

AN ACT concerning regulation.

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

Section 1. Short title. This Act may be cited as the Reverse Mortgage Act.

Section 5. General definitions. As used in this Act, unless the context otherwise requires:

"Borrower" means a natural person who seeks or obtains a reverse mortgage.

"Business day" means any calendar day except Saturday, Sunday, or a State or federal holiday.

"Homestead property" means the domicile and contiguous real estate owned and occupied by the borrower. "Homestead property" includes a manufactured home as defined in subdivision (53) of Section 9-102 of the Uniform Commercial Code that is real property under Section 5-35 of the Conveyance and Encumbrance of Manufactured Homes as Real Property and Severance Act.

"Lender" means a natural or artificial person who transfers, deals in, offers, or makes a reverse mortgage. "Lender" includes, but is not limited to, creditors and brokers who transfer, deal in, offer, or make reverse mortgages. "Lender" does not include purchasers, assignees, or subsequent

holders of reverse mortgages.

"Real property" includes a manufactured home as defined in subdivision (53) of Section 9-102 of the Uniform Commercial Code that is real property under Section 5-35 of the Conveyance and Encumbrance of Manufactured Homes as Real Property and Severance Act.

"Reverse mortgage" means a non-recourse loan, secured by real property or a homestead property, that complies with all of the following:

- (1) Provides cash advances to a borrower for the purchase of the home or based on the equity in a borrower's owner-occupied principal residence, provided that it is a residence with not more than 4 units.

- (2) Requires no payment of principal or interest until the entire loan becomes due and payable.

#### Section 10. Reverse mortgages.

(a) Reverse mortgage loans shall be subject to all of the following provisions:

- (1) Payment, in whole or in part, shall be permitted without penalty at any time during the term of the mortgage.

- (2) A reverse mortgage may provide for an interest rate that is fixed or adjustable and may provide for interest that is contingent on appreciation in the value of the property.

(3) If a reverse mortgage provides for periodic advances to a borrower, the advances may not be reduced in amount or number based on any adjustment in the interest rate.

(4) A reverse mortgage may be subject to any additional terms and conditions imposed by a lender that are required under the provisions of the federal Housing and Community Development Act of 1987 to enable the lender to obtain federal government insurance on the mortgage if a loan is to be insured under that Act.

(b) The repayment obligation under a reverse mortgage is subject to all of the following:

(1) Temporary absences from the home not exceeding 60 consecutive days shall not cause the mortgage to become due and payable.

(2) Temporary absences from the home exceeding 60 days, but not exceeding one year, shall not cause the mortgage to become due and payable, provided that the borrower has taken action that secures the home in a manner satisfactory to the lender.

(c) A reverse mortgage shall become due and payable upon the occurrence of any of the following events, unless the maturity date has been deferred under the Federal Housing Administration's Home Equity Conversion Mortgage Program:

(1) The property securing the loan is sold.

(2) All borrowers cease to occupy the home as a

principal residence.

(3) A fixed maturity date agreed to by the lender and the borrower is reached.

(4) Default by the borrower in the performance of its obligations under the loan agreement.

(5) The death of the borrower or, for homestead properties in joint tenancy, the death of the last surviving joint tenant who had an interest in the property at the time the loan was initiated.

Section 15. Reverse mortgage disclosures.

(a) The Office of the Attorney General shall develop the content and format of an educational document providing independent consumer information regarding reverse mortgages, potential alternatives to reverse mortgages, and the availability of independent counseling services, including services provided by nonprofit agencies certified by the federal government to provide required counseling for reverse mortgages insured by the U.S. Federal Government. The document shall also include a statement that the terms of a reverse mortgage may adversely affect the applicant's eligibility to obtain a tax deferral under the Senior Citizens Real Estate Tax Deferral Act. The document shall be updated and revised as often as deemed necessary by the Office of the Attorney General.

(b) Lenders are required to provide each borrower a

document regarding the availability of counseling services that shall be in at least 12-point font, containing contact information (including agency name, address, telephone number, and, if applicable, website) for agencies approved by the U.S. Department of Housing and Urban Development (HUD) to conduct reverse mortgage counseling. The agencies included on the list shall be in accordance with requirements for the Federal Housing Administration's Home Equity Conversion Mortgage Program. This document shall contain the following statement:

"IMPORTANT NOTICE: Under Illinois law, reverse mortgages are non-recourse loans secured by real or homestead property. Reverse mortgages insured by the U.S. Federal Government, known as Home Equity Conversion Mortgages or HECM loans, require people considering reverse mortgages to get counseling prior to submitting a completed application for the loan from an agency approved by the U.S. Department of Housing and Urban Development (HUD) to conduct reverse mortgage counseling.

The purpose of the counseling is to help the prospective borrower understand the financial implications, alternatives to securing a reverse mortgage, borrower obligations, costs of obtaining the loan, repayment conditions, and other issues. Counseling can also be a benefit to people considering reverse mortgages not insured by the federal government. There are advantages to receiving this counseling in person, as this method allows for greater participation by the prospective borrower, and also allows the counselor to more accurately

determine the prospective borrower's understanding of the program. However, counseling can also be conducted over the telephone.

In accordance with federal requirements, Illinois State law requires reverse mortgage lenders to provide potential reverse mortgage borrowers with a list, including contact information, of agencies that are approved by HUD to conduct reverse mortgage counseling. Contact information for additional approved counseling agencies is available from HUD or your lender."

(c) At the time of the initial inquiry regarding a reverse mortgage or, if not practically feasible, after the borrower makes a request to apply for a reverse mortgage, a lender shall provide to the borrower the documents described in subsections (a) and (b) of this Section.

#### Section 20. Reverse mortgages cooling-off period.

(a) Any written commitment provided by the lender to the borrower must contain the material terms and conditions of the reverse mortgage. That commitment may be subject to a satisfactory appraisal and the borrower meeting standard closing conditions.

(b) A borrower shall not be bound for 3 full business days after the borrower's acceptance, in writing, of a lender's written commitment to make a reverse mortgage loan and may not be required to close or proceed with the loan during that time

period. A borrower may not waive the provisions of this subsection (b).

(c) At the time of making a written commitment, the lender shall provide the borrower a separate document in at least 12-point font that contains the following statement: "IMPORTANT NOTICE REGARDING THE COOLING-OFF PERIOD: Illinois State law requires a 3-day cooling-off period for reverse mortgage loans, during which time a potential borrower cannot be required to close or proceed with the loan. The purpose of this requirement is to provide potential borrowers with 3 business days to consider their decision whether to secure a reverse mortgage or not. Potential borrowers may want to seek additional information from a reverse mortgage counselor during this 3-day period. The 3-day cooling-off period cannot be waived.".

Section 25. Reverse mortgages; restriction on cross-selling. No lender may:

(1) require the purchase of an annuity, investment, life insurance, or long-term care insurance product as a condition of obtaining a reverse mortgage loan; however, nothing in this paragraph shall preclude a lender from requiring the borrower to purchase property and casualty insurance, title insurance, flood insurance, or other products meant to insure or protect the value of the home or the lender's lien and that are customary for residential

mortgage or reverse mortgage transactions on the borrower's residence securing the reverse mortgage loan;

(2) enter into any agreement to make a reverse mortgage loan that obligates the borrower to purchase an annuity, investment, life insurance, or long-term care insurance product;

(3) offer an annuity to the borrower before the closing of the reverse mortgage or before the expiration of the right of the borrower to rescind the reverse mortgage agreement;

(4) refer the borrower to anyone for the purchase of an annuity before the closing of the reverse mortgage or before the expiration of the right of the borrower to rescind the reverse mortgage agreement; or

(5) provide marketing information or annuity sales leads to anyone regarding the prospective borrower or borrower before the closing of the reverse mortgage or before the expiration of the right of the borrower to rescind the reverse mortgage loan.

Section 30. Reverse mortgages; restriction on distribution of loan proceeds. No person, other than a borrower's spouse or partner, who directly or indirectly facilitates, processes, negotiates, assists, encourages, arranges, or otherwise induces consumers to take out a reverse mortgage with a lender may receive any portion of the loan proceeds for any service or

product, including for services that fall under the Home Repair and Remodeling Act, other than that for bona fide fees for origination of the loan. This Section shall not prohibit disbursements of loan proceeds in compliance with guidelines, including uses defined as mandatory obligations, under the Federal Housing Administration's Home Equity Conversion Mortgage Program, nor shall it prohibit a borrower from using the loan proceeds to purchase products or services from a lender that is a financial institution in the ordinary course of the financial institution's business.

Section 35. Reverse mortgages; certification requirements.

(a) No reverse mortgage commitment may be made unless all lenders involved in brokering and making the reverse mortgage loan certify, in writing, that:

(1) the borrower has received from the lender the educational document prepared by the Office of the Attorney General required in subsection (a) of Section 15 and the document required in subsection (b) of Section 15 regarding the availability of counseling services on reverse mortgages;

(2) the borrower has received from the lender, at the time a written commitment was made to the applicant to provide a reverse mortgage loan, the disclosure document required in Section 20 regarding the 3-day cooling-off period and that at least 3 business days have passed since

the document was provided; the certification shall also include the date the cooling-off period disclosure was provided;

(3) the reverse mortgage loan does not include any current or future requirement for the applicant to purchase an annuity, investment, life insurance, or long-term care insurance product; however, nothing in this paragraph (3) shall preclude a lender from requiring the borrower to purchase property and casualty insurance, title insurance, flood insurance, or other such products meant to insure or protect the value of the home or the lender's lien and that are customary for residential mortgage or reverse mortgage transactions;

(4) no offer of an annuity was made to the borrower before the closing of the reverse mortgage or will be before the expiration of the right of the borrower to rescind the reverse mortgage loan;

(5) the borrower was not referred to anyone for the purchase of an annuity before the closing of the reverse mortgage or will be before the expiration of the right of the borrower to rescind the reverse mortgage loan;

(6) the borrower was not provided marketing information or annuity sales leads to anyone regarding the prospective borrower or borrower before the closing of the reverse mortgage or will be before the expiration of the right of the borrower to rescind the reverse mortgage loan;

and

(7) to their knowledge, no person, other than a borrower's spouse or partner, who directly or indirectly facilitates, processes, negotiates, assists, encourages, arranges, or otherwise induces consumers to take out a reverse mortgage with a lender has received or will receive any portion of the loan proceeds for any service or product, including for services that fall under the Home Repair and Remodeling Act, other than that for bona fide fees for origination of the loan.

This Section shall not prohibit disbursements of loan proceeds in compliance with guidelines under the Federal Housing Administration's Home Equity Conversion Mortgage Program, including uses defined as mandatory obligations, nor shall it prohibit a borrower from using the loan proceeds to purchase products or services from a lender that is a financial institution in the ordinary course of the financial institution's business.

(b) The lender shall maintain the certification in an accurate, reproducible, and accessible format for the term of the reverse mortgage.

#### Section 40. Enforcement.

(a) Any violation of this Act shall also be considered an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. Only the Attorney General may enforce

violations of this Act. The Attorney General shall only find a violation of this Act if the conduct constitutes a pattern or practice.

(b) Any violation of this Act by a licensee or residential mortgage licensee under the Residential Mortgage License Act of 1987 shall also be considered a violation of the Residential Mortgage License Act of 1987.

Section 900. The Illinois Act on the Aging is amended by changing Section 4.01 as follows:

(20 ILCS 105/4.01) (from Ch. 23, par. 6104.01)

Sec. 4.01. Additional powers and duties of the Department. In addition to powers and duties otherwise provided by law, the Department shall have the following powers and duties:

(1) To evaluate all programs, services, and facilities for the aged and for minority senior citizens within the State and determine the extent to which present public or private programs, services and facilities meet the needs of the aged.

(2) To coordinate and evaluate all programs, services, and facilities for the Aging and for minority senior citizens presently furnished by State agencies and make appropriate recommendations regarding such services, programs and facilities to the Governor and/or the General Assembly.

(2-a) To request, receive, and share information electronically through the use of data-sharing agreements for

the purpose of (i) establishing and verifying the initial and continuing eligibility of older adults to participate in programs administered by the Department; (ii) maximizing federal financial participation in State assistance expenditures; and (iii) investigating allegations of fraud or other abuse of publicly funded benefits. Notwithstanding any other law to the contrary, but only for the limited purposes identified in the preceding sentence, this paragraph (2-a) expressly authorizes the exchanges of income, identification, and other pertinent eligibility information by and among the Department and the Social Security Administration, the Department of Employment Security, the Department of Healthcare and Family Services, the Department of Human Services, the Department of Revenue, the Secretary of State, the U.S. Department of Veterans Affairs, and any other governmental entity. The confidentiality of information otherwise shall be maintained as required by law. In addition, the Department on Aging shall verify employment information at the request of a community care provider for the purpose of ensuring program integrity under the Community Care Program.

(3) To function as the sole State agency to develop a comprehensive plan to meet the needs of the State's senior citizens and the State's minority senior citizens.

(4) To receive and disburse State and federal funds made available directly to the Department including those funds made available under the Older Americans Act and the Senior

Community Service Employment Program for providing services for senior citizens and minority senior citizens or for purposes related thereto, and shall develop and administer any State Plan for the Aging required by federal law.

(5) To solicit, accept, hold, and administer in behalf of the State any grants or legacies of money, securities, or property to the State of Illinois for services to senior citizens and minority senior citizens or purposes related thereto.

(6) To provide consultation and assistance to communities, area agencies on aging, and groups developing local services for senior citizens and minority senior citizens.

(7) To promote community education regarding the problems of senior citizens and minority senior citizens through institutes, publications, radio, television and the local press.

(8) To cooperate with agencies of the federal government in studies and conferences designed to examine the needs of senior citizens and minority senior citizens and to prepare programs and facilities to meet those needs.

(9) To establish and maintain information and referral sources throughout the State when not provided by other agencies.

(10) To provide the staff support that may reasonably be required by the Council.

(11) To make and enforce rules and regulations necessary

and proper to the performance of its duties.

(12) To establish and fund programs or projects or experimental facilities that are specially designed as alternatives to institutional care.

(13) To develop a training program to train the counselors presently employed by the Department's aging network to provide Medicare beneficiaries with counseling and advocacy in Medicare, private health insurance, and related health care coverage plans. The Department shall report to the General Assembly on the implementation of the training program on or before December 1, 1986.

(14) To make a grant to an institution of higher learning to study the feasibility of establishing and implementing an affirmative action employment plan for the recruitment, hiring, training and retraining of persons 60 or more years old for jobs for which their employment would not be precluded by law.

(15) To present one award annually in each of the categories of community service, education, the performance and graphic arts, and the labor force to outstanding Illinois senior citizens and minority senior citizens in recognition of their individual contributions to either community service, education, the performance and graphic arts, or the labor force. The awards shall be presented to 4 senior citizens and minority senior citizens selected from a list of 44 nominees compiled annually by the Department. Nominations shall be

solicited from senior citizens' service providers, area agencies on aging, senior citizens' centers, and senior citizens' organizations. The Department shall establish a central location within the State to be designated as the Senior Illinoisans Hall of Fame for the public display of all the annual awards, or replicas thereof.

(16) To establish multipurpose senior centers through area agencies on aging and to fund those new and existing multipurpose senior centers through area agencies on aging, the establishment and funding to begin in such areas of the State as the Department shall designate by rule and as specifically appropriated funds become available.

(17) (Blank). ~~To develop the content and format of the acknowledgment regarding non-recourse reverse mortgage loans under Section 6.1 of the Illinois Banking Act; to provide independent consumer information on reverse mortgages and alternatives; and to refer consumers to independent counseling services with expertise in reverse mortgages.~~

(18) To develop a pamphlet in English and Spanish which may be used by physicians licensed to practice medicine in all of its branches pursuant to the Medical Practice Act of 1987, pharmacists licensed pursuant to the Pharmacy Practice Act, and Illinois residents 65 years of age or older for the purpose of assisting physicians, pharmacists, and patients in monitoring prescriptions provided by various physicians and to aid persons 65 years of age or older in complying with directions for

proper use of pharmaceutical prescriptions. The pamphlet may provide space for recording information including but not limited to the following:

- (a) name and telephone number of the patient;
- (b) name and telephone number of the prescribing physician;
- (c) date of prescription;
- (d) name of drug prescribed;
- (e) directions for patient compliance; and
- (f) name and telephone number of dispensing pharmacy.

In developing the pamphlet, the Department shall consult with the Illinois State Medical Society, the Center for Minority Health Services, the Illinois Pharmacists Association and senior citizens organizations. The Department shall distribute the pamphlets to physicians, pharmacists and persons 65 years of age or older or various senior citizen organizations throughout the State.

(19) To conduct a study of the feasibility of implementing the Senior Companion Program throughout the State.

(20) The reimbursement rates paid through the community care program for chore housekeeping services and home care aides shall be the same.

(21) From funds appropriated to the Department from the Meals on Wheels Fund, a special fund in the State treasury that is hereby created, and in accordance with State and federal guidelines and the intrastate funding formula, to make grants

to area agencies on aging, designated by the Department, for the sole purpose of delivering meals to homebound persons 60 years of age and older.

(22) To distribute, through its area agencies on aging, information alerting seniors on safety issues regarding emergency weather conditions, including extreme heat and cold, flooding, tornadoes, electrical storms, and other severe storm weather. The information shall include all necessary instructions for safety and all emergency telephone numbers of organizations that will provide additional information and assistance.

(23) To develop guidelines for the organization and implementation of Volunteer Services Credit Programs to be administered by Area Agencies on Aging or community based senior service organizations. The Department shall hold public hearings on the proposed guidelines for public comment, suggestion, and determination of public interest. The guidelines shall be based on the findings of other states and of community organizations in Illinois that are currently operating volunteer services credit programs or demonstration volunteer services credit programs. The Department shall offer guidelines for all aspects of the programs including, but not limited to, the following:

(a) types of services to be offered by volunteers;

(b) types of services to be received upon the redemption of service credits;

(c) issues of liability for the volunteers and the administering organizations;

(d) methods of tracking service credits earned and service credits redeemed;

(e) issues of time limits for redemption of service credits;

(f) methods of recruitment of volunteers;

(g) utilization of community volunteers, community service groups, and other resources for delivering services to be received by service credit program clients;

(h) accountability and assurance that services will be available to individuals who have earned service credits; and

(i) volunteer screening and qualifications.

The Department shall submit a written copy of the guidelines to the General Assembly by July 1, 1998.

(24) To function as the sole State agency to receive and disburse State and federal funds for providing adult protective services in a domestic living situation in accordance with the Adult Protective Services Act.

(25) To hold conferences, trainings, and other programs for which the Department shall determine by rule a reasonable fee to cover related administrative costs. Rules to implement the fee authority granted by this paragraph (25) must be adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint

Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 98-8, eff. 5-3-13; 98-49, eff. 7-1-13; 98-380, eff. 8-16-13; 98-756, eff. 7-16-14.)

(205 ILCS 5/5a rep.)

(205 ILCS 5/6.1 rep.)

(205 ILCS 5/6.2 rep.)

Section 905. The Illinois Banking Act is amended by repealing Sections 5a, 6.1, and 6.2.

(205 ILCS 205/1010 rep.)

Section 910. The Savings Bank Act is amended by repealing Section 1010.

Section 915. The Illinois Credit Union Act is amended by changing Section 46 as follows:

(205 ILCS 305/46) (from Ch. 17, par. 4447)

Sec. 46. Loans and interest rate.

(1) A credit union may make loans to its members for such purpose and upon such security and terms, including rates of interest, as the credit committee, credit manager, or loan officer approves. Notwithstanding the provisions of any other law in connection with extensions of credit, a credit union may elect to contract for and receive interest and fees and other

charges for extensions of credit subject only to the provisions of this Act and rules promulgated under this Act, except that extensions of credit secured by residential real estate shall be subject to the laws applicable thereto. The rates of interest to be charged on loans to members shall be set by the board of directors of each individual credit union in accordance with Section 30 of this Act and such rates may be less than, but may not exceed, the maximum rate set forth in this Section. A borrower may repay his loan prior to maturity, in whole or in part, without penalty. The credit contract may provide for the payment by the member and receipt by the credit union of all costs and disbursements, including reasonable attorney's fees and collection agency charges, incurred by the credit union to collect or enforce the debt in the event of a delinquency by the member, or in the event of a breach of any obligation of the member under the credit contract. A contingency or hourly arrangement established under an agreement entered into by a credit union with an attorney or collection agency to collect a loan of a member in default shall be presumed prima facie reasonable.

(2) Credit unions may make loans based upon the security of any interest or equity in real estate, subject to rules and regulations promulgated by the Secretary. In any contract or loan which is secured by a mortgage, deed of trust, or conveyance in the nature of a mortgage, on residential real estate, the interest which is computed, calculated, charged, or

collected pursuant to such contract or loan, or pursuant to any regulation or rule promulgated pursuant to this Act, may not be computed, calculated, charged or collected for any period of time occurring after the date on which the total indebtedness, with the exception of late payment penalties, is paid in full.

For purposes of this subsection (2) of this Section 46, a prepayment shall mean the payment of the total indebtedness, with the exception of late payment penalties if incurred or charged, on any date before the date specified in the contract or loan agreement on which the total indebtedness shall be paid in full, or before the date on which all payments, if timely made, shall have been made. In the event of a prepayment of the indebtedness which is made on a date after the date on which interest on the indebtedness was last computed, calculated, charged, or collected but before the next date on which interest on the indebtedness was to be calculated, computed, charged, or collected, the lender may calculate, charge and collect interest on the indebtedness for the period which elapsed between the date on which the prepayment is made and the date on which interest on the indebtedness was last computed, calculated, charged or collected at a rate equal to  $\frac{1}{360}$  of the annual rate for each day which so elapsed, which rate shall be applied to the indebtedness outstanding as of the date of prepayment. The lender shall refund to the borrower any interest charged or collected which exceeds that which the lender may charge or collect pursuant to the preceding

sentence. The provisions of this amendatory Act of 1985 shall apply only to contracts or loans entered into on or after the effective date of this amendatory Act.

(3) (Blank). ~~Notwithstanding any other provision of this Act, a credit union authorized under this Act to make loans secured by an interest or equity in real estate may engage in making "reverse mortgage" loans to persons for the purpose of making home improvements or repairs, paying insurance premiums or paying real estate taxes on the homestead properties of such persons. If made, such loans shall be made on such terms and conditions as the credit union shall determine and as shall be consistent with the provisions of this Section and such rules and regulations as the Secretary shall promulgate hereunder. For purposes of this Section, a "reverse mortgage" loan shall be a loan extended on the basis of existing equity in homestead property and secured by a mortgage on such property. Such loans shall be repaid upon the sale of the property or upon the death of the owner or, if the property is in joint tenancy, upon the death of the last surviving joint tenant who had such an interest in the property at the time the loan was initiated, provided, however, that the credit union and its member may by mutual agreement, establish other repayment terms. A credit union, in making a "reverse mortgage" loan, may add deferred interest to principal or otherwise provide for the charging of interest or premiums on such deferred interest. "Homestead" property, for purposes of this Section, means the domicile and~~

~~contiguous real estate owned and occupied by the mortgagor.~~

(4) Notwithstanding any other provisions of this Act, a credit union authorized under this Act to make loans secured by an interest or equity in real property may engage in making revolving credit loans secured by mortgages or deeds of trust on such real property or by security assignments of beneficial interests in land trusts.

For purposes of this Section, "revolving credit" has the meaning defined in Section 4.1 of the Interest Act.

Any mortgage or deed of trust given to secure a revolving credit loan may, and when so expressed therein shall, secure not only the existing indebtedness but also such future advances, whether such advances are obligatory or to be made at the option of the lender, or otherwise, as are made within twenty years from the date thereof, to the same extent as if such future advances were made on the date of the execution of such mortgage or deed of trust, although there may be no advance made at the time of execution of such mortgage or other instrument, and although there may be no indebtedness outstanding at the time any advance is made. The lien of such mortgage or deed of trust, as to third persons without actual notice thereof, shall be valid as to all such indebtedness and future advances from the time said mortgage or deed of trust is filed for record in the office of the recorder of deeds or the registrar of titles of the county where the real property described therein is located. The total amount of indebtedness

that may be so secured may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed a maximum principal amount which must be specified in such mortgage or deed of trust, plus interest thereon, and any disbursements made for the payment of taxes, special assessments, or insurance on said real property, with interest on such disbursements.

Any such mortgage or deed of trust shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, except taxes and assessments levied on said real property.

(4-5) For purposes of this Section, "real estate" and "real property" 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.

(5) Compliance with federal or Illinois preemptive laws or regulations governing loans made by a credit union chartered under this Act shall constitute compliance with this Act.

(6) Credit unions may make residential real estate mortgage loans on terms and conditions established by the United States Department of Agriculture through its Rural Development Housing and Community Facilities Program. The portion of any loan in excess of the appraised value of the real estate shall be allocable only to the guarantee fee required under the

program.

(7) For a renewal, refinancing, or restructuring of an existing loan that is secured by an interest or equity in real estate, a new appraisal of the collateral shall not be required when the transaction involves an existing extension of credit at the credit union, no new moneys are advanced other than funds necessary to cover reasonable closing costs, and there has been no obvious or material change in market conditions or physical aspects of the real estate that threatens the adequacy of the credit union's real estate collateral protection after the transaction.

(Source: P.A. 97-133, eff. 1-1-12; 98-749, eff. 7-16-14; 98-784, eff. 7-24-14; revised 10-2-14.)

(205 ILCS 305/46.1 rep.)

(205 ILCS 305/46.2 rep.)

Section 920. The Illinois Credit Union Act is amended by repealing Sections 46.1 and 46.2.

Section 925. The Residential Mortgage License Act of 1987 is amended by adding Section 5-5A as follows:

(205 ILCS 635/5-5A new)

Sec. 5-5A. Violations of the Reverse Mortgage Act. Any violation of the Reverse Mortgage Act by a residential mortgage licensee shall be considered a violation of this Act.

(205 ILCS 635/5-5 rep.)

Section 930. The Residential Mortgage License Act of 1987 is amended by repealing Section 5-5.

Section 935. The Consumer Fraud and Deceptive Business Practices Act is amended by changing Section 2Z as follows:

(815 ILCS 505/2Z) (from Ch. 121 1/2, par. 262Z)

Sec. 2Z. Violations of other Acts. Any person who knowingly violates the Automotive Repair Act, the Automotive Collision Repair Act, the Home Repair and Remodeling Act, the Dance Studio Act, the Physical Fitness Services Act, the Hearing Instrument Consumer Protection Act, the Illinois Union Label Act, the Job Referral and Job Listing Services Consumer Protection Act, the Travel Promotion Consumer Protection Act, the Credit Services Organizations Act, the Automatic Telephone Dialers Act, the Pay-Per-Call Services Consumer Protection Act, the Telephone Solicitations Act, the Illinois Funeral or Burial Funds Act, the Cemetery Oversight Act, the Cemetery Care Act, the Safe and Hygienic Bed Act, the Pre-Need Cemetery Sales Act, the High Risk Home Loan Act, the Payday Loan Reform Act, the Mortgage Rescue Fraud Act, subsection (a) or (b) of Section 3-10 of the Cigarette Tax Act, subsection (a) or (b) of Section 3-10 of the Cigarette Use Tax Act, the Electronic Mail Act, the Internet Caller Identification Act, paragraph (6) of

subsection (k) of Section 6-305 of the Illinois Vehicle Code, Section 11-1431, 18d-115, 18d-120, 18d-125, 18d-135, 18d-150, or 18d-153 of the Illinois Vehicle Code, Article 3 of the Residential Real Property Disclosure Act, the Automatic Contract Renewal Act, the Reverse Mortgage Act, or the Personal Information Protection Act commits an unlawful practice within the meaning of this Act.

(Source: P.A. 96-863, eff. 1-19-10; 96-1369, eff. 1-1-11; 96-1376, eff. 7-29-10; 97-333, eff. 8-12-11.)