



Rep. Michael K. Smith

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09300HB5197ham001

LRB093 15959 RXD 48833 a

1 AMENDMENT TO HOUSE BILL 5197

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 5197 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Residential Mortgage License Act of 1987 is  
5 amended by changing Section 5-5 as follows:

6 (205 ILCS 635/5-5)

7 Sec. 5-5. Reverse mortgages ~~mortgage~~; disclosure; good  
8 faith dealings, fraudulent or deceptive practices.

9 (a) At the time a reverse mortgage loan is made or  
10 brokered, a licensee must provide to the mortgagor a separate  
11 document that informs the mortgagor that by obtaining the  
12 reverse mortgage the mortgagor's eligibility to obtain a tax  
13 deferral under the Senior Citizens Real Estate Tax Deferral Act  
14 may be adversely affected. The mortgagor must sign the  
15 disclosure document as part of the reverse mortgage  
16 transaction.

17 (b) A licensee must act in good faith in all relations with  
18 a borrower, including but not limited to, transferring, dealing  
19 in, offering, or making a reverse mortgage loan. No licensee  
20 shall employ fraudulent or deceptive acts or practices in the  
21 making of a reverse mortgage loan, including deceptive  
22 marketing and sales efforts.

23 (Source: P.A. 92-577, eff. 6-26-02.)

1           Section 99. Effective date. This Act takes effect upon  
2    becoming law.".