

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Banking Act is amended by changing Sections 78 and 79 as follows:

(205 ILCS 5/78) (from Ch. 17, par. 390)

Sec. 78. Board of banks and trust companies; creation, members, appointment. There is created a Board which shall be known as the State Banking Board of Illinois which shall consist of the Director of Banking, who shall be its chairman, and 12 ~~11~~ additional members. The Board shall be comprised of individuals interested in the banking industry. Two members shall be from State banks having total assets of not more than \$75,000,000 at the time of their appointment; 2 members shall be from State banks having total assets of more than \$75,000,000, but not more than \$150,000,000 at the time of their appointment; 2 members shall be from State banks having total assets of more than \$150,000,000, but not more than \$500,000,000 at the time of their appointment; 2 members shall be from State banks having total assets of more than \$500,000,000, but not more than \$2,000,000,000 at the time of their appointment; ~~and~~ 7 ~~and~~ one member shall be from a State bank having total assets of more than \$2,000,000,000 at the time of

his or her appointment; and one member shall be from a savings bank organized under the Savings Bank Act. There shall be one alternate member from a savings bank organized under the Savings Bank Act whose role shall be to attend a meeting of the State Banking Board if and only if the sitting member from a savings bank is unable to attend the meeting. There shall be 2 public members, neither of whom shall be an officer or director of or owner, whether directly or indirectly, of more than 5% of the outstanding capital stock of any bank or savings bank. Members of the State Banking Board of Illinois cease to be eligible to serve on the Board once they no longer meet the requirements of their original appointment; however, a member from a State bank shall not be disqualified solely due to a change in the bank's asset size.

(Source: P.A. 99-39, eff. 1-1-16.)

(205 ILCS 5/79) (from Ch. 17, par. 391)

Sec. 79. Board, terms of office. The terms of office of the State Banking Board of Illinois shall be 4 years, except that the initial Board appointments shall be staggered with the Governor initially appointing, with advice and consent of the Senate, 3 members to serve 2-year terms, 4 members to serve 3-year terms, and 4 members to serve 4-year terms. The sitting member from a savings bank organized under the Savings Bank Act and the alternate member from a savings bank organized under the Savings Bank Act shall be appointed for the same terms of

office. Members shall continue to serve on the Board until their replacement is appointed and qualified. Vacancies shall be filled by appointment by the Governor with advice and consent of the Senate.

No State Banking Board member shall serve more than 2 full 4-year terms of office.

(Source: P.A. 96-1163, eff. 1-1-11; 97-813, eff. 7-13-12.)

(205 ILCS 205/12104 rep.)

(205 ILCS 205/Art. 12.2 rep.)

Section 10. The Savings Bank Act is amended by repealing Section 12104 and Article 12.2.

Section 15. The Residential Mortgage License Act of 1987 is amended by changing Sections 1-4, 4-1, and 4-8 as follows:

(205 ILCS 635/1-4)

Sec. 1-4. Definitions. The following words and phrases have the meanings given to them in this Section:

(a) "Residential real property" or "residential real estate" shall mean any real property located in Illinois, upon which is constructed or intended to be constructed a dwelling. Those terms include a manufactured home as defined in subdivision (53) of Section 9-102 of the Uniform Commercial Code which is real property as defined in Section 5-35 of the Conveyance and Encumbrance of

Manufactured Homes as Real Property and Severance Act.

(b) "Making a residential mortgage loan" or "funding a residential mortgage loan" shall mean for compensation or gain, either directly or indirectly, advancing funds or making a commitment to advance funds to a loan applicant for a residential mortgage loan.

(c) "Soliciting, processing, placing, or negotiating a residential mortgage loan" shall mean for compensation or gain, either directly or indirectly, accepting or offering to accept an application for a residential mortgage loan, assisting or offering to assist in the processing of an application for a residential mortgage loan on behalf of a borrower, or negotiating or offering to negotiate the terms or conditions of a residential mortgage loan with a lender on behalf of a borrower including, but not limited to, the submission of credit packages for the approval of lenders, the preparation of residential mortgage loan closing documents, including a closing in the name of a broker.

(d) "Exempt person or entity" shall mean the following:

(1) (i) Any banking organization or foreign banking corporation licensed by the Illinois Commissioner of Banks and Real Estate or the United States Comptroller of the Currency to transact business in this State; (ii) any national bank, federally chartered savings and loan association, federal savings bank, federal credit union; (iii)

(blank); (iv) any bank, savings and loan association, savings bank, or credit union organized under the laws of this or any other state; (v) any Illinois Consumer Installment Loan Act licensee; (vi) any insurance company authorized to transact business in this State; (vii) any entity engaged solely in commercial mortgage lending; (viii) any service corporation of a savings and loan association or savings bank organized under the laws of this State or the service corporation of a federally chartered savings and loan association or savings bank having its principal place of business in this State, other than a service corporation licensed or entitled to reciprocity under the Real Estate License Act of 2000; or (ix) any first tier subsidiary of a bank, the charter of which is issued under the Illinois Banking Act by the Illinois Commissioner of Banks and Real Estate, or the first tier subsidiary of a bank chartered by the United States Comptroller of the Currency and that has its principal place of business in this State, provided that the first tier subsidiary is regularly examined by the Illinois Commissioner of Banks and Real Estate or the Comptroller of the Currency, or a consumer compliance examination is regularly conducted by the Federal Reserve Board.

(1.5) Any employee of a person or entity mentioned

in item (1) of this subsection, when acting for such person or entity, or any registered mortgage loan originator when acting for an entity described in subsection (tt) of this Section.

(1.8) Any person or entity that does not originate mortgage loans in the ordinary course of business, but makes or acquires residential mortgage loans with his or her own funds for his or her or its own investment without intent to make, acquire, or resell more than 3 residential mortgage loans in any one calendar year.

(2) (Blank).

(3) Any person employed by a licensee to assist in the performance of the residential mortgage licensee's activities regulated by this Act who is compensated in any manner by only one licensee.

(4) (Blank).

(5) Any individual, corporation, partnership, or other entity that originates, services, or brokers residential mortgage loans, as these activities are defined in this Act, and who or which receives no compensation for those activities, subject to the Commissioner's regulations and the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008 and the rules promulgated under that Act with regard to the nature and amount of compensation.

(6) (Blank).

(e) "Licensee" or "residential mortgage licensee" shall mean a person, partnership, association, corporation, or any other entity who or which is licensed pursuant to this Act to engage in the activities regulated by this Act.

(f) "Mortgage loan" "residential mortgage loan" or "home mortgage loan" shall mean any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling as defined in Section 103(v) of the federal Truth in Lending Act, or residential real estate upon which is constructed or intended to be constructed a dwelling.

(g) "Lender" shall mean any person, partnership, association, corporation, or any other entity who either lends or invests money in residential mortgage loans.

(h) "Ultimate equitable owner" shall mean a person who, directly or indirectly, owns or controls an ownership interest in a corporation, foreign corporation, alien business organization, trust, or any other form of business organization regardless of whether the person owns or controls the ownership interest through one or more persons or one or more proxies, powers of attorney, nominees, corporations, associations, partnerships, trusts, joint stock companies, or other entities or devices, or any combination thereof.

(i) "Residential mortgage financing transaction" shall mean the negotiation, acquisition, sale, or arrangement for or the offer to negotiate, acquire, sell, or arrange for, a residential mortgage loan or residential mortgage loan commitment.

(j) "Personal residence address" shall mean a street address and shall not include a post office box number.

(k) "Residential mortgage loan commitment" shall mean a contract for residential mortgage loan financing.

(l) "Party to a residential mortgage financing transaction" shall mean a borrower, lender, or loan broker in a residential mortgage financing transaction.

(m) "Payments" shall mean payment of all or any of the following: principal, interest and escrow reserves for taxes, insurance and other related reserves, and reimbursement for lender advances.

(n) "Commissioner" shall mean the Commissioner of Banks and Real Estate, except that, beginning on April 6, 2009 (the effective date of Public Act 95-1047), all references in this Act to the Commissioner of Banks and Real Estate are deemed, in appropriate contexts, to be references to the Secretary of Financial and Professional Regulation, or his or her designee, including the Director of the Division of Banking of the Department of Financial and Professional Regulation.

(n-1) "Director" shall mean the Director of the

Division of Banking of the Department of Financial and Professional Regulation, except that, beginning on July 31, 2009 (the effective date of Public Act 96-112), all references in this Act to the Director are deemed, in appropriate contexts, to be the Secretary of Financial and Professional Regulation, or his or her designee, including the Director of the Division of Banking of the Department of Financial and Professional Regulation.

(o) "Loan brokering", "brokering", or "brokerage service" shall mean the act of helping to obtain from another entity, for a borrower, a loan secured by residential real estate situated in Illinois or assisting a borrower in obtaining a loan secured by residential real estate situated in Illinois in return for consideration to be paid by either the borrower or the lender including, but not limited to, contracting for the delivery of residential mortgage loans to a third party lender and soliciting, processing, placing, or negotiating residential mortgage loans.

(p) "Loan broker" or "broker" shall mean a person, partnership, association, corporation, or limited liability company, other than those persons, partnerships, associations, corporations, or limited liability companies exempted from licensing pursuant to Section 1-4, subsection (d), of this Act, who performs the activities described in subsections (c), (o), and (yy) of this

Section.

(q) "Servicing" shall mean the collection or remittance for or the right or obligation to collect or remit for any lender, noteowner, noteholder, or for a licensee's own account, of payments, interests, principal, and trust items such as hazard insurance and taxes on a residential mortgage loan in accordance with the terms of the residential mortgage loan; and includes loan payment follow-up, delinquency loan follow-up, loan analysis and any notifications to the borrower that are necessary to enable the borrower to keep the loan current and in good standing. "Servicing" includes management of third-party entities acting on behalf of a residential mortgage licensee for the collection of delinquent payments and the use by such third-party entities of said licensee's servicing records or information, including their use in foreclosure.

(r) "Full service office" shall mean an office, provided by the licensee and not subleased from the licensee's employees, and staff in Illinois reasonably adequate to handle efficiently communications, questions, and other matters relating to any application for, or an existing home mortgage secured by residential real estate situated in Illinois with respect to which the licensee is brokering, funding originating, purchasing, or servicing. The management and operation of each full service office

must include observance of good business practices such as proper signage; adequate, organized, and accurate books and records; ample phone lines, hours of business, staff training and supervision, and provision for a mechanism to resolve consumer inquiries, complaints, and problems. The Commissioner shall issue regulations with regard to these requirements and shall include an evaluation of compliance with this Section in his or her periodic examination of each licensee.

(s) "Purchasing" shall mean the purchase of conventional or government-insured mortgage loans secured by residential real estate situated in Illinois from either the lender or from the secondary market.

(t) "Borrower" shall mean the person or persons who seek the services of a loan broker, originator, or lender.

(u) "Originating" shall mean the issuing of commitments for and funding of residential mortgage loans.

(v) "Loan brokerage agreement" shall mean a written agreement in which a broker or loan broker agrees to do either of the following:

(1) obtain a residential mortgage loan for the borrower or assist the borrower in obtaining a residential mortgage loan; or

(2) consider making a residential mortgage loan to the borrower.

(w) "Advertisement" shall mean the attempt by

publication, dissemination, or circulation to induce, directly or indirectly, any person to enter into a residential mortgage loan agreement or residential mortgage loan brokerage agreement relative to a mortgage secured by residential real estate situated in Illinois.

(x) (Blank). ~~"Residential Mortgage Board" shall mean the Residential Mortgage Board created in Section 1-5 of this Act.~~

(y) "Government-insured mortgage loan" shall mean any mortgage loan made on the security of residential real estate insured by the Department of Housing and Urban Development or Farmers Home Loan Administration, or guaranteed by the Veterans Administration.

(z) "Annual audit" shall mean a certified audit of the licensee's books and records and systems of internal control performed by a certified public accountant in accordance with generally accepted accounting principles and generally accepted auditing standards.

(aa) "Financial institution" shall mean a savings and loan association, savings bank, credit union, or a bank organized under the laws of Illinois or a savings and loan association, savings bank, credit union or a bank organized under the laws of the United States and headquartered in Illinois.

(bb) "Escrow agent" shall mean a third party, individual or entity charged with the fiduciary obligation

for holding escrow funds on a residential mortgage loan pending final payout of those funds in accordance with the terms of the residential mortgage loan.

(cc) "Net worth" shall have the meaning ascribed thereto in Section 3-5 of this Act.

(dd) "Affiliate" shall mean:

(1) any entity that directly controls or is controlled by the licensee and any other company that is directly affecting activities regulated by this Act that is controlled by the company that controls the licensee;

(2) any entity:

(A) that is controlled, directly or indirectly, by a trust or otherwise, by or for the benefit of shareholders who beneficially or otherwise control, directly or indirectly, by trust or otherwise, the licensee or any company that controls the licensee; or

(B) a majority of the directors or trustees of which constitute a majority of the persons holding any such office with the licensee or any company that controls the licensee;

(3) any company, including a real estate investment trust, that is sponsored and advised on a contractual basis by the licensee or any subsidiary or affiliate of the licensee.

(ee) "First tier subsidiary" shall be defined by regulation incorporating the comparable definitions used by the Office of the Comptroller of the Currency and the Illinois Commissioner of Banks and Real Estate.

(ff) "Gross delinquency rate" means the quotient determined by dividing (1) the sum of (i) the number of government-insured residential mortgage loans funded or purchased by a licensee in the preceding calendar year that are delinquent and (ii) the number of conventional residential mortgage loans funded or purchased by the licensee in the preceding calendar year that are delinquent by (2) the sum of (i) the number of government-insured residential mortgage loans funded or purchased by the licensee in the preceding calendar year and (ii) the number of conventional residential mortgage loans funded or purchased by the licensee in the preceding calendar year.

(gg) "Delinquency rate factor" means the factor set by rule of the Commissioner that is multiplied by the average gross delinquency rate of licensees, determined annually for the immediately preceding calendar year, for the purpose of determining which licensees shall be examined by the Commissioner pursuant to subsection (b) of Section 4-8 of this Act.

(hh) "Loan originator" means any natural person who, for compensation or in the expectation of compensation, either directly or indirectly makes, offers to make,

solicits, places, or negotiates a residential mortgage loan. This definition applies only to Section 7-1 of this Act.

(ii) "Confidential supervisory information" means any report of examination, visitation, or investigation prepared by the Commissioner under this Act, any report of examination visitation, or investigation prepared by the state regulatory authority of another state that examines a licensee, any document or record prepared or obtained in connection with or relating to any examination, visitation, or investigation, and any record prepared or obtained by the Commissioner to the extent that the record summarizes or contains information derived from any report, document, or record described in this subsection. "Confidential supervisory information" does not include any information or record routinely prepared by a licensee and maintained in the ordinary course of business or any information or record that is required to be made publicly available pursuant to State or federal law or rule.

(jj) "Mortgage loan originator" means an individual who for compensation or gain or in the expectation of compensation or gain:

- (i) takes a residential mortgage loan application;
- or
- (ii) offers or negotiates terms of a residential mortgage loan.

"Mortgage loan originator" includes an individual engaged in loan modification activities as defined in subsection (yy) of this Section. A mortgage loan originator engaged in loan modification activities shall report those activities to the Department of Financial and Professional Regulation in the manner provided by the Department; however, the Department shall not impose a fee for reporting, nor require any additional qualifications to engage in those activities beyond those provided pursuant to this Act for mortgage loan originators.

"Mortgage loan originator" does not include an individual engaged solely as a loan processor or underwriter except as otherwise provided in subsection (d) of Section 7-1A of this Act.

"Mortgage loan originator" does not include a person or entity that only performs real estate brokerage activities and is licensed in accordance with the Real Estate License Act of 2000, unless the person or entity is compensated by a lender, a mortgage broker, or other mortgage loan originator, or by any agent of that lender, mortgage broker, or other mortgage loan originator.

"Mortgage loan originator" does not include a person or entity solely involved in extensions of credit relating to timeshare plans, as that term is defined in Section 101(53D) of Title 11, United States Code.

(kk) "Depository institution" has the same meaning as

in Section 3 of the Federal Deposit Insurance Act, and includes any credit union.

(ll) "Dwelling" means a residential structure or mobile home which contains one to 4 family housing units, or individual units of condominiums or cooperatives.

(mm) "Immediate family member" means a spouse, child, sibling, parent, grandparent, or grandchild, and includes step-parents, step-children, step-siblings, or adoptive relationships.

(nn) "Individual" means a natural person.

(oo) "Loan processor or underwriter" means an individual who performs clerical or support duties as an employee at the direction of and subject to the supervision and instruction of a person licensed, or exempt from licensing, under this Act. "Clerical or support duties" includes subsequent to the receipt of an application:

(i) the receipt, collection, distribution, and analysis of information common for the processing or underwriting of a residential mortgage loan; and

(ii) communicating with a consumer to obtain the information necessary for the processing or underwriting of a loan, to the extent that the communication does not include offering or negotiating loan rates or terms, or counseling consumers about residential mortgage loan rates or terms. An individual engaging solely in loan processor or

underwriter activities shall not represent to the public, through advertising or other means of communicating or providing information, including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the individual can or will perform any of the activities of a mortgage loan originator.

(pp) "Nationwide Mortgage Licensing System and Registry" means a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the licensing and registration of licensed mortgage loan originators.

(qq) "Nontraditional mortgage product" means any mortgage product other than a 30-year fixed rate mortgage.

(rr) "Person" means a natural person, corporation, company, limited liability company, partnership, or association.

(ss) "Real estate brokerage activity" means any activity that involves offering or providing real estate brokerage services to the public, including:

(1) acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property;

(2) bringing together parties interested in the sale, purchase, lease, rental, or exchange of real

property;

(3) negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property, other than in connection with providing financing with respect to any such transaction;

(4) engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law; or

(5) offering to engage in any activity, or act in any capacity, described in this subsection (ss).

(tt) "Registered mortgage loan originator" means any individual that:

(1) meets the definition of mortgage loan originator and is an employee of:

(A) a depository institution;

(B) a subsidiary that is:

(i) owned and controlled by a depository institution; and

(ii) regulated by a federal banking agency; or

(C) an institution regulated by the Farm Credit Administration; and

(2) is registered with, and maintains a unique identifier through, the Nationwide Mortgage Licensing

System and Registry.

(uu) "Unique identifier" means a number or other identifier assigned by protocols established by the Nationwide Mortgage Licensing System and Registry.

(vv) "Residential mortgage license" means a license issued pursuant to Section 1-3, 2-2, or 2-6 of this Act.

(ww) "Mortgage loan originator license" means a license issued pursuant to Section 7-1A, 7-3, or 7-6 of this Act.

(xx) "Secretary" means the Secretary of the Department of Financial and Professional Regulation, or a person authorized by the Secretary or by this Act to act in the Secretary's stead.

(yy) "Loan modification" means, for compensation or gain, either directly or indirectly offering or negotiating on behalf of a borrower or homeowner to adjust the terms of a residential mortgage loan in a manner not provided for in the original or previously modified mortgage loan.

(zz) "Short sale facilitation" means, for compensation or gain, either directly or indirectly offering or negotiating on behalf of a borrower or homeowner to facilitate the sale of residential real estate subject to one or more residential mortgage loans or debts constituting liens on the property in which the proceeds from selling the residential real estate will fall short of

the amount owed and the lien holders are contacted to agree to release their lien on the residential real estate and accept less than the full amount owed on the debt.

The Commissioner may define by rule and regulation any terms used in this Act for the efficient and clear administration of this Act.

(Source: P.A. 98-749, eff. 7-16-14; 98-1081, eff. 1-1-15; 99-78, eff. 7-20-15.)

(205 ILCS 635/4-1) (from Ch. 17, par. 2324-1)

Sec. 4-1. Commissioner of Banks and Real Estate; functions, powers, and duties. The functions, powers, and duties of the Commissioner of Banks and Real Estate shall include the following:

(a) to issue or refuse to issue any license as provided by this Act;

(b) to revoke or suspend for cause any license issued under this Act;

(c) to keep records of all licenses issued under this Act;

(d) to receive, consider, investigate, and act upon complaints made by any person in connection with any residential mortgage licensee in this State;

(e) (blank); ~~to consider and act upon any recommendations from the Residential Mortgage Board;~~

(f) to prescribe the forms of and receive:

(1) applications for licenses; and

(2) all reports and all books and records required to be made by any licensee under this Act, including annual audited financial statements and annual reports of mortgage activity;

(g) to adopt rules and regulations necessary and proper for the administration of this Act;

(h) to subpoena documents and witnesses and compel their attendance and production, to administer oaths, and to require the production of any books, papers, or other materials relevant to any inquiry authorized by this Act;

(h-1) to issue orders against any person, if the Commissioner has reasonable cause to believe that an unsafe, unsound, or unlawful practice has occurred, is occurring, or is about to occur, if any person has violated, is violating, or is about to violate any law, rule, or written agreement with the Commissioner, or for the purpose of administering the provisions of this Act and any rule adopted in accordance with the Act;

(h-2) to address any inquiries to any licensee, or the officers thereof, in relation to its activities and conditions, or any other matter connected with its affairs, and it shall be the duty of any licensee or person so addressed, to promptly reply in writing to such inquiries. The Commissioner may also require reports from any licensee at any time the Commissioner may deem desirable;

(i) to require information with regard to any license applicant as he or she may deem desirable, with due regard to the paramount interests of the public as to the experience, background, honesty, truthfulness, integrity, and competency of the license applicant as to financial transactions involving primary or subordinate mortgage financing, and where the license applicant is an entity other than an individual, as to the honesty, truthfulness, integrity, and competency of any officer or director of the corporation, association, or other entity, or the members of a partnership;

(j) to examine the books and records of every licensee under this Act at intervals as specified in Section 4-2;

(k) to enforce provisions of this Act;

(l) to levy fees, fines, and charges for services performed in administering this Act; the aggregate of all fees collected by the Commissioner on and after the effective date of this Act shall be paid promptly after receipt of the same, accompanied by a detailed statement thereof, into the Residential Finance Regulatory Fund under Section 4-1.5 of this Act; the amounts deposited into that Fund shall be used for the ordinary and contingent expenses of the Office of Banks and Real Estate. Nothing in this Act shall prevent continuing the practice of paying expenses involving salaries, retirement, social security, and State-paid insurance of State officers by

appropriation from the General Revenue Fund.

(m) to appoint examiners, supervisors, experts, and special assistants as needed to effectively and efficiently administer this Act;

(n) to conduct hearings for the purpose of:

(1) appeals of orders of the Commissioner;

(2) suspensions or revocations of licenses, or fining of licensees;

(3) investigating:

(i) complaints against licensees; or

(ii) annual gross delinquency rates; and

(4) carrying out the purposes of this Act;

(o) to exercise exclusive visitorial power over a licensee unless otherwise authorized by this Act or as vested in the courts, or upon prior consultation with the Commissioner, a foreign residential mortgage regulator with an appropriate supervisory interest in the parent or affiliate of a licensee;

(p) to enter into cooperative agreements with state regulatory authorities of other states to provide for examination of corporate offices or branches of those states and to accept reports of such examinations;

(q) to assign an examiner or examiners to monitor the affairs of a licensee with whatever frequency the Commissioner determines appropriate and to charge the licensee for reasonable and necessary expenses of the

Commissioner, if in the opinion of the Commissioner an emergency exists or appears likely to occur;

(r) to impose civil penalties of up to \$50 per day against a licensee for failing to respond to a regulatory request or reporting requirement; and

(s) to enter into agreements in connection with the Nationwide Mortgage Licensing System and Registry.

(Source: P.A. 98-1081, eff. 1-1-15.)

(205 ILCS 635/4-8) (from Ch. 17, par. 2324-8)

Sec. 4-8. Delinquency; examination.

(a) The Commissioner shall obtain from the U.S. Department of Housing and Urban Development that Department's loan delinquency data.

(b) The Commissioner shall conduct as part of an examination of each licensee a review of the licensee's loan delinquency data.

This subsection shall not be construed as a limitation of the Commissioner's examination authority under Section 4-2 of this Act or as otherwise provided in this Act. The Commissioner may require a licensee to provide loan delinquency data as the Commissioner deems necessary for the proper enforcement of the Act.

(c) The purpose of the examination under subsection (b) shall be to determine whether the loan delinquency data of the licensee has resulted from practices which deviate from sound

and accepted mortgage underwriting practices, including but not limited to credit fraud, appraisal fraud and property inspection fraud. For the purpose of conducting this examination, the Commissioner may accept materials prepared for the U.S. Department of Housing and Urban Development. ~~At the conclusion of the examination, the Commissioner shall make his or her findings available to the Residential Mortgage Board.~~

(d) The Commissioner, at his or her discretion, may hold public hearings, ~~or at the direction of the Residential Mortgage Board, shall hold public hearings.~~ Such testimony shall be by a homeowner or mortgagor or his agent, whose residential interest is affected by the activities of the residential mortgage licensee subject to such hearing. At such public hearing, a witness may present testimony on his or her behalf concerning only his or her home, or home mortgage or a witness may authorize a third party to appear on his or her behalf. The testimony shall be restricted to information and comments related to a specific residence or specific residential mortgage application or applications for a residential mortgage or residential loan transaction. The testimony must be preceded by either a letter of complaint or a completed consumer complaint form prescribed by the Commissioner.

(e) The Commissioner shall, at the conclusion of the public hearings, release his or her findings and shall also make

public any action taken with respect to the licensee. The Commissioner shall also give full consideration to the findings of this examination whenever reapplication is made by the licensee for a new license under this Act.

(f) A licensee that is examined pursuant to subsection (b) shall submit to the Commissioner a plan which shall be designed to reduce that licensee's loan delinquencies. The plan shall be implemented by the licensee as approved by the Commissioner. A licensee that is examined pursuant to subsection (b) shall report monthly, for a one year period, one, 2, and 3 month loan delinquencies.

(g) Whenever the Commissioner finds that a licensee's loan delinquencies on insured mortgages is unusually high within a particular geographic area, he or she shall require that licensee to submit such information as is necessary to determine whether that licensee's practices have constituted credit fraud, appraisal fraud or property inspection fraud. The Commissioner shall promulgate such rules as are necessary to determine whether any licensee's loan delinquencies are unusually high within a particular area.

(Source: P.A. 99-15, eff. 1-1-16.)

(205 ILCS 635/1-5 rep.)

Section 20. The Residential Mortgage License Act of 1987 is amended by repealing Section 1-5.

Section 99. Effective date. This Act takes effect upon

Public Act 100-0783

SB0748 Enrolled

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becoming law.