

1 AN ACT concerning reverse mortgage loans.

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

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.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.