**Section 1055.450 Examination Frequency**

a) Subject to the provisions of this Section, the Secretary may conduct examinations under the ILCRA or this Part in coordination with authorities from other states with the authority to regulate institutions and individuals engaged in the offering and provision of home mortgage loans ("other state regulators").

b) For covered mortgage licensees that made more than 100 home mortgage loans in the State in the last calendar year; the Secretary shall conduct examinations under the ILCRA with the following frequency:

1) For a covered mortgage licensee that is assigned an "outstanding" or "satisfactory" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within three years of the issuance of the report of examination of its most recent prior examination under the ILCRA.

2) For a covered mortgage licensee that is assigned a "needs to improve" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within two years of the issuance of the report of examination of its most recent prior examination under the ILCRA.

3) For a covered mortgage licensee that is assigned a "substantial noncompliance" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within one year of the issuance of the report of examination of its most recent prior examination under the ILCRA.

c) For covered mortgage licensees that made less than 100 home mortgage loans in the State in the last calendar year, the Secretary shall conduct examinations under the ILCRA with the following frequency:

1) For a covered mortgage licensee that is assigned an "outstanding" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within five years of the issuance of the report of examination of its most recent prior examination under the ILCRA.

2) For a covered mortgage licensee that is assigned a "satisfactory" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within four years of the issuance of the report of examination of its most recent prior examination under the ILCRA.

3) For a covered mortgage licensee that is assigned a "needs to improve" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within two years of the issuance of the report of examination of its most recent prior examination under the ILCRA.

4) For a covered mortgage licensee that is assigned "substantial noncompliance" rating in its most recent prior examination under the ILCRA, the next examination shall be initiated within one year of the issuance of the report of examination of its most recent prior examination under the ILCRA.

d) Notwithstanding the provisions of this Section, the Secretary may:

1) conduct an examination at any time upon finding:

A) an other state regulator has rated the covered mortgage licensee, as of its most recent examination, in "substantial noncompliance" or equivalent rating with that state's Community Reinvestment Act;

B) substantial evidence of discriminatory or other illegal credit practices; or

C) the Secretary otherwise finds sufficient cause.

2) notwithstanding subsections (b)(1) and (c)(1), extend by one year the time between examination of any covered mortgage licensee or covered mortgage licensees with an "outstanding" or "satisfactory" rating if the Secretary finds that an extension is necessitated by:

A) the need to examine or investigate a covered mortgage licensee or covered mortgage licensees with a "needs to improve" or "substantial noncompliance" rating; or

B) the need to examine or investigate a covered mortgage licensee or covered mortgage licensees showing substantial evidence of illegal credit practices.

3) examine a covered mortgage licensee at any time as authorized by the ILCRA.

e) For purposes of this Section, covered mortgage licensees will report the number of home loans as reported on the Mortgage Call Report for the last calendar year.