



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB5056

Introduced 1/24/2006, by Rep. Michael J. Madigan - Barbara Flynn Currie - Angelo Saviano

SYNOPSIS AS INTRODUCED:

205 ILCS 635/1-3

from Ch. 17, par. 2321-3

Amends the Residential Mortgage License Act of 1987. Makes a technical change in a Section concerning the necessity of obtaining a license.

LRB094 14495 RCE 49432 b

1 AN ACT concerning regulation.

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 1-3 as follows:

6 (205 ILCS 635/1-3) (from Ch. 17, par. 2321-3)

7 Sec. 1-3. Necessity for License; Scope of Act.

8 (a) No person, partnership, association, corporation or
9 other entity shall engage in the ~~the~~ business of brokering,
10 funding, originating, servicing or purchasing of residential
11 mortgage loans without first obtaining a license from the
12 Commissioner in accordance with the licensing procedure
13 provided in this Article I and such regulations as may be
14 promulgated by the Commissioner. The licensing provisions of
15 this Section shall not apply to any entity engaged solely in
16 commercial mortgage lending or to any person, partnership
17 association, corporation or other entity exempted pursuant to
18 Section 1-4, subsection (d), of this Act or in accordance with
19 regulations promulgated by the Commissioner hereunder.

20 (b) No person, partnership, association, corporation, or
21 other entity except a licensee under this Act or an entity
22 exempt from licensing pursuant to Section 1-4, subsection (d),
23 of this Act shall do any business under any name or title, or
24 circulate or use any advertising or make any representation or
25 give any information to any person, which indicates or
26 reasonably implies activity within the scope of this Act.

27 (c) The Commissioner may, through the Attorney General,
28 request the circuit court of either Cook or Sangamon County to
29 issue an injunction to restrain any person from violating or
30 continuing to violate any of the foregoing provisions of this
31 Section.

32 (d) When the Commissioner has reasonable cause to believe

1 that any entity which has not submitted an application for
2 licensure is conducting any of the activities described in
3 subsection (a) hereof, the Commissioner shall have the power to
4 examine all books and records of the entity and any additional
5 documentation necessary in order to determine whether such
6 entity should become licensed under this Act.

7 (d-1) The Commissioner may issue orders against any person
8 if the Commissioner has reasonable cause to believe that an
9 unsafe, unsound, or unlawful practice has occurred, is
10 occurring, or is about to occur, if any person has violated, is
11 violating, or is about to violate any law, rule, or written
12 agreement with the Commissioner, or for the purposes of
13 administering the provisions of this Act and any rule adopted
14 in accordance with this Act.

15 (e) Any person, partnership, association, corporation or
16 other entity who violates any provision of this Section commits
17 a business offense and shall be fined an amount not to exceed
18 \$25,000.

19 (f) Each person, partnership, association, corporation or
20 other entity conducting activities regulated by this Act shall
21 be issued one license. Each office, place of business or
22 location at which a residential mortgage licensee conducts any
23 part of his or her business must be recorded with the
24 Commissioner pursuant to Section 2-8 of this Act.

25 (g) Licensees under this Act shall solicit, broker, fund,
26 originate, service and purchase residential mortgage loans
27 only in conformity with the provisions of this Act and such
28 rules and regulations as may be promulgated by the
29 Commissioner.

30 (h) This Act applies to all entities doing business in
31 Illinois as residential mortgage bankers, as defined by "An Act
32 to provide for the regulation of mortgage bankers", approved
33 September 15, 1977, as amended, regardless of whether licensed
34 under that or any prior Act. Any existing residential mortgage
35 lender or residential mortgage broker in Illinois whether or
36 not previously licensed, must operate in accordance with this

1 Act.

2 (i) This Act is a successor Act to and a continuance of the
3 regulation of residential mortgage bankers provided in, "An Act
4 to provide for the regulation of mortgage bankers", approved
5 September 15, 1977, as amended.

6 Entities and persons subject to the predecessor Act shall
7 be subject to this Act from and after its effective date.

8 (Source: P.A. 93-1018, eff. 1-1-05.)