**Section 202.20 Definitions**

Authorized real estate security means a promissory note, bond or other evidence of indebtedness which, at the time of origination, does not, when added to any prior secured indebtedness relating to the real estate, exceed 100% of the fair market value of said real estate, and which is secured by mortgage, deed of trust, or other instrument constituting a lien or charge, provided such indebtedness represents a type of loan authorized to be made by a bank, savings and loan association, insurance company and, in the case of residential loans only, mortgage bankers regulated and supervised by a department of the State of Illinois or by an agency of the federal government of the United States of America.

Director means the Director of Insurance of the State of Illinois or anyone to whom the Director's responsibilities and authority are lawfully delegated.

Fair market value means the lesser of sales price or appraised value.

Mortgage guaranty insurance means insurance against financial loss by reason of the nonpayment of principal, interest and other sums agreed to be paid under the terms of:

A promissory note, bond or other evidence of indebtedness secured by a mortgage, deed of trust or other instrument constituting a lien or charge on improved one to four family residential or commercial real estate, including, without limitation, condominiums and owner-occupied mobile homes;

A promissory note, bond or other evidence of indebtedness secured by a mortgage, deed of trust, pledge or other instrument constituting a lien or charge on shares of stock evidencing ownership of a residential cooperative housing unit; or

A written lease for the possession, use or occupancy of improved residential or commercial real estate.

Mortgage pool insurance means mortgage guaranty insurance written on a group of loans insuring each one individually but which limits liability to an agreed percentage of all loans in the group.

Reserves shall have the following meanings:

Reserves for policyholders means surplus as regards policyholders and contingency reserves as reported in the last filed annual financial statement;

Reserve for general expenses required by Section 202.50(a) of this Part;

Reserve for losses outstanding required by Section 202.50(b) of this Part;

Reserve for unearned premiums required by Section 202.50(c) of this Part.

(Source: Amended at 24 Ill. Reg. 14738, effective September 25, 2000)