**Section 1050.1277 Negative Amortization**

Other than a loan secured only by a reverse mortgage, no lender shall make a high risk home loan with terms under which the outstanding balance will increase at any time over the course of the loan because the regular periodic payments do not cover the full amount of the interest due, unless the negative amortization is the consequence of a temporary forbearance sought by the borrower.

(Source: Amended at 29 Ill. Reg. 14808, effective September 26, 2005)