



IDFPR

Illinois Department of Financial and Professional Regulation

Division of Real Estate

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JB PRITZKER
Governor

MARIO TRETO, JR.
Secretary

LAURIE MURPHY
Director

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

Date: August 28th, 2024

Call to Order: 11:04 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: Jeffery Baker, Paul D. Brown, Deborah Fears, Javier Gumucio, Dan Hofacker, Steven Monroy, Tito Quinones, Ashia Walker, Cassandra Halm and Ericka Johnson.

Board Member(s) Absent: Leader Marcus Evans, Jamie Cumbie, Adrianna Suits Bailey, Anthony Simpkins.

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

Guest(s) Present: Jim Blaydes, Richard DeVerdier, Sofia Papoutsis, Sarah Brune- NHS, Danielle Stanly- NHS Chicago, Kevin Jackson-Chicago Rehab Network, Cecelia Marlow.

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 11:04 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 - Absent</p> <p>Executive Director of the Illinois Housing Development or Designee: Javier Gumucio - Present</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 - Absent</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, Adrienne Suits Bailey and Anthony Simpkins were absent.
Approval of Minutes	Ericka Johnson went over last meeting's minutes and asked the task force if they had any questions, comments, or changes. Hearing none, minutes were adopted.	Dan Hofacker motioned for the approval of minutes. Deborah Fears made the second motion

Topic	Discussion	Action
<p>Progress Report Drafting Check-in</p>	<p>Miss Johnson informed the task force that the draft for the report due to the GA have been done by the end of August and sent to IDFPR for review and editing. Miss Johnson understands that this is an aggressive timeline but is needed with the final report due at the end - of December. Miss Johnson thanked everyone on the task force for their work and that members can still send their drafts of their sections in for editing through to next month. Miss Johnson will send a complete draft edits to the group once all edits are done. Miss Johnson asked if there were any questions about the draft timeline. Hearing no general comments or concerns, Miss Johnson said she will start at the top of the report and have everyone give an update on where they are at with their section, conversations they have had with outside resources for their section, and any recommendations. Miss Johnson then shared her screen with the report tracker and asked Tito Quinones for an update on the introduction section of the report and asked if he needed any help.</p> <p>Mr. Quinones said that he has a draft completed in his office and will share the report by the end of the week.</p> <p>Miss Johnson thanked Mr. Quinones and said that once he sends his draft, IDFPR will make internal edits and make sure the task force sees the draft. Next, Miss Johnson went on to the History section of the report, and noted that Danielle Stanley and Sarah Brune from NHS was on, who was working with Vice Chair Simpkins on this section.</p> <p>Miss Stanley said that she has uploaded this section and sent the draft to IDFPR few weeks ago. That this section of the report is complete, unless more information needs to be added.</p> <p>Miss Johnson said she will mark the History section on the tracker report as 100% complete and that she did get the draft for that section. Miss Johnson asked if there was any more information Miss Stanley wanted to add to the section.</p> <p>Miss Stanley said no.</p> <p>Miss Johnson asked Miss Stanley if she could walk the group through what is being covered in the History section.</p> <p>Miss Stanley said that the History section goes over a historical outline as a brief overview of pieces of legislation that has impacted the industry. That the section is straightforward in terms of historical facts and can share that with the group.</p> <p>Miss Johnson said that the draft of the section is uploaded onto the shared drive and everyone can go there to read the draft if they like. Once edits are made, the draft will be recirculated with the task force members. Miss Johnson thanked the people who worked on the section and</p>	

moved on to the next section, Current Regulatory Structure. Miss Johnson asked Dan Hofacker if there was anything more he wanted to share on the section, as it's marked 100% on the report tracker. Miss

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	<p>Johnson said that the draft is being reviewed by IDFPR internally and the law clerk added a section on "discrimination" under "WURCR. Once edits are done, the draft will be circulated with the task force at large. Miss Johnson asked Mr. Monroy if he has any updates.</p> <p>Mr. Monroy said he is still working on his section and will check in later this week on where he is at with it.</p> <p>Miss Johnson said that this section will give a general introduction and explain to the reader how appraiser regulatory is set up on both the federal and state level. The section will cover the appraisal foundation and what states do in the profession. Miss Johnson asked Mr. Hofacker if that was anything he wanted to add.</p> <p>Mr. Hofacker said no, he did not have anything to add but that the section would discuss FFIEC, other states, appraisal foundation and the two boards that are related to standards and qualifications along with providing more background on the profession.</p> <p>Miss Johnson moved on to the next section, Guidance and Standards. Miss Johnson asked Mr. Brown if he had an update. She knew that he provided a draft but is not sure if it is the final draft.</p> <p>Mr. Brown said that he can update the draft and expand on it if needed.</p> <p>Miss Johnson said that she would mark on the report tracker that the draft is 100% and is with IDFPR for editing.</p> <p>Mr. Brown asked if there was anything needed from him for the section or further.</p> <p>Miss Johnson asked if Mr. Brown could give a brief overview of what his section is about.</p> <p>Mr. Brown said that the section will cover GUGs, valuation methods appraisers look at, cost and sales approach depending on a property and standards. The section will further explore alternative methods to appraisal, such as appraisal waivers and other valuation methods.</p> <p>Miss Johnson said she knows Mr. Brown turned in a draft some time ago and that the section is factual, so she doesn't know if there are a lot of recommendations to be made. Miss Johnson moved on to Collateral underwriting and asked if the group working on the section could share an update.</p> <p>Javier Gumucio said that the group had a conversation on the section and that he is working on a graphic that explains collateral underwriting and will have it done by the end of this week.</p>	

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	<p>Miss Johnson asked if Jamie Cumbie, Miss Stanley, or Miss Brune, have an update on the draft and that Miss Johnson can circle back if needed.</p> <p>Miss Brune said she has no update.</p> <p>Miss Johnson asked Mr. Gumucio if he could share any conversations had on the section or recommendations.</p> <p>Mr. Gumucio said that they are looking at comparing Illinois to other states, along with some similarities between rural appraisal compared to metropolitan areas. The section will also look at how collateral become less impactful when it's in comparison with high level of compacity and high credit scores. When it comes to appraisal waivers, there are best used when refinancing because LTVs are lower and credit scores are usually higher.</p> <p>Miss Johnson asked if there were any comments or questions for the group working on this section. Miss Johnson then said she will check in with the group via email this week to make sure they keep moving forward. Miss Johnson moved to Limited and Inactive Markets and said that she feels like she is 90% done with this section but keeps adding and changing things because she wants to make sure that the question is fully answered: What should an appraiser do when they have to work in an area with a limited market? Miss Johnson said she wants the task force to make recommendations that that make so there isn't room for bias to be made. In the section, Miss Johnson used the lawsuit out of California because the main argument in that case was where the family lived, there had only been four sales in a year and the appraiser didn't have a complete market analysis. Miss Johnson further stated that she went through USPAP for guidance that currently exist for appraisers working in a limited and inactive market. The recommendations being made are more education for appraisers and mortgage loan originators. Miss Johnson thanked Jeff and Gideon for contributing to the section via a map and want to use the map to show limited market activity in the last year. Miss Johnson asked Jeff if he had an update.</p> <p>Mr. Baker said that his only update is what he talked about with Miss Johnson previously and that the map will be difficult but is a work in progress and that they will connect later in the week.</p> <p>Miss Johnson said that there could possibly be a different way to illustrate the point by only using a few counties. Miss Johnson asked if there were any questions, comments or concerns before moving on the Reconsideration of Value. Miss Johnson asked Dan Hofacker, Paul Brown, Cassandra Halm and VC Simpkins for an update on their section.</p> <p>Mr. Hofacker said that the group had a meeting a few weeks ago and they have a document that's about five pages long and are scheduling a time to meet again. Even so, Sarah Brune sent out the latest version of</p>	

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	<p>the document and had some questions that they are going to look at and go over together but are about 85% done. Also, the group had an area that they were discussing in detail which was on what can be done for the seller of the property. The group will reconvene within the next two weeks and hopefully finalize the document.</p> <p>Miss Halm said that they also have some consumer education in the document</p> <p>Mr. Hofacker said that they are going to take Miss Brune's document and add it to the appropriate sections of the report.</p> <p>Miss Johnson bought up to the group that Mr. Hofacker sent her an article that she though was interesting because it revisits the PAVE report and summarizes everything that has happened nationally since that report came out. Miss Johnson asked Mr. Hofacker if the section address ROV changes.</p> <p>Mr. Hofacker said that the section does address ROV changes and the standards that came out in the PAVE report are consistent with the recommendations made this section but will go back and make sure.</p> <p>Miss Johnson said she feels that at the end or beginning of the task force report, there should be something that discusses the national issues and what has happened since the PAVE report came out. Along with that has been happening with FHFA and HUD. Miss Johnson said she wants to show the GA and Governor's office that industry has moved forward a tiny bit and volunteered to add that to the report. Miss Johnson said she will work with GC Gabriela Nicolau on it and if anyone else wanted to contribute, they can.</p> <p>Mr. Hofacker followed up and said that their section does not discuss the things HUD and FHFA have come out with and that it can be added to the background section of the report. However, the task force should be careful about adding any links to the task force report because links can become broken over time and the task force can do a summary of the organizations and the recommendations they made.</p> <p>Miss Johnson said that she is happy to work on the section that pulls everything together and asked the task force if they had any questions or comments for the group to consider. Hearing none, Miss Johnson moved on Evaluation of Barriers to Entry. Miss Johnson said she was removing herself from the section and asked Mr. Hofacker and Mr. Brown for an update.</p> <p>Mr. Brown said that they have not had any further conversations on the section</p> <p>Mr. Hofacker said that he thought they were done with the section</p>	

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	<p>Miss Johnson said Mr. Hofacker sent her a draft some time ago and doesn't know if there have been any additions.</p> <p>Mr. Brown wants to be sure what draft Mr. Baker was working on; they received some information on the draft and may need to convergence of the two drafts.</p> <p>Mr. Baker said that he does have a draft.</p> <p>Mr. Brown said that they do have some additional work on the section</p> <p>Mr. Baker followed up and said there may be more information that needs to be added.</p> <p>Miss Johnson asked Mr. Hofacker if he could give a summary of where the draft is going.</p> <p>Mr. Hofacker said that the section outlines the barriers into the profession along with what was mentioned in the PAVE task force report. There is information on the classification on the Appraisers Qualification Board (AQB), appraiser impact on minorities, IDFPR's How to Series, the introduction of PAREA, along with reducing AQB hours from 200 to 180 and reducing appraiser qualification hours from 1500 to 1000.</p> <p>Miss Johnson reiterated that the Rules are being updated, which will have the state in line with AQB but as of now, the state does exceed those hours.</p> <p>Mr. Hofacker said that recommendations for this section are scholarships and support for people coming into the industry and mentorship programs.</p> <p>Miss Johnson said those were good and asked if there were any questions or concerns before moving on to Racial Disparities. Miss Johnson informed the task force that Dr. Luis Lopez, the professor who presented to the task force previously, has been working on this section with the task force. Dr. Lopez wrote something on the studies he has been looking at and duplicated part of his presentation into the section along with expanding on the studies that are out there on disparities. Miss Johnson said the draft is with IDFPR for review then asked Mr. Baker about something he mentioned he was working on.</p> <p>Mr. Baker said that there about 5 to 6 different sections under the Racial Disparities. That he is working on two of those section and will have a draft sent by end of day.</p> <p>Miss Johnson asked if he could give a overview of the section</p>	

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	<p>Mr. Baker said that the entire section starts with a summary of Dr. Lopez studies that have been done along with some statistics and data. The section will transition into giving those facts and identifiable causes. Finally, the section ends with recommendations and those recommendations will come from some of the studies that have been conducted</p> <p>Miss Johnson said she would mark the section down as being 80% done and it sounded like the group was in pretty good shape</p> <p>Mr. Baker said he thinks they are as well</p> <p>Mr. Hofacker said he had a question. He was wondering if there had been any conversations with Dr. Lope on updatng the information in his study because the data he used for loans was more then decade old and he wants to make sure that the task force is not using dated material. Mr. Hofacker expressed that the task force should be mindful of that and if Dr. Lopez analysis still holds true for today, then his data will be fine and that he will be looking at the section from that lens.</p> <p>Miss Johnson told Mr. Hofacker that he raises a good point. That she did speak to Dr. Lopez about the dated data and appreciates Mr. Hofacker looking at the final draft through that lens. However, Dr. Lopez is currently updating his data and indicated previously that it will be done by November. That his new data won't make it into the current report but Dr. Lopez will contribute to future reports. Miss Johnson asked if there were any questions then reminded the task force that they were asked to provide information on a subject that is still unfolding and it is a huge ask to provide solid concrete answers. In terms of framing the report, the task force is going to try and address all the things members want to address and that the initial report is just the tip of the iceberg. The task force will continue to dig deeper for the next report and does not want the GA to think that this initial report contains all the solutions when it is just introducing the issues.</p> <p>Mr. Hofacker said that he agrees and that the article he sent touches on some of the things discussed. That there have been many changes with policy but that the work has just begin because there is both federal and state level to consider. Which leads to many factors to keep in mind and the work is never going to be done but in the report the task force can address what is to be done and what is underway.</p> <p>Miss Johnson thanked Mr. Hofacker. Then she addressed the task force and said that moving forward, the group has a lot of knowledge but there is a lot the task force doesn't know. That statue requires the task force to receive input from different community groups and experts. Therefore, Jim Blaydes in on the call and Miss Johnson and him had a conversation and currently Mr. Blaydes is on the Illinois Collation for Appraiser Professionals board.</p> <p>Mr. Blaydes agreed that he was on that board.</p> <p>Miss Johnson said that Mr. Blaydes had a great suggestion of forming</p>	

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	<p>subcommittees after the initial report is turned into the GA and Governors office; that members of the public who are experts can join to help contribute knowledge and expertise. Miss Johnson asked Mr. Blades if there was more he wanted to say on it.</p> <p>Mr. Blaydes said that he thought ICAP would be a great resource for the task force and at the end of the day, everyone wants the same thing and should work together. That input from different groups would be beneficial and ICAP would be interested in partnering with the task force in an advisory/resource position.</p> <p>Miss Johnson said she sees Cecelia Marlow and Kevin Jackson in the meeting and that these two would also be great resources for the task force. Miss Johnson asked the task force for their thoughts on having ICAP and Housing to come advise.</p> <p>Miss Stanley said that she thinks that will be helpful</p> <p>Miss Johnson then thanks Miss Stanley and Miss Brune for being for helpful and appreciate them for providing their community advocate perceptive.</p> <p>Mr. Kevin Jackson said that he supports what Miss Johnson was talking about and has been working with NHS on appraisal bias task force and knows that it is an important issue.</p> <p>Miss Johnson said thank you to Mr. Jackson and that Miss Marlow put in the chat that she agrees. Miss Johnson said that with IDFPR being the admin, we have to keep the task force moving forward and that she will start compiling a list of groups that can be formed into subcommittees and will present them to the task force.</p>	
Open Discussion/ New Business	<p>Miss Johnson told the task force that the previous 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.</p>	
Public Comments	<p>Richard DeVerdier introduced himself as a Licensed Real Estate Appraiser and appreciates being in the task force meeting</p> <p>Miss Johnson thanked Mr. DeVerdier and said that she hopes to have something to share with everyone soon. That IDFPR will compile everyone's drafts, make edits and then send to task force members. Next year, the task force will hold another election and form subcommittees to dig deeper into different topics. Miss Johnson encouraged the task force to consider volunteering for chair and vice chair.</p>	
Adjournment	<p>The next meeting is scheduled for September 18th, 2024.</p>	<p>There being no further business to discuss, motion to adjourn was made by Dan Hofacker and seconded by Jeff Baker at 11:51am. Motion carried unanimously.</p>