes, things of that nature.</p> <p>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 contributor's 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 Baker and Gideon Blustein on Causes of Disparities section.</p> <p>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 statute and that Mr. Hofacker asked a good question. Miss Johnson said she can redistribute what the task force is being asked in statute. Miss Johnson brought up a document that showed what the task force needed to accomplish in statute. Miss Johnson told the task force that if there is anything that the task force has not touched on, the task force can continue to explore these topics.</p> <p>Gabriela Nicolau said that the task force has covered most if not all topics listed in statute.</p> <p>Miss Johnson started going through the statute and said that the statute 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 . Statute 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</p>	

Topic	Discussion	Action
	<p>force discussed and included that in the report. Also, the task force is meant to consult with the public and it has been doing that.</p> <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 be 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 of the timeline for edits.</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 IDFPFR 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, IDFPFR 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 summary 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.</p>	

Topic	Discussion	Action
	<p>That people should respect how other communicate and want the task force to deliver its message as a whole without offending anyone's personal writing style.</p>	
<p>Goals and Project Plan Through 2029</p>	<p>Miss Johnson asked the task force what the goal is moving forward. At the last meeting, the task force discussed various potential topics such as the new compensation structure for brokers and it's possible effect on appraisal. 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 were looking at this more intently. The data that is available to appraisers in a MLS should take into consideration things such as closing costs.</p> <p>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 were 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 external activities. Miss Johnson said that for example, 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 Brookins 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>	

Topic	Discussion	Action
	<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> <p>VC Simpkins asked if there was an issue with home improvement loans as there have been people of color who have had issues.</p> <p>Mr. Hofacker said that he was not familiar with that level of detail or a study having been done.</p> <p>VC Simpkins said he has some data and will share it.</p> <p>Mr. Hofacker said that can be another person to invite to present to the task force. That studies have different conclusions and in some instances, the studies just discuss observations and not the root causes of the issues.</p> <p>Miss Johnson said that was a good idea and thanked Mr. Hofacker. Miss Johnson asked Mr. Hofacker what his goal would be surrounding that suggestion.</p> <p>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>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>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 have Licensed Residential Real Property Appraisers but issues licenses to trainees. That this may be controversial but possibly bringing back a Licensed appraiser credential. Miss Johnson said she has had a couple of conversations but have not gotten a solid view on the topic. That she is hearing that appraisers may not get work which is why some are against it. It could offer an opportunity for people to get into the appraiser profession without formal college education. Miss Johnson said that IDFPR had Licensed appraisers years ago and is asking thoughts from the task force.</p> <p>Richard DeVerdier said that he doesn't have many thoughts on it but that appraisers might not be able to do work for other agencies such as HUD.</p> <p>Jim Blaydes said that the appraiser license use to have 3 levels and it</p>	

Topic	Discussion	Action
	<p>allowed appraisers to come into the industry with no experience. The outcome of this was a lot of exposure and faulty reports which could be one of the reasons IDFPDR dropped that license level.</p> <p>Miss Johnson said that based on historical knowledge, does the task force want to explore the topic or leave it alone as the goal is to reduce barriers of entry.</p> <p>Mr. Blaydes said that when the state lowers the bar there tends to be an elevation in exposure. An appraisers end report has a high impact on homes and if the data is not done properly, it can be distorted. That there are still mistakes from qualified trained appraisers and it's important to be conscious of not setting the bar low and having appraisers with an adequate skill set.</p> <p>Mr. DeVerdier said that the requirement for a college degree has been removed by the AQB.</p> <p>Miss Johnson said that she was thinking of addressing the issue more broadly but if getting rid of the college degree is under consideration by the AQB, then the topic will be a moot point. When it comes to litigation around appraisers who hold a residential credential license and not being able to work for HUD, these issues may work themselves out on their own</p> <p>Mr. DeVerdier said that litigations are in the works to allow licensed people to do work for government agencies but certified appraisers don't need a college degree.</p> <p>Miss Johnson asked if anyone else has any thoughts to share on where the task force needs to take things or goals to aim for. Miss Johnson told the task for that discussion will continue to happen as the initial report is completed.</p>	
<p>Open Discussion/ New Business</p>	<p>Miss Johnson asked if there was any new business for open discussion. Hearing none, Miss Johnson moved on to public comments.</p>	
<p>Public Comments</p>	<p>Miss Johnson asked Nuala where she was from if she had any comments to make.</p> <p>Miss Nuala said she had no comment.</p> <p>Sofia Papoutsis said that she is an intern from her agency and is in the meeting to take notes.</p> <p>Miss Johnson said she went through the group and addressed Marjorie Roubitchek who was in the meeting on behalf of Adrienne Suits Bailey. Miss Johnson asked if Miss Suits Bailey had anything to share with the group.</p>	



Topic	Discussion	Action
	<p>Miss Roubitchek said no.</p> <p>VC Simpkins asked when the draft for edits will be sent out.</p> <p>Miss Johnson said that it will be sent to members in the next couple of days and by Friday at the latest. That the report will also be on a shared document for edits on the task force SharePoint page.</p>	
Adjournment	The next meeting is scheduled for November 20th, 2024.	There being no further business to discuss, motion to adjourn was made by VC Simpkins and seconded by Deborah Fears at 11:55am. Motion carried unanimously.