



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB4011

Introduced 2/26/2009, by Rep. Marlow H. Colvin

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Residential Mortgage License Act of 1987. States the purpose of the State's participation in the Nationwide Mortgage Licensing System and Registry. Contains provisions concerning (1) the application process, (2) the application form, and (3) averments of a licensee. Contains provisions concerning license issuance and renewal, including fees. Specifies the office and staff requirements for licensees. Provides that the Commissioner of Banks and Real Estate may enter into agreements in connection with the Nationwide Mortgage Licensing System and Registry. Prohibits the Commission from specified activities. Contains provisions concerning the suspension and revocation of licenses. Provides that the Director of the Division of Banking of the Department of Financial and Professional Regulation shall have additional investigation and examination authority. Contains provisions concerning the confidentiality of information associated with the Registry. Contains provisions concerning a mortgage loan originator license, its application, and issuance procedures. Contains provisions concerning pre-licensing education and testing of mortgage loan originators. Contains provisions concerning (1) license renewal standards and (2) continuing education of mortgage loan originators. Contains provisions concerning the duties, processes, discipline, bond requirements, and prohibited acts with respect to the Registry and mortgage loan originators. Makes other changes. Contains a severability clause. Effective immediately.

LRB096 05294 MJR 15360 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Sections 1-2, 1-4, 2-2, 2-3, 2-4, 2-6, 3-1,  
6 3-2, 3-4, 4-1, 4-2, 4-5, 4-8.3, 4-9.1, and the heading of  
7 Article VII and by adding Sections 4-7, 4-8.1A, 7-1A, 7-2, 7-3,  
8 7-4, 7-5, 7-6, 7-7, 7-8, 7-9, 7-10, 7-11, 7-12, 7-13, and 7-14  
9 as follows:

10 (205 ILCS 635/1-2) (from Ch. 17, par. 2321-2)

11 Sec. 1-2. Purpose of Act and Policy Statement.

12 (a) The origination, funding, purchasing and brokering of  
13 residential mortgage loans and the type of entities involved in  
14 residential mortgage lending have undergone significant  
15 changes in recent years, due in part to developments in the  
16 general economy, specifically interest rate volatility, the  
17 sophistication of the national secondary market for mortgage  
18 loans and the market for mortgage backed securities. The recent  
19 trend toward deregulation in the financial services industry  
20 has accelerated the evolution of residential mortgage lending,  
21 dramatically increasing the types of mortgage loans offered and  
22 the manner in which they are advertised and marketed to  
23 consumers. Depository institutions, traditionally the major

1 source of residential mortgage financing for individuals, now  
2 compete for capital and customers with mortgage bankers and  
3 other financial service organizations. Residential mortgage  
4 lenders of every type have increasingly relied on nonfinancial  
5 intermediaries, such as mortgage brokers, to find customers.  
6 These developments have raised questions as to whether all  
7 entities engaging in this banking function operate under  
8 appropriate regulatory scrutiny and as to whether all  
9 residential mortgage lenders are conducting their business in  
10 the best interests of Illinois homeowners and potential  
11 homeowners.

12 (b) The activities of lenders and their offering of  
13 financing for residential real property have a direct and  
14 immediate impact upon the housing industry, the neighborhoods  
15 and communities of this State, its homeowners and potential  
16 homeowners. The General Assembly finds that it is essential for  
17 the protection of the citizens of this State and the stability  
18 of the State's economy that reasonable standards governing the  
19 business practices of residential mortgage lenders and their  
20 agents be imposed. The General Assembly further finds that the  
21 obligations of lenders and their agents to consumers in  
22 connection with making, soliciting, processing, placing or  
23 negotiating of residential mortgage loans are such as to  
24 warrant the uniform regulation of the residential mortgage  
25 lending process, including the application, solicitation,  
26 making and servicing of residential mortgage loans. The purpose

1 of this Act is to protect Illinois consumers seeking  
2 residential mortgage loans and to ensure that the residential  
3 mortgage lending industry is operating fairly, honestly and  
4 efficiently, free from deceptive and anti-competitive  
5 practices. The purpose of this Act is to regulate residential  
6 mortgage lending to benefit our citizens by ensuring  
7 availability of residential mortgage funding, to benefit  
8 responsible providers of residential mortgage loans and  
9 services, and to avoid requirements inconsistent with  
10 legitimate and responsible business practices in the  
11 residential mortgage lending industry.

12 (c) The General Assembly finds that the provisions of this  
13 amendatory Act of the 96th General Assembly that set forth the  
14 authority and framework for State participation in a Nationwide  
15 Mortgage Licensing System and Registry are consistent with the  
16 purposes of this Section and for the purpose of complying with  
17 the federal Secure and Fair Enforcement for Mortgage Licensing  
18 Act of 2008.

19 (Source: P.A. 85-735.)

20 (205 ILCS 635/1-4) (from Ch. 17, par. 2321-4)

21 Sec. 1-4. Definitions.

22 (a) "Residential real property" or "residential real  
23 estate" shall mean any real property located in Illinois, upon  
24 which is constructed or intended to be constructed a dwelling  
25 real property located in this State improved by a one to four

1 ~~family dwelling used or occupied, wholly or partly, as the home~~  
2 ~~or residence of one or more persons and may refer, subject to~~  
3 ~~regulations of the Commissioner, to unimproved real property~~  
4 ~~upon which these kinds dwellings are to be constructed.~~

5 (b) "Making a residential mortgage loan" or "funding a  
6 residential mortgage loan" shall mean for compensation or gain,  
7 either directly or indirectly, advancing funds or making a  
8 commitment to advance funds to a loan applicant for a  
9 residential mortgage loan.

10 (c) "Soliciting, processing, placing, or negotiating a  
11 residential mortgage loan" shall mean for compensation or gain,  
12 either directly or indirectly, accepting or offering to accept  
13 an application for a residential mortgage loan, assisting or  
14 offering to assist in the processing of an application for a  
15 residential mortgage loan on behalf of a borrower, or  
16 negotiating or offering to negotiate the terms or conditions of  
17 a residential mortgage loan with a lender on behalf of a  
18 borrower including, but not limited to, the submission of  
19 credit packages for the approval of lenders, the preparation of  
20 residential mortgage loan closing documents, including a  
21 closing in the name of a broker.

22 (d) "Exempt person or entity" shall mean the following:

23 (1) (i) Any banking organization or foreign banking  
24 corporation licensed by the Illinois Commissioner of Banks  
25 and Real Estate or the United States Comptroller of the  
26 Currency to transact business in this State; (ii) any

1 national bank, federally chartered savings and loan  
2 association, federal savings bank, federal credit union;  
3 (iii) any pension trust, bank trust, or bank trust company;  
4 (iv) any bank, savings and loan association, savings bank,  
5 industrial bank, or credit union organized under the laws  
6 of this or any other state; (v) any Illinois Consumer  
7 Installment Loan Act licensee; (vi) any insurance company  
8 authorized to transact business in this State; (vii) any  
9 entity engaged solely in commercial mortgage lending;  
10 (viii) any service corporation or subsidiary of a savings  
11 and loan association or savings bank organized under the  
12 laws of this State or the service corporation or subsidiary  
13 of a federally chartered savings and loan association or  
14 savings bank ~~having its principal place of business in this~~  
15 ~~State,~~ other than a service corporation or subsidiary  
16 licensed or entitled to reciprocity under the Real Estate  
17 License Act of 2000; or (ix) any first tier subsidiary of a  
18 bank, the charter of which is issued under the Illinois  
19 Banking Act by the Division of Banking of the Illinois  
20 Department of Financial and Professional Regulation, or  
21 the charter of which is issued under the banking laws of  
22 any other state ~~Commissioner of Banks and Real Estate,~~ or  
23 the ~~first tier~~ subsidiary of a bank chartered by the United  
24 States Comptroller of the Currency ~~and that has its~~  
25 ~~principal place of business in this State,~~ provided that  
26 ~~the first tier subsidiary is regularly examined by the~~

1 ~~Illinois Commissioner of Banks and Real Estate or the~~  
2 ~~Comptroller of the Currency, or a consumer compliance~~  
3 ~~examination is regularly conducted by the Federal Reserve~~  
4 ~~Board.~~

5 (1.5) Any employee of a person or entity, or any  
6 registered mortgage loan originator when acting for an  
7 entity, mentioned in item (1) of this subsection.

8 (2) (Blank). ~~Any person or entity that does not~~  
9 ~~originate mortgage loans in the ordinary course of business~~  
10 ~~making or acquiring residential mortgage loans with his or~~  
11 ~~her or its own funds for his or her or its own investment~~  
12 ~~without intent to make, acquire, or resell more than 10~~  
13 ~~residential mortgage loans in any one calendar year.~~

14 (3) Any person employed by a licensee to assist in the  
15 performance of the activities regulated by this Act who is  
16 compensated in any manner by only one licensee.

17 (4) (Blank). ~~Any person licensed pursuant to the Real~~  
18 ~~Estate License Act of 2000, who engages only in the taking~~  
19 ~~of applications and credit and appraisal information to~~  
20 ~~forward to a licensee or an exempt entity under this Act~~  
21 ~~and who is compensated by either a licensee or an exempt~~  
22 ~~entity under this Act, but is not compensated by either the~~  
23 ~~buyer (applicant) or the seller.~~

24 (5) Any individual, corporation, partnership, or other  
25 entity that originates, services, or brokers residential  
26 mortgage loans, as these activities are defined in this

1 Act, and who or which receives no compensation for those  
2 activities, subject to the Commissioner's regulations with  
3 regard to the nature and amount of compensation.

4 (6) (Blank). ~~A person who prepares supporting~~  
5 ~~documentation for a residential mortgage loan application~~  
6 ~~taken by a licensee and performs ministerial functions~~  
7 ~~pursuant to specific instructions of the licensee who~~  
8 ~~neither requires nor permits the preparer to exercise his~~  
9 ~~or her discretion or judgment; provided that this activity~~  
10 ~~is engaged in pursuant to a binding, written agreement~~  
11 ~~between the licensee and the preparer that:~~

12 ~~(A) holds the licensee fully accountable for the~~  
13 ~~preparer's action; and~~

14 ~~(B) otherwise meets the requirements of this~~  
15 ~~Section and this Act, does not undermine the purposes~~  
16 ~~of this Act, and is approved by the Commissioner.~~

17 (e) "Licensee" or "residential mortgage licensee" shall  
18 mean a person, partnership, association, corporation, or any  
19 other entity who or which is licensed pursuant to this Act to  
20 engage in the activities regulated by this Act.

21 (f) "Mortgage loan" "residential mortgage loan" or "home  
22 mortgage loan" shall mean any loan primarily for personal,  
23 family, or household use that is secured by a mortgage, deed of  
24 trust, or other equivalent consensual security interest on a  
25 dwelling as defined in Section 103(v) of the federal Truth in  
26 Lending Act, or residential real estate upon which is



1 ~~constructed or intended to be constructed a dwelling a loan to~~  
2 ~~or for the benefit of any natural person made primarily for~~  
3 ~~personal, family, or household use, primarily secured by either~~  
4 ~~a mortgage on residential real property or certificates of~~  
5 ~~stock or other evidence of ownership interests in and~~  
6 ~~proprietary leases from, corporations, partnerships, or~~  
7 ~~limited liability companies formed for the purpose of~~  
8 ~~cooperative ownership of residential real property, all~~  
9 ~~located in Illinois.~~

10 (g) "Lender" shall mean any person, partnership,  
11 association, corporation, or any other entity who either lends  
12 or invests money in residential mortgage loans.

13 (h) "Ultimate equitable owner" shall mean a person who,  
14 directly or indirectly, owns or controls an ownership interest  
15 in a corporation, foreign corporation, alien business  
16 organization, trust, or any other form of business organization  
17 regardless of whether the person owns or controls the ownership  
18 interest through one or more persons or one or more proxies,  
19 powers of attorney, nominees, corporations, associations,  
20 partnerships, trusts, joint stock companies, or other entities  
21 or devices, or any combination thereof.

22 (i) "Residential mortgage financing transaction" shall  
23 mean the negotiation, acquisition, sale, or arrangement for or  
24 the offer to negotiate, acquire, sell, or arrange for, a  
25 residential mortgage loan or residential mortgage loan  
26 commitment.

1           (j) "Personal residence address" shall mean a street  
2 address and shall not include a post office box number.

3           (k) "Residential mortgage loan commitment" shall mean a  
4 contract for residential mortgage loan financing.

5           (l) "Party to a residential mortgage financing  
6 transaction" shall mean a borrower, lender, or loan broker in a  
7 residential mortgage financing transaction.

8           (m) "Payments" shall mean payment of all or any of the  
9 following: principal, interest and escrow reserves for taxes,  
10 insurance and other related reserves, and reimbursement for  
11 lender advances.

12           (n) "Commissioner" shall mean the Commissioner of Banks and  
13 Real Estate or a person authorized by the Commissioner, the  
14 Office of Banks and Real Estate Act, or this Act to act in the  
15 Commissioner's stead.

16           (o) "Loan brokering", "brokering", or "brokerage service"  
17 shall mean the act of helping to obtain from another entity,  
18 for a borrower, a loan secured by residential real estate  
19 situated in Illinois or assisting a borrower in obtaining a  
20 loan secured by residential real estate situated in Illinois in  
21 return for consideration to be paid by either the borrower or  
22 the lender including, but not limited to, contracting for the  
23 delivery of residential mortgage loans to a third party lender  
24 and soliciting, processing, placing, or negotiating  
25 residential mortgage loans.

26           (p) "Loan broker" or "broker" shall mean a person,

1 partnership, association, corporation, or limited liability  
2 company, other than those persons, partnerships, associations,  
3 corporations, or limited liability companies exempted from  
4 licensing pursuant to Section 1-4, subsection (d), of this Act,  
5 who performs the activities described in subsections (c) and  
6 (o) of this Section.

7 (q) "Servicing" shall mean the collection or remittance for  
8 or the right or obligation to collect or remit for any lender,  
9 noteowner, noteholder, or for a licensee's own account, of  
10 payments, interests, principal, and trust items such as hazard  
11 insurance and taxes on a residential mortgage loan in  
12 accordance with the terms of the residential mortgage loan; and  
13 includes loan payment follow-up, delinquency loan follow-up,  
14 loan analysis and any notifications to the borrower that are  
15 necessary to enable the borrower to keep the loan current and  
16 in good standing.

17 (r) "Full service office" shall mean an office, provided by  
18 the licensee and not subleased from the licensee's employees,  
19 and staff in Illinois reasonably adequate to handle efficiently  
20 communications, questions, and other matters relating to any  
21 application for, or an existing home mortgage secured by  
22 residential real estate situated in Illinois with respect to  
23 which the licensee is brokering, funding originating,  
24 purchasing, or servicing. The management and operation of each  
25 full service office must include observance of good business  
26 practices such as adequate, organized, and accurate books and

1 records; ample phone lines, hours of business, staff training  
2 and supervision, and provision for a mechanism to resolve  
3 consumer inquiries, complaints, and problems. The Commissioner  
4 shall issue regulations with regard to these requirements and  
5 shall include an evaluation of compliance with this Section in  
6 his or her periodic examination of each licensee.

7 (s) "Purchasing" shall mean the purchase of conventional or  
8 government-insured mortgage loans secured by residential real  
9 estate situated in Illinois from either the lender or from the  
10 secondary market.

11 (t) "Borrower" shall mean the person or persons who seek  
12 the services of a loan broker, originator, or lender.

13 (u) "Originating" shall mean the issuing of commitments for  
14 and funding of residential mortgage loans.

15 (v) "Loan brokerage agreement" shall mean a written  
16 agreement in which a broker or loan broker agrees to do either  
17 of the following:

18 (1) obtain a residential mortgage loan for the borrower  
19 or assist the borrower in obtaining a residential mortgage  
20 loan; or

21 (2) consider making a residential mortgage loan to the  
22 borrower.

23 (w) "Advertisement" shall mean the attempt by publication,  
24 dissemination, or circulation to induce, directly or  
25 indirectly, any person to enter into a residential mortgage  
26 loan agreement or residential mortgage loan brokerage

1 agreement relative to a mortgage secured by residential real  
2 estate situated in Illinois.

3 (x) "Residential Mortgage Board" shall mean the  
4 Residential Mortgage Board created in Section 1-5 of this Act.

5 (y) "Government-insured mortgage loan" shall mean any  
6 mortgage loan made on the security of residential real estate  
7 insured by the Department of Housing and Urban Development or  
8 Farmers Home Loan Administration, or guaranteed by the Veterans  
9 Administration.

10 (z) "Annual audit" shall mean a certified audit of the  
11 licensee's books and records and systems of internal control  
12 performed by a certified public accountant in accordance with  
13 generally accepted accounting principles and generally  
14 accepted auditing standards.

15 (aa) "Financial institution" shall mean a savings and loan  
16 association, savings bank, credit union, or a bank organized  
17 under the laws of Illinois or a savings and loan association,  
18 savings bank, credit union or a bank organized under the laws  
19 of the United States and headquartered in Illinois.

20 (bb) "Escrow agent" shall mean a third party, individual or  
21 entity charged with the fiduciary obligation for holding escrow  
22 funds on a residential mortgage loan pending final payout of  
23 those funds in accordance with the terms of the residential  
24 mortgage loan.

25 (cc) "Net worth" shall have the meaning ascribed thereto in  
26 Section 3-5 of this Act.

1 (dd) "Affiliate" shall mean:

2 (1) any entity that directly controls or is controlled  
3 by the licensee and any other company that is directly  
4 affecting activities regulated by this Act that is  
5 controlled by the company that controls the licensee;

6 (2) any entity:

7 (A) that is controlled, directly or indirectly, by  
8 a trust or otherwise, by or for the benefit of  
9 shareholders who beneficially or otherwise control,  
10 directly or indirectly, by trust or otherwise, the  
11 licensee or any company that controls the licensee; or

12 (B) a majority of the directors or trustees of  
13 which constitute a majority of the persons holding any  
14 such office with the licensee or any company that  
15 controls the licensee;

16 (3) any company, including a real estate investment  
17 trust, that is sponsored and advised on a contractual basis  
18 by the licensee or any subsidiary or affiliate of the  
19 licensee.

20 The Commissioner may define by rule and regulation any  
21 terms used in this Act for the efficient and clear  
22 administration of this Act.

23 (ee) "First tier subsidiary" shall be defined by regulation  
24 incorporating the comparable definitions used by the Office of  
25 the Comptroller of the Currency and the Illinois Commissioner  
26 of Banks and Real Estate.

1           (ff) "Gross delinquency rate" means the quotient  
2 determined by dividing (1) the sum of (i) the number of  
3 government-insured residential mortgage loans funded or  
4 purchased by a licensee in the preceding calendar year that are  
5 delinquent and (ii) the number of conventional residential  
6 mortgage loans funded or purchased by the licensee in the  
7 preceding calendar year that are delinquent by (2) the sum of  
8 (i) the number of government-insured residential mortgage  
9 loans funded or purchased by the licensee in the preceding  
10 calendar year and (ii) the number of conventional residential  
11 mortgage loans funded or purchased by the licensee in the  
12 preceding calendar year.

13           (gg) "Delinquency rate factor" means the factor set by rule  
14 of the Commissioner that is multiplied by the average gross  
15 delinquency rate of licensees, determined annually for the  
16 immediately preceding calendar year, for the purpose of  
17 determining which licensees shall be examined by the  
18 Commissioner pursuant to subsection (b) of Section 4-8 of this  
19 Act.

20           (hh) "Loan originator" means any natural person who, for  
21 compensation or in the expectation of compensation, either  
22 directly or indirectly makes, offers to make, solicits, places,  
23 or negotiates a residential mortgage loan.

24           (ii) "Confidential supervisory information" means any  
25 report of examination, visitation, or investigation prepared  
26 by the Commissioner under this Act, any report of examination

1 visitation, or investigation prepared by the state regulatory  
2 authority of another state that examines a licensee, any  
3 document or record prepared or obtained in connection with or  
4 relating to any examination, visitation, or investigation, and  
5 any record prepared or obtained by the Commissioner to the  
6 extent that the record summarizes or contains information  
7 derived from any report, document, or record described in this  
8 subsection. "Confidential supervisory information" does not  
9 include any information or record routinely prepared by a  
10 licensee and maintained in the ordinary course of business or  
11 any information or record that is required to be made publicly  
12 available pursuant to State or federal law or rule.

13 (jj) "Mortgage loan originator" means an individual who for  
14 compensation or gain or in the expectation of compensation or  
15 gain:

16 (i) takes a residential mortgage loan application; or

17 (ii) offers or negotiates terms of a residential  
18 mortgage loan.

19 "Mortgage loan originator" does not include an individual  
20 engaged solely as a loan processor or underwriter except as  
21 otherwise provided in subsection (d) of Section 7-1A of this  
22 Act.

23 "Mortgage loan originator" does not include a person or  
24 entity that only performs real estate brokerage activities and  
25 is licensed in accordance with the Real Estate License Act of  
26 2000, unless the person or entity is compensated by a lender, a



1 mortgage broker, or other mortgage loan originator, or by any  
2 agent of that lender, mortgage broker, or other mortgage loan  
3 originator.

4 "Mortgage loan originator" does not include a person or  
5 entity solely involved in extensions of credit relating to  
6 timeshare plans, as that term is defined in Section 101(53D) of  
7 Title 11, United States Code.

8 (kk) "Depository institution" has the same meaning as in  
9 Section 3 of the Federal Deposit Insurance Act, and includes  
10 any credit union.

11 (ll) "Dwelling" means a residential structure that  
12 contains one to 4 units, whether or not that structure is  
13 attached to real property. "Dwelling" includes an individual  
14 condominium unit, cooperative unit, mobile home, or trailer, if  
15 it is used as a residence.

16 (mm) "Immediate family member" means a spouse, child,  
17 sibling, parent, grandparent, or grandchild, and includes  
18 step-parents, step-children, step-siblings, or adoptive  
19 relationships.

20 (nn) "Individual" means a natural person.

21 (oo) "Loan processor or underwriter" means an individual  
22 who performs clerical or support duties as an employee at the  
23 direction of and subject to the supervision and instruction of  
24 a person licensed, or exempt from licensing, under this Act.

25 "Clerical or support duties" includes subsequent to the receipt  
26 of an application:

1           (i) the receipt, collection, distribution, and  
2           analysis of information common for the processing or  
3           underwriting of a residential mortgage loan; and

4           (ii) communicating with a consumer to obtain the  
5           information necessary for the processing or underwriting  
6           of a loan, to the extent that the communication does not  
7           include offering or negotiating loan rates or terms, or  
8           counseling consumers about residential mortgage loan rates  
9           or terms. An individual engaging solely in loan processor  
10           or underwriter activities shall not represent to the  
11           public, through advertising or other means of  
12           communicating or providing information, including the use  
13           of business cards, stationery, brochures, signs, rate  
14           lists, or other promotional items, that the individual can  
15           or will perform any of the activities of a mortgage loan  
16           originator.

17           (pp) "Nationwide Mortgage Licensing System and Registry"  
18           means a mortgage licensing system developed and maintained by  
19           the Conference of State Bank Supervisors and the American  
20           Association of Residential Mortgage Regulators for the  
21           licensing and registration of licensed mortgage loan  
22           originators.

23           (qq) "Nontraditional mortgage product" means any mortgage  
24           product other than a 30-year fixed rate mortgage.

25           (rr) "Person" means a natural person, corporation,  
26           company, limited liability company, partnership, or

1 association.

2 (ss) "Real estate brokerage activity" means any activity  
3 that involves offering or providing real estate brokerage  
4 services to the public, including:

5 (1) acting as a real estate agent or real estate broker  
6 for a buyer, seller, lessor, or lessee of real property;

7 (2) bringing together parties interested in the sale,  
8 purchase, lease, rental, or exchange of real property;

9 (3) negotiating, on behalf of any party, any portion of  
10 a contract relating to the sale, purchase, lease, rental,  
11 or exchange of real property, other than in connection with  
12 providing financing with respect to any such transaction;

13 (4) engaging in any activity for which a person engaged  
14 in the activity is required to be registered or licensed as  
15 a real estate agent or real estate broker under any  
16 applicable law; or

17 (5) offering to engage in any activity, or act in any  
18 capacity, described in this subsection (ss).

19 (tt) "Registered mortgage loan originator" means any  
20 individual that:

21 (1) meets the definition of mortgage loan originator  
22 and is an employee of:

23 (A) a depository institution;

24 (B) a subsidiary that is:

25 (i) owned and controlled by a depository  
26 institution; or

1                    (ii) regulated by a federal banking agency; or  
2                    (C) an institution regulated by the Farm Credit  
3                    Administration; or  
4                    (2) is registered with, and maintains a unique  
5                    identifier through, the Nationwide Mortgage Licensing  
6                    System and Registry.

7                    (uu) "Unique identifier" means a number or other identifier  
8                    assigned by protocols established by the Nationwide Mortgage  
9                    Licensing System and Registry.

10                    (Source: P.A. 93-561, eff. 1-1-04; 93-1018, eff. 1-1-05.)

11                    (205 ILCS 635/2-2) (from Ch. 17, par. 2322-2)  
12                    Sec. 2-2. Application process; investigation; fee.

13                    (a) The Commissioner shall issue a license upon completion  
14 of all of the following:

15                    (1) The filing of an application for license with the  
16                    Director or the Nationwide Mortgage Licensing System and  
17                    Registry as approved by the Director.

18                    (2) The filing with the Commissioner of a listing of  
19 judgments entered against, and bankruptcy petitions by,  
20 the license applicant for the preceding 10 years.

21                    (3) The payment, in certified funds, of investigation  
22 and application fees, the total of which shall be in an  
23 amount equal to \$2,700 annually, however, the Commissioner  
24 may increase the investigation and application fees by rule  
25 as provided in Section 4-11.

1           (4) Except for a broker applying to renew a license,  
2           the filing of an audited balance sheet including all  
3           footnotes prepared by a certified public accountant in  
4           accordance with generally accepted accounting principles  
5           and generally accepted auditing principles which evidences  
6           that the applicant meets the net worth requirements of  
7           Section 3-5.

8           (5) The filing of proof satisfactory to the  
9           Commissioner that the applicant, the members thereof if the  
10          applicant is a partnership or association, the members or  
11          managers thereof that retain any authority or  
12          responsibility under the operating agreement if the  
13          applicant is a limited liability company, or the officers  
14          thereof if the applicant is a corporation have 3 years  
15          experience preceding application in real estate finance.  
16          Instead of this requirement, the applicant and the  
17          applicant's officers or members, as applicable, may  
18          satisfactorily complete a program of education in real  
19          estate finance and fair lending, as approved by the  
20          Commissioner, prior to receiving the initial license. The  
21          Commissioner shall promulgate rules regarding proof of  
22          experience requirements and educational requirements and  
23          the satisfactory completion of those requirements. The  
24          Commissioner may establish by rule a list of duly licensed  
25          professionals and others who may be exempt from this  
26          requirement.

1           (6) An investigation of the averments required by  
2           Section 2-4, which investigation must allow the  
3           Commissioner to issue positive findings stating that the  
4           financial responsibility, experience, character, and  
5           general fitness of the license applicant and of the members  
6           thereof if the license applicant is a partnership or  
7           association, of the officers and directors thereof if the  
8           license applicant is a corporation, and of the managers and  
9           members that retain any authority or responsibility under  
10          the operating agreement if the license applicant is a  
11          limited liability company are such as to command the  
12          confidence of the community and to warrant belief that the  
13          business will be operated honestly, fairly and efficiently  
14          within the purpose of this Act. If the Commissioner shall  
15          not so find, he or she shall not issue such license, and he  
16          or she shall notify the license applicant of the denial.

17          The Commissioner may impose conditions on a license if the  
18          Commissioner determines that the conditions are necessary or  
19          appropriate. These conditions shall be imposed in writing and  
20          shall continue in effect for the period prescribed by the  
21          Commissioner.

22          (b) All licenses shall be issued ~~in duplicate with one copy~~  
23          ~~being transmitted~~ to the license applicant ~~and the second being~~  
24          ~~retained with the Commissioner.~~

25          Upon receipt of such license, a residential mortgage  
26          licensee shall be authorized to engage in the business

1 regulated by this Act. Such license shall remain in full force  
2 and effect until it expires without renewal, is surrendered by  
3 the licensee or revoked or suspended as hereinafter provided.

4 (Source: P.A. 93-32, eff. 7-1-03; 93-1018, eff. 1-1-05.)

5 (205 ILCS 635/2-3) (from Ch. 17, par. 2322-3)

6 Sec. 2-3. Application form.

7 (a) Application for a residential mortgage license must be  
8 made in accordance with Section 2-6 and, if applicable, in  
9 accordance with requirements of the Nationwide Mortgage  
10 Licensing System and Registry. The application shall be in  
11 writing, under oath, and on a form obtained from and prescribed  
12 by the Commissioner, or may be submitted electronically, with  
13 attestation, to the Nationwide Mortgage Licensing System and  
14 Registry.

15 (b) The application shall contain the name and complete  
16 business and residential address or addresses of the license  
17 applicant. If the license applicant is a partnership,  
18 association, corporation or other form of business  
19 organization, the application shall contain the names and  
20 complete business and residential addresses of each member,  
21 director and principal officer thereof. Such application shall  
22 also include a description of the activities of the license  
23 applicant, in such detail and for such periods, as the  
24 Commissioner may require, including all of the following:

25 (1) An affirmation of financial solvency noting such

1 capitalization requirements as may be required by the  
2 Commissioner, and access to such credit as may be required  
3 by the Commissioner.

4 (2) An affirmation that the license applicant or its  
5 members, directors or principals as may be appropriate, are  
6 at least 18 years of age.

7 (3) Information as to the character, fitness,  
8 financial and business responsibility, background,  
9 experience, and criminal record of any (i) person, entity,  
10 or ultimate equitable owner that owns or controls, directly  
11 or indirectly, 10% or more of any class of stock of the  
12 license applicant; (ii) person, entity, or ultimate  
13 equitable owner that is not a depository institution, as  
14 defined in Section 1007.50 of the Savings Bank Act, that  
15 lends, provides, or infuses, directly or indirectly, in any  
16 way, funds to or into a license applicant, in an amount  
17 equal to or more than 10% of the license applicant's net  
18 worth; (iii) person, entity, or ultimate equitable owner  
19 that controls, directly or indirectly, the election of 25%  
20 or more of the members of the board of directors of a  
21 license applicant; or (iv) person, entity, or ultimate  
22 equitable owner that the Commissioner finds influences  
23 management of the license applicant.

24 (4) Upon written request by the licensee and  
25 notwithstanding the provisions of paragraphs (1), (2), and  
26 (3) of this subsection, the Commissioner may permit the



1 licensee to omit all or part of the information required by  
2 those paragraphs if, in lieu of the omitted information,  
3 the licensee submits an affidavit stating that the  
4 information submitted on the licensee's previous renewal  
5 application is still true and accurate. The Commissioner  
6 may promulgate rules prescribing the form and content of  
7 the affidavit that are necessary to accomplish the purposes  
8 of this Section.

9 (5) Such other information as required by regulations  
10 of the Commissioner.

11 (Source: P.A. 89-355, eff. 8-17-95.)

12 (205 ILCS 635/2-4) (from Ch. 17, par. 2322-4)

13 Sec. 2-4. Averments of Licensee. Each application for  
14 license or for the renewal of a license shall be accompanied by  
15 the following averments stating that the applicant:

16 (a) Will maintain at least one full service office  
17 within the State of Illinois pursuant to Section 3-4 of  
18 this Act;

19 (b) Will maintain staff reasonably adequate to meet the  
20 requirements of Section 3-4 of this Act;

21 (c) Will keep and maintain for 36 months the same  
22 written records as required by the federal Equal Credit  
23 Opportunity Act, and any other information required by  
24 regulations of the Commissioner regarding any home  
25 mortgage in the course of the conduct of its residential

1 mortgage business;

2 (d) Will file with the Commissioner or Nationwide  
3 Mortgage Licensing System and Registry as applicable, when  
4 due, any report or reports which it is required to file  
5 under any of the provisions of this Act;

6 (e) Will not engage, whether as principal or agent, in  
7 the practice of rejecting residential mortgage  
8 applications without reasonable cause, or varying terms or  
9 application procedures without reasonable cause, for home  
10 mortgages on real estate within any specific geographic  
11 area from the terms or procedures generally provided by the  
12 licensee within other geographic areas of the State;

13 (f) Will not engage in fraudulent home mortgage  
14 underwriting practices;

15 (g) Will not make payment, whether directly or  
16 indirectly, of any kind to any in house or fee appraiser of  
17 any government or private money lending agency with which  
18 an application for a home mortgage has been filed for the  
19 purpose of influencing the independent judgment of the  
20 appraiser with respect to the value of any real estate  
21 which is to be covered by such home mortgage;

22 (h) Has filed tax returns (State and Federal) for the  
23 past 3 years or filed with the Commissioner an accountant's  
24 or attorney's statement as to why no return was filed;

25 (i) Will not engage in any discrimination or redlining  
26 activities prohibited by Section 3-8 of this Act;

1           (j) Will not knowingly make any false promises likely  
2           to influence or persuade, or pursue a course of  
3           misrepresentation and false promises through agents,  
4           solicitors, advertising or otherwise;

5           (k) Will not knowingly misrepresent, circumvent or  
6           conceal, through whatever subterfuge or device, any of the  
7           material particulars or the nature thereof, regarding a  
8           transaction to which it is a party to the injury of another  
9           party thereto;

10          (l) Will disburse funds in accordance with its  
11          agreements;

12          (m) Has not committed a crime against the law of this  
13          State, any other state or of the United States, involving  
14          moral turpitude, fraudulent or dishonest dealing, and that  
15          no final judgment has been entered against it in a civil  
16          action upon grounds of fraud, misrepresentation or deceit  
17          which has not been previously reported to the Commissioner;

18          (n) Will account or deliver to the owner upon request  
19          ~~any person~~ any personal property such as money, fund,  
20          deposit, check, draft, mortgage, other document or thing of  
21          value, ~~which has come into its possession, and which is not~~  
22          ~~its property, or~~ which it is not in law or equity entitled  
23          to retain under the circumstances, ~~at the time which has~~  
24          ~~been agreed upon or is required by law, or, in the absence~~  
25          ~~of a fixed time, upon demand of the person entitled to such~~  
26          ~~accounting and delivery;~~

1 (o) Has not engaged in any conduct which would be cause  
2 for denial of a license;

3 (p) Has not become insolvent;

4 (q) Has not submitted an application for a license  
5 under this Act which contains a material misstatement;

6 (r) Has not demonstrated by course of conduct,  
7 negligence or incompetence in performing any act for which  
8 it is required to hold a license under this Act;

9 (s) Will advise the Commissioner in writing, or the  
10 Nationwide Mortgage Licensing System and Registry as  
11 applicable, of any changes to the information submitted on  
12 the most recent application for license within 30 days of  
13 said change. The written notice must be signed in the same  
14 form as the application for license being amended;

15 (t) Will comply with the provisions of this Act, or  
16 with any lawful order, rule or regulation made or issued  
17 under the provisions of this Act;

18 (u) Will submit to periodic examination by the  
19 Commissioner as required by this Act;

20 (v) Will advise the Commissioner in writing of  
21 judgments entered against, and bankruptcy petitions by,  
22 the license applicant within 5 days of occurrence;

23 (w) Will advise the Commissioner in writing within 30  
24 days of any request made to ~~when the license applicant~~  
25 ~~requests~~ a licensee under this Act to repurchase a loan in  
26 a manner that completely and clearly identifies to whom the

1 request was made, the loans involved, and the reason, ~~and~~  
2 ~~the circumstances~~ therefor;

3 (x) Will advise the Commissioner in writing within 30  
4 days of any request from any entity ~~when the license~~  
5 ~~applicant is requested by another entity~~ to repurchase a  
6 loan in a manner that completely and clearly identifies to  
7 whom the request was made, the loans involved, and the  
8 reason for the request, ~~and the circumstances therefor;~~

9 (y) Will at all times act in a manner consistent with  
10 subsections (a) and (b) of Section 1-2 of this Act; and

11 (z) Will not knowingly hire or employ a loan originator  
12 who is not registered, or mortgage loan originator who is  
13 not licensed, with the Commissioner as required under  
14 Section 7-1 or Section 7-1A, as applicable, of this Act.

15 A licensee who fails to fulfill obligations of an averment,  
16 to comply with averments made, or otherwise violates any of the  
17 averments made under this Section shall be subject to the  
18 penalties in Section 4-5 of this Act.

19 (Source: P.A. 95-331, eff. 8-21-07.)

20 (205 ILCS 635/2-6) (from Ch. 17, par. 2322-6)

21 Sec. 2-6. License issuance and renewal; fee.

22 (a) Beginning July 1, 2003, licenses shall be renewed every  
23 year on the anniversary of the date of issuance of the original  
24 license, or the common renewal date of the Nationwide Mortgage  
25 Licensing System and Registry as approved by the Director.

1 Properly completed renewal application forms and filing fees  
2 must be received by the Commissioner 60 days prior to the  
3 renewal date.

4 (b) It shall be the responsibility of each licensee to  
5 accomplish renewal of its license; failure of the licensee to  
6 receive renewal forms absent a request sent by certified mail  
7 for such forms will not waive said responsibility. Failure by a  
8 licensee to submit a properly completed renewal application  
9 form and fees in a timely fashion, absent a written extension  
10 from the Commissioner, will result in the assessment of  
11 additional fees, as follows:

12 (1) A fee of \$750 will be assessed to the licensee 30  
13 days after the proper renewal date and \$1,500 each month  
14 thereafter, until the license is either renewed or expires  
15 pursuant to Section 2-6, subsections (c) and (d), of this  
16 Act.

17 (2) Such fee will be assessed without prior notice to  
18 the licensee, but will be assessed only in cases wherein  
19 the Commissioner has in his or her possession documentation  
20 of the licensee's continuing activity for which the  
21 unexpired license was issued.

22 (c) A license which is not renewed by the date required in  
23 this Section shall automatically become inactive. No activity  
24 regulated by this Act shall be conducted by the licensee when a  
25 license becomes inactive. The Commissioner may require the  
26 licensee to provide a plan for the disposition of any

1 residential mortgage loans not closed or funded when the  
2 license becomes inactive. The Commissioner may allow a licensee  
3 with an inactive license to conduct activities regulated by  
4 this Act for the sole purpose of assisting borrowers in the  
5 closing or funding of loans for which the loan application was  
6 taken from a borrower while the license was active. An inactive  
7 license may be reactivated by the Commissioner upon payment of  
8 the renewal fee, and payment of a reactivation fee equal to the  
9 renewal fee.

10 (d) A license which is not renewed within one year of  
11 becoming inactive shall expire.

12 (e) A licensee ceasing an activity or activities regulated  
13 by this Act and desiring to no longer be licensed shall so  
14 inform the Commissioner in writing and, at the same time,  
15 convey the license and all other symbols or indicia of  
16 licensure. The licensee shall include a plan for the withdrawal  
17 from regulated business, including a timetable for the  
18 disposition of the business, and comply with the surrender  
19 guidelines of the Director. Upon receipt of such written  
20 notice, the Commissioner shall post the cancellation or issue a  
21 certified statement canceling the license.

22 (Source: P.A. 93-32, eff. 7-1-03; 93-561, eff. 1-1-04; 93-1018,  
23 eff. 1-1-05.)

24 (205 ILCS 635/3-1) (from Ch. 17, par. 2323-1)

25 Sec. 3-1. Bonds of licensees.

1           (a) Every licensee, with respect to any person appointed or  
2 elected to any position requiring the receipt of payment,  
3 management, or use of money belonging to a residential mortgage  
4 licensee engaged in the activities of originating, servicing,  
5 or purchasing mortgage loans or whose duties permit him or her  
6 to have access to or custody of any of its money or securities  
7 or custody of any money or securities belonging to third  
8 parties or whose duties permit him or her regularly to make  
9 entries in the books or other records of a licensee, shall,  
10 before assuming his or her duties, maintain a fidelity bond in  
11 the amount of \$100,000 by some fidelity insurance company  
12 licensed to do business in this State.

13           (b) Each bond shall be for any loss the licensee may  
14 sustain in money or other property through the commission of  
15 any dishonest or criminal act or omission by any person  
16 required to be bonded, whether committed alone or in concert  
17 with another. The bond shall be in the form and amount approved  
18 by the Commissioner who may at any time require one or more  
19 additional bonds. A true copy of every bond, including all  
20 riders and endorsements executed subsequent to the effective  
21 date of the bond, shall be filed at all times with the  
22 Commissioner. Each bond shall provide that a cancellation  
23 thereof shall not become effective unless and until 30 days  
24 notice in writing first shall have been given to the  
25 Commissioner unless he or she shall have approved the  
26 cancellation earlier. If the Commissioner believes the



1 licensee's business is being conducted in an unsafe manner due  
2 to the lack of bonds or the inadequacy of bonds, he or she may  
3 proceed against the licensee as provided for in Section 4-5.

4 (c) All licensees shall maintain a bond in accordance with  
5 this subsection. Each bond shall be for the recovery of  
6 expenses, fines, or fees due to or levied by the Commissioner  
7 in accordance with this Act. The bond shall be payable when the  
8 licensee fails to comply with any provisions of this Act and  
9 shall be in the form of a surety or licensure bond in the  
10 amount and form as prescribed by the Commissioner pursuant to  
11 rules and regulations. The bond shall be payable to the Office  
12 of Banks and Real Estate and shall be issued by some insurance  
13 company authorized to do business in this State. A copy of the  
14 bond, including any and all riders and endorsements executed  
15 subsequent to the effective date of the bond, shall be placed  
16 on file with the Office of Banks and Real Estate within 10 days  
17 of the execution thereof.

18 (d) The Commissioner may promulgate rules with respect to  
19 bonding requirements for residential mortgage licensees and  
20 their mortgage loan originators that are reasonable and  
21 necessary to accomplish the purposes of this Act.

22 (Source: P.A. 89-508, eff. 7-3-96.)

23 (205 ILCS 635/3-2) (from Ch. 17, par. 2323-2)

24 Sec. 3-2. Annual audit.

25 (a) At the licensee's fiscal year-end, but in no case more

1 than 12 months after the last audit conducted pursuant to this  
2 Section, except as otherwise provided in this Section, it shall  
3 be mandatory for each residential mortgage licensee to cause  
4 its books and accounts to be audited by a certified public  
5 accountant not connected with such licensee. The books and  
6 records of all licensees under this Act shall be maintained on  
7 an accrual basis. The audit must be sufficiently comprehensive  
8 in scope to permit the expression of an opinion on the  
9 financial statements, which must be prepared in accordance with  
10 generally accepted accounting principles, and must be  
11 performed in accordance with generally accepted auditing  
12 standards. Notwithstanding the requirements of this  
13 subsection, a licensee that is a first tier subsidiary may  
14 submit audited consolidated financial statements of its parent  
15 as long as the consolidated statements are supported by  
16 consolidating statements. The licensee's chief financial  
17 officer shall attest to the licensee's financial statements  
18 disclosed in the consolidating statements.

19 (b) As used herein, the term "expression of opinion"  
20 includes either (1) an unqualified opinion, (2) a qualified  
21 opinion, (3) a disclaimer of opinion, or (4) an adverse  
22 opinion.

23 (c) If a qualified or adverse opinion is expressed or if an  
24 opinion is disclaimed, the reasons therefore must be fully  
25 explained. An opinion, qualified as to a scope limitation,  
26 shall not be acceptable.

1           (d) The most recent audit report shall be filed with the  
2 Commissioner within 90 days after the end of the licensee's  
3 fiscal year, or with the Nationwide Mortgage Licensing System  
4 and Registry, if applicable, pursuant to Mortgage Call Report  
5 requirements. The report filed with the Commissioner shall be  
6 certified by the certified public accountant conducting the  
7 audit. The Commissioner may promulgate rules regarding late  
8 audit reports.

9           (e) If any licensee required to make an audit shall fail to  
10 cause an audit to be made, the Commissioner shall cause the  
11 same to be made by a certified public accountant at the  
12 licensee's expense. The Commissioner shall select such  
13 certified public accountant by advertising for bids or by such  
14 other fair and impartial means as he or she establishes by  
15 regulation.

16           (f) In lieu of the audit or compilation financial statement  
17 required by this Section, a licensee shall submit and the  
18 Commissioner may accept any audit made in conformance with the  
19 audit requirements of the U.S. Department of Housing and Urban  
20 Development.

21           (g) With respect to licensees who solely broker residential  
22 mortgage loans as defined in subsection (o) of Section 1-4,  
23 instead of the audit required by this Section, the Commissioner  
24 may accept compilation financial statements prepared at least  
25 every 12 months, and the compilation financial statement must  
26 be prepared by an independent certified public accountant

1 licensed under the Illinois Public Accounting Act or by an  
2 equivalent state licensing law with full disclosure in  
3 accordance with generally accepted accounting principals and  
4 must be submitted within 90 days after the end of the  
5 licensee's fiscal year, or with the Nationwide Mortgage  
6 Licensing System and Registry, if applicable, pursuant to  
7 Mortgage Call Report requirements. If a licensee under this  
8 Section fails to file a compilation as required, the  
9 Commissioner shall cause an audit of the licensee's books and  
10 accounts to be made by a certified public accountant at the  
11 licensee's expense. The Commissioner shall select the  
12 certified public accountant by advertising for bids or by such  
13 other fair and impartial means as he or she establishes by  
14 rule. A licensee who files false or misleading compilation  
15 financial statements is guilty of a business offense and shall  
16 be fined not less than \$5,000.

17 (h) The workpapers of the certified public accountants  
18 employed by each licensee for purposes of this Section are to  
19 be made available to the Commissioner or the Commissioner's  
20 designee upon request and may be reproduced by the Commissioner  
21 or the Commissioner's designee to enable to the Commissioner to  
22 carry out the purposes of this Act.

23 (i) Notwithstanding any other provision of this Section, if  
24 a licensee relying on subsection (g) of this Section causes its  
25 books to be audited at any other time or causes its financial  
26 statements to be reviewed, a complete copy of the audited or

1 reviewed financial statements shall be delivered to the  
2 Commissioner at the time of the annual license renewal payment  
3 following receipt by the licensee of the audited or reviewed  
4 financial statements. All workpapers shall be made available to  
5 the Commissioner upon request. The financial statements and  
6 workpapers may be reproduced by the Commissioner or the  
7 Commissioner's designee to carry out the purposes of this Act.

8 (Source: P.A. 93-561, eff. 1-1-04; 93-1018, eff. 1-1-05.)

9 (205 ILCS 635/3-4) (from Ch. 17, par. 2323-4)

10 Sec. 3-4. Office and staff within the State.

11 (a) A licensee whose principal place of business is located  
12 in the State of Illinois shall maintain at least one full  
13 service office with staff reasonably adequate to handle  
14 efficiently communications, questions, and all other matters  
15 relating to any application for a home mortgage or an existing  
16 home mortgage with respect to which such licensee is performing  
17 services, regardless of kind, for any borrower or lender, note  
18 owner or holder, or for himself or herself while engaged in the  
19 residential mortgage business. Offices shall be located in  
20 commercial locations, and shall not be located in any real  
21 estate, retail, or financial business establishment, unless  
22 separated from the other business by a separate and distinct  
23 area within the establishment. ~~The location and operation of a~~  
24 ~~full service office shall be in compliance with any applicable~~  
25 ~~zoning laws or ordinances and home office or business~~

1 ~~regulations.~~

2 (b) In lieu of maintaining a full service office in the  
3 State of Illinois, and subject to the rules of the Department,  
4 a licensee whose principal place of business is located outside  
5 the State of Illinois, and for which mortgage loan originator  
6 activities, if applicable, are only initiated from outside the  
7 State, may comply with all of the following requirements:

8 (1) provide, upon the Director's request and notice, a  
9 limited service office in Illinois that is adequate to  
10 accommodate a full-scope examination of the licensee's  
11 books and records as they relate to activity in Illinois,  
12 as determined by the Department;

13 (2) ~~must~~ submit a certified audit as required in  
14 Section 3-2 of this Act evidencing a minimum net worth of  
15 \$150,000 ~~\$100,000~~, which must be maintained at all times,  
16 and shall submit and maintain a fidelity bond in the amount  
17 of \$100,000.

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

19 (205 ILCS 635/4-1) (from Ch. 17, par. 2324-1)

20 Sec. 4-1. Commissioner of Banks and Real Estate; functions,  
21 powers, and duties. The functions, powers, and duties of the  
22 Commissioner of Banks and Real Estate shall include the  
23 following:

24 (a) To issue or refuse to issue any license as provided by  
25 this Act;

1           (b) To revoke or suspend for cause any license issued under  
2 this Act;

3           (c) To keep records of all licenses issued under this Act;

4           (d) To receive, consider, investigate, and act upon  
5 complaints made by any person in connection with any  
6 residential mortgage licensee in this State;

7           (e) To consider and act upon any recommendations from the  
8 Residential Mortgage Board;

9           (f) To prescribe the forms of and receive:

10           (1) applications for licenses; and

11           (2) all reports and all books and records required to  
12 be made by any licensee under this Act, including annual  
13 audited financial statements and annual reports of  
14 mortgage activity;

15           (g) To adopt rules and regulations necessary and proper for  
16 the administration of this Act;

17           (h) To subpoena documents and witnesses and compel their  
18 attendance and production, to administer oaths, and to require  
19 the production of any books, papers, or other materials  
20 relevant to any inquiry authorized by this Act;

21           (h-1) To issue orders against any person, if the  
22 Commissioner has reasonable cause to believe that an unsafe,  
23 unsound, or unlawful practice has occurred, is occurring, or is  
24 about to occur, if any person has violated, is violating, or is  
25 about to violate any law, rule, or written agreement with the  
26 Commissioner, or for the purpose of administering the

1 provisions of this Act and any rule adopted in accordance with  
2 the Act;

3 (h-2) To address any inquiries to any licensee, or the  
4 officers thereof, in relation to its activities and conditions,  
5 or any other matter connected with its affairs, and it shall be  
6 the duty of any licensee or person so addressed, to promptly  
7 reply in writing to such inquiries. The Commissioner may also  
8 require reports from any licensee at any time the Commissioner  
9 may deem desirable;

10 (i) To require information with regard to any license  
11 applicant as he or she may deem desirable, with due regard to  
12 the paramount interests of the public as to the experience,  
13 background, honesty, truthfulness, integrity, and competency  
14 of the license applicant as to financial transactions involving  
15 primary or subordinate mortgage financing, and where the  
16 license applicant is an entity other than an individual, as to  
17 the honesty, truthfulness, integrity, and competency of any  
18 officer or director of the corporation, association, or other  
19 entity, or the members of a partnership;

20 (j) To examine the books and records of every licensee  
21 under this Act at intervals as specified in Section 4-2;

22 (k) To enforce provisions of this Act;

23 (l) To levy fees, fines, and charges for services performed  
24 in administering this Act; the aggregate of all fees collected  
25 by the Commissioner on and after the effective date of this Act  
26 shall be paid promptly after receipt of the same, accompanied



1 by a detailed statement thereof, into the Savings and  
2 Residential Finance Regulatory Fund; the amounts deposited  
3 into that Fund shall be used for the ordinary and contingent  
4 expenses of the Office of Banks and Real Estate. Nothing in  
5 this Act shall prevent continuing the practice of paying  
6 expenses involving salaries, retirement, social security, and  
7 State-paid insurance of State officers by appropriation from  
8 the General Revenue Fund.

9 (m) To appoint examiners, supervisors, experts, and  
10 special assistants as needed to effectively and efficiently  
11 administer this Act;

12 (n) To conduct hearings for the purpose of:

13 (1) appeals of orders of the Commissioner;

14 (2) suspensions or revocations of licenses, or fining  
15 of licensees;

16 (3) investigating:

17 (i) complaints against licensees; or

18 (ii) annual gross delinquency rates; and

19 (4) carrying out the purposes of this Act;

20 (o) To exercise exclusive visitorial power over a licensee  
21 unless otherwise authorized by this Act or as vested in the  
22 courts, or upon prior consultation with the Commissioner, a  
23 foreign residential mortgage regulator with an appropriate  
24 supervisory interest in the parent or affiliate of a licensee;

25 (p) To enter into cooperative agreements with state  
26 regulatory authorities of other states to provide for

1 examination of corporate offices or branches of those states  
2 and to accept reports of such examinations;

3 (q) To assign an examiner or examiners to monitor the  
4 affairs of a licensee with whatever frequency the Commissioner  
5 determines appropriate and to charge the licensee for  
6 reasonable and necessary expenses of the Commissioner, if in  
7 the opinion of the Commissioner an emergency exists or appears  
8 likely to occur; and

9 (r) To impose civil penalties of up to \$50 per day against  
10 a licensee for failing to respond to a regulatory request or  
11 reporting requirement.

12 (s) To enter into agreements in connection with the  
13 Nationwide Mortgage Licensing System and Registry.

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

15 (205 ILCS 635/4-2) (from Ch. 17, par. 2324-2)

16 Sec. 4-2. Examination; prohibited activities.

17 (a) The business affairs of a licensee under this Act shall  
18 be examined for compliance with this Act as often as the  
19 Commissioner deems necessary and proper. The Commissioner  
20 shall promulgate rules with respect to the frequency and manner  
21 of examination. The Commissioner shall appoint a suitable  
22 person to perform such examination. The Commissioner and his  
23 appointees may examine the entire books, records, documents,  
24 and operations of each licensee and its subsidiary, affiliate,  
25 or agent, and may examine any of the licensee's or its

1 subsidiary's, affiliate's, or agent's officers, directors,  
2 employees and agents under oath. For purposes of this Section,  
3 "agent" includes service providers such as accountants,  
4 closing services providers, providers of outsourced services  
5 such as call centers, marketing consultants, and loan  
6 processors, even if exempt from licensure under this Act.

7 (b) The Commissioner shall prepare a sufficiently detailed  
8 report of each licensee's examination, shall issue a copy of  
9 such report to each licensee's principals, officers, or  
10 directors and shall take appropriate steps to ensure correction  
11 of violations of this Act.

12 (c) Affiliates of a licensee shall be subject to  
13 examination by the Commissioner on the same terms as the  
14 licensee, but only when reports from, or examination of a  
15 licensee provides for documented evidence of unlawful activity  
16 between a licensee and affiliate benefiting, affecting or  
17 deriving from the activities regulated by this Act.

18 (d) The expenses of any examination of the licensee and  
19 affiliates shall be borne by the licensee and assessed by the  
20 Commissioner as established by regulation.

21 (e) Upon completion of the examination, the Commissioner  
22 shall issue a report to the licensee. All confidential  
23 supervisory information, including the examination report and  
24 the work papers of the report, shall belong to the  
25 Commissioner's office and may not be disclosed to anyone other  
26 than the licensee, law enforcement officials or other

1 regulatory agencies that have an appropriate regulatory  
2 interest as determined by the Commissioner, or to a party  
3 presenting a lawful subpoena to the Office of the Commissioner.  
4 The Commissioner may immediately appeal to the court of  
5 jurisdiction the disclosure of such confidential supervisory  
6 information and seek a stay of the subpoena pending the outcome  
7 of the appeal. Reports required of licensees by the  
8 Commissioner under this Act and results of examinations  
9 performed by the Commissioner under this Act shall be the  
10 property of only the Commissioner, but may be shared with the  
11 licensee. Access under this Act to the books and records of  
12 each licensee shall be limited to the Commissioner and his  
13 agents as provided in this Act and to the licensee and its  
14 authorized agents and designees. No other person shall have  
15 access to the books and records of a licensee under this Act.  
16 Any person upon whom a demand for production of confidential  
17 supervisory information is made, whether by subpoena, order, or  
18 other judicial or administrative process, must withhold  
19 production of the confidential supervisory information and  
20 must notify the Commissioner of the demand, at which time the  
21 Commissioner is authorized to intervene for the purpose of  
22 enforcing the limitations of this Section or seeking the  
23 withdrawal or termination of the attempt to compel production  
24 of the confidential supervisory information. The Commissioner  
25 may impose any conditions and limitations on the disclosure of  
26 confidential supervisory information that are necessary to

1 protect the confidentiality of such information. Except as  
2 authorized by the Commissioner, no person obtaining access to  
3 confidential supervisory information may make a copy of the  
4 confidential supervisory information. The Commissioner may  
5 condition a decision to disclose confidential supervisory  
6 information on entry of a protective order by the court or  
7 administrative tribunal presiding in the particular case or on  
8 a written agreement of confidentiality. In a case in which a  
9 protective order or agreement has already been entered between  
10 parties other than the Commissioner, the Commissioner may  
11 nevertheless condition approval for release of confidential  
12 supervisory information upon the inclusion of additional or  
13 amended provisions in the protective order. The Commissioner  
14 may authorize a party who obtained the records for use in one  
15 case to provide them to another party in another case, subject  
16 to any conditions that the Commissioner may impose on either or  
17 both parties. The requestor shall promptly notify other parties  
18 to a case of the release of confidential supervisory  
19 information obtained and, upon entry of a protective order,  
20 shall provide copies of confidential supervisory information  
21 to the other parties.

22 (f) The Commissioner, deputy commissioners, and employees  
23 of the Office of Banks and Real Estate shall be subject to the  
24 restrictions provided in Section 2.5 of the Office of Banks and  
25 Real Estate Act including, without limitation, the  
26 restrictions on (i) owning shares of stock or holding any other

1 equity interest in an entity regulated under this Act or in any  
2 corporation or company that owns or controls an entity  
3 regulated under this Act; (ii) being an officer, director,  
4 employee, or agent of an entity regulated under this Act; and  
5 (iii) obtaining a loan or accepting a gratuity from an entity  
6 regulated under this Act.

7 (g) After the initial examination for those licensees whose  
8 only mortgage activity is servicing fewer than 1,000 Illinois  
9 residential loans, the examination required in subsection (a)  
10 may be waived upon submission of a letter from the licensee's  
11 independent certified auditor that the licensee serviced fewer  
12 than 1,000 Illinois residential loans during the year in which  
13 the audit was performed.

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

15 (205 ILCS 635/4-5) (from Ch. 17, par. 2324-5)

16 Sec. 4-5. Suspension, revocation of licenses; fines.

17 (a) Upon written notice to a licensee, the Commissioner may  
18 suspend or revoke any license issued pursuant to this Act if he  
19 or she shall make a finding of one or more of the following in  
20 the notice that:

21 (1) Through separate acts or an act or a course of  
22 conduct, the licensee has violated any provisions of this  
23 Act, any rule or regulation promulgated by the Commissioner  
24 or of any other law, rule or regulation of this State or  
25 the United States.

1           (2) Any fact or condition exists which, if it had  
2           existed at the time of the original application for such  
3           license would have warranted the Commissioner in refusing  
4           originally to issue such license.

5           (3) If a licensee is other than an individual, any  
6           ultimate equitable owner, officer, director, or member of  
7           the licensed partnership, association, corporation, or  
8           other entity has so acted or failed to act as would be  
9           cause for suspending or revoking a license to that party as  
10          an individual.

11          (b) No license shall be suspended or revoked, except as  
12          provided in this Section, nor shall any licensee be fined  
13          without notice of his or her right to a hearing as provided in  
14          Section 4-12 of this Act.

15          (c) The Commissioner, on good cause shown that an emergency  
16          exists, may suspend any license for a period not exceeding 180  
17          days, pending investigation. Upon a showing that a licensee has  
18          failed to meet the experience or educational requirements of  
19          Section 2-2 or the requirements of subsection (g) of Section  
20          3-2, the Commissioner shall suspend, prior to hearing as  
21          provided in Section 4-12, the license until those requirements  
22          have been met.

23          (d) The provisions of subsection (e) of Section 2-6 of this  
24          Act shall not affect a licensee's civil or criminal liability  
25          for acts committed prior to surrender of a license.

26          (e) No revocation, suspension or surrender of any license

1 shall impair or affect the obligation of any pre-existing  
2 lawful contract between the licensee and any person.

3 (f) Every license issued under this Act shall remain in  
4 force and effect until the same shall have expired without  
5 renewal, have been surrendered, revoked or suspended in  
6 accordance with the provisions of this Act, but the  
7 Commissioner shall have authority to reinstate a suspended  
8 license or to issue a new license to a licensee whose license  
9 shall have been revoked if no fact or condition then exists  
10 which would have warranted the Commissioner in refusing  
11 originally to issue such license under this Act.

12 (g) Whenever the Commissioner shall revoke or suspend a  
13 license issued pursuant to this Act or fine a licensee under  
14 this Act, he or she shall forthwith execute in duplicate a  
15 written order to that effect. The Commissioner shall publish  
16 notice of such order in the Illinois Register and post notice  
17 of the order on an agency Internet site maintained by the  
18 Commissioner and shall forthwith serve a copy of such order  
19 upon the licensee. Any such order may be reviewed in the manner  
20 provided by Section 4-12 of this Act.

21 (h) When the Commissioner finds any person in violation of  
22 the grounds set forth in subsection (i), he or she may enter an  
23 order imposing one or more of the following penalties:

24 (1) Revocation of license;

25 (2) Suspension of a license subject to reinstatement  
26 upon satisfying all reasonable conditions the Commissioner



1           may specify;

2           (3) Placement of the licensee or applicant on probation  
3           for a period of time and subject to all reasonable  
4           conditions as the Commissioner may specify;

5           (4) Issuance of a reprimand;

6           (5) Imposition of a fine not to exceed \$25,000 for each  
7           count of separate offense; and

8           (6) Denial of a license.

9           (i) The following acts shall constitute grounds for which  
10          the disciplinary actions specified in subsection (h) above may  
11          be taken:

12          (1) Being convicted or found guilty, regardless of  
13          pendency of an appeal, of a crime in any jurisdiction which  
14          involves fraud, dishonest dealing, or any other act of  
15          moral turpitude;

16          (2) Fraud, misrepresentation, deceit or negligence in  
17          any mortgage financing transaction;

18          (3) A material or intentional misstatement of fact on  
19          an initial or renewal application;

20          (4) Failure to follow the Commissioner's regulations  
21          with respect to placement of funds in escrow accounts;

22          (5) Insolvency or filing under any provision of the  
23          Bankruptcy Code as a debtor;

24          (6) Failure to account or deliver to any person any  
25          property such as any money, fund, deposit, check, draft,  
26          mortgage, or other document or thing of value, which has

1           come into his or her hands and which is not his or her  
2           property or which he or she is not in law or equity  
3           entitled to retain, under the circumstances and at the time  
4           which has been agreed upon or is required by law or, in the  
5           absence of a fixed time, upon demand of the person entitled  
6           to such accounting and delivery;

7           (7) Failure to disburse funds in accordance with  
8           agreements;

9           (8) Any misuse, misapplication, or misappropriation of  
10          trust funds or escrow funds;

11          (9) Having a license, or the equivalent, to practice  
12          any profession or occupation revoked, suspended, or  
13          otherwise acted against, including the denial of licensure  
14          by a licensing authority of this State or another state,  
15          territory or country for fraud, dishonest dealing or any  
16          other act of moral turpitude;

17          (10) Failure to issue a satisfaction of mortgage when  
18          the residential mortgage has been executed and proceeds  
19          were not disbursed to the benefit of the mortgagor and when  
20          the mortgagor has fully paid licensee's costs and  
21          commission;

22          (11) Failure to comply with any order of the  
23          Commissioner or rule made or issued under the provisions of  
24          this Act;

25          (12) Engaging in activities regulated by this Act  
26          without a current, active license unless specifically

1 exempted by this Act;

2 (13) Failure to pay in a timely manner any fee, charge  
3 or fine under this Act;

4 (14) Failure to maintain, preserve, and keep available  
5 for examination, all books, accounts or other documents  
6 required by the provisions of this Act and the rules of the  
7 Commissioner;

8 (15) Refusing, obstructing, evading, or unreasonably  
9 delaying an investigation, information request, or  
10 examination authorized under this Act, or refusing  
11 obstructing, evading, or unreasonably delaying compliance  
12 with the Director's Refusal to permit an investigation or  
13 examination of the licensee's or its affiliates' books and  
14 records or refusal to comply with the Commissioner's  
15 subpoena or subpoena duces tecum;

16 (16) A pattern of substantially underestimating the  
17 maximum closing costs;

18 (17) Failure to comply with or violation of any  
19 provision of this Act.

20 (j) A licensee shall be subject to the disciplinary actions  
21 specified in this Act for violations of subsection (i) by any  
22 officer, director, shareholder, joint venture, partner,  
23 ultimate equitable owner, or employee of the licensee.

24 ~~(k) Such licensee shall be subject to suspension or~~  
25 ~~revocation for employee actions only if there is a pattern of~~  
26 ~~repeated violations by employees or the licensee has knowledge~~

1 ~~of the violations.~~

2 (1) Procedure for surrender of license:

3 (1) The Commissioner may, after 10 days notice by  
4 certified mail to the licensee at the address set forth on  
5 the license, stating the contemplated action and in general  
6 the grounds therefor and the date, time and place of a  
7 hearing thereon, and after providing the licensee with a  
8 reasonable opportunity to be heard prior to such action,  
9 fine such licensee an amount not exceeding \$25,000 per  
10 violation, or revoke or suspend any license issued  
11 hereunder if he or she finds that:

12 (i) The licensee has failed to comply with any  
13 provision of this Act or any order, decision, finding,  
14 rule, regulation or direction of the Commissioner  
15 lawfully made pursuant to the authority of this Act; or

16 (ii) Any fact or condition exists which, if it had  
17 existed at the time of the original application for the  
18 license, clearly would have warranted the Commissioner  
19 in refusing to issue the license.

20 (2) Any licensee may submit application to surrender a  
21 license ~~by delivering to the Commissioner written notice~~  
22 ~~that he or she thereby surrenders such license,~~ but upon  
23 the Director approving the surrender, it shall not affect  
24 the licensee's civil or criminal liability for acts  
25 committed prior to surrender or entitle the licensee to a  
26 return of any part of the license fee.

1 (Source: P.A. 93-561, eff. 1-1-04; 93-1018, eff. 1-1-05.)

2 (205 ILCS 635/4-7 new)

3 Sec. 4-7. Additional investigation and examination  
4 authority. In addition to any authority allowed under this Act,  
5 the Director shall have the authority to conduct investigations  
6 and examinations as follows:

7 (a) For purposes of initial licensing, license renewal,  
8 license suspension, license conditioning, license revocation  
9 or termination, or general or specific inquiry or investigation  
10 to determine compliance with this Act, the Commissioner shall  
11 have the authority to access, receive, and use any books,  
12 accounts, records, files, documents, information, or evidence  
13 including, but not limited to, the following:

14 (1) criminal, civil, and administrative history  
15 information, including nonconviction data as specified in  
16 the Criminal Code of 1961;

17 (2) personal history and experience information,  
18 including independent credit reports obtained from a  
19 consumer reporting agency described in Section 603(p) of  
20 the Federal Fair Credit Reporting Act; and

21 (3) any other documents, information, or evidence the  
22 Commissioner deems relevant to the inquiry or  
23 investigation regardless of the location, possession,  
24 control, or custody of the documents, information, or  
25 evidence.

1       (b) For the purposes of investigating violations or  
2 complaints arising under this Act, or for the purposes of  
3 examination, the Commissioner may review, investigate, or  
4 examine any licensee, individual, or person subject to this  
5 Act, as often as necessary in order to carry out the purposes  
6 of this Act. The Commissioner may direct, subpoena, or order  
7 the attendance of and examine under oath all persons whose  
8 testimony may be required about the loans or the business or  
9 subject matter of any such examination or investigation, and  
10 may direct, subpoena, or order the person to produce books,  
11 accounts, records, files, and any other documents the  
12 Commissioner deems relevant to the inquiry.

13       (c) Each licensee, individual, or person subject to this  
14 Act shall make available to the Commissioner upon request the  
15 books and records relating to the operations of such licensee,  
16 individual, or person subject to this Act. The Commissioner  
17 shall have access to such books and records and interview the  
18 officers, principals, mortgage loan originators, employees,  
19 independent contractors, agents, and customers of the  
20 licensee, individual, or person subject to this Act concerning  
21 their business.

22       (d) Each licensee, individual, or person subject to this  
23 Act shall make or compile reports or prepare other information  
24 as directed by the Commissioner in order to carry out the  
25 purposes of this Section including, but not limited to:

26           (1) accounting compilations;

1           (2) information lists and data concerning loan  
2           transactions in a format prescribed by the Commissioner; or

3           (3) other information deemed necessary to carry out the  
4           purposes of this Section.

5           (e) In making any examination or investigation authorized  
6           by this Act, the Commissioner may control access to any  
7           documents and records of the licensee or person under  
8           examination or investigation. The Commissioner may take  
9           possession of the documents and records or place a person in  
10           exclusive charge of the documents and records in the place  
11           where they are usually kept. During the period of control, no  
12           individual or person shall remove or attempt to remove any of  
13           the documents and records except pursuant to a court order or  
14           with the consent of the Commissioner. Unless the Commissioner  
15           has reasonable grounds to believe the documents or records of  
16           the licensee have been, or are at risk of being altered or  
17           destroyed for purposes of concealing a violation of this Act,  
18           the licensee or owner of the documents and records shall have  
19           access to the documents or records as necessary to conduct its  
20           ordinary business affairs.

21           (f) In order to carry out the purposes of this Section, the  
22           Commissioner may:

23           (1) retain attorneys, accountants, or other  
24           professionals and specialists as examiners, auditors, or  
25           investigators to conduct or assist in the conduct of  
26           examinations or investigations;

1           (2) enter into agreements or relationships with other  
2           government officials or regulatory associations in order  
3           to improve efficiencies and reduce regulatory burden by  
4           sharing resources, standardized or uniform methods or  
5           procedures, and documents, records, information or  
6           evidence obtained under this Section;

7           (3) use, hire, contract, or employ public or privately  
8           available analytical systems, methods, or software to  
9           examine or investigate the licensee, individual, or person  
10          subject to this Act;

11          (4) accept and rely on examination or investigation  
12          reports made by other government officials, within or  
13          without this State; or

14          (5) accept audit reports made by an independent  
15          certified public accountant for the licensee, individual,  
16          or person subject to this Act in the course of that part of  
17          the examination covering the same general subject matter as  
18          the audit and may incorporate the audit report in the  
19          report of the examination, report of investigation, or  
20          other writing of the Commissioner.

21          (g) The authority of this Section shall remain in effect,  
22          whether such a licensee, individual, or person subject to this  
23          Act acts or claims to act under any licensing or registration  
24          law of this State, or claims to act without the authority.

25          (h) No licensee, individual, or person subject to  
26          investigation or examination under this Section may knowingly



1 withhold, abstract, remove, mutilate, destroy, or secrete any  
2 books, records, computer records, or other information.

3 (205 ILCS 635/4-8.1A new)

4 Sec. 4-8.1A. Confidentiality.

5 (a) In order to promote more effective regulation and  
6 reduce regulatory burden through supervisory information  
7 sharing, except as otherwise provided in federal Public Law  
8 110-289, Section 1512, the requirements under any federal law  
9 or state law regarding the privacy or confidentiality of any  
10 information or material provided to the Nationwide Mortgage  
11 Licensing System and Registry, and any privilege arising under  
12 federal or state law, including the rules of any federal or  
13 state court, with respect to such information or material,  
14 shall continue to apply to information or material after the  
15 information or material has been disclosed to the Nationwide  
16 Mortgage Licensing System and Registry. The information and  
17 material may be shared with all state and federal regulatory  
18 officials with mortgage industry oversight authority without  
19 the loss of privilege or the loss of confidentiality  
20 protections provided by federal law or state law.

21 (b) In order to promote more effective regulation and  
22 reduce regulatory burden through supervisory information  
23 sharing, the Director is authorized to enter agreements or  
24 sharing arrangements with other governmental agencies, the  
25 Conference of State Bank Supervisors, the American Association

1 of Residential Mortgage Regulators or other associations  
2 representing governmental agencies as established by rule,  
3 regulation or order of the Director. The sharing of  
4 confidential supervisory information or any information or  
5 material described in subsection (a) of this Section pursuant  
6 to an agreement or sharing arrangement shall not result in the  
7 loss of privilege or the loss of confidentiality protections  
8 provided by federal law or state law.

9 (c) In order to promote more effective regulation and  
10 reduce regulatory burden through supervisory information  
11 sharing, information or material that is subject to a privilege  
12 or confidentiality under subsection (a) of this Section shall  
13 not be subject to the following:

14 (1) disclosure under any State law governing the  
15 disclosure to the public of information held by an officer  
16 or an agency of the State; or

17 (2) subpoena or discovery, or admission into evidence,  
18 in any private civil action or administrative process,  
19 unless with respect to any privilege held by the Nationwide  
20 Mortgage Licensing System and Registry with respect to the  
21 information or material, the person to whom such  
22 information or material pertains waives, in whole or in  
23 part, in the discretion of that person, that privilege.

24 (d) In order to promote more effective regulation and  
25 reduce regulatory burden through supervisory information  
26 sharing, other law relating to the disclosure of confidential

1 supervisory information or any information or material  
2 described in subsection (a) of this Section that is  
3 inconsistent with subsection (a) of this Section shall be  
4 superseded by the requirements of this Section to the extent  
5 the other law provides less confidentiality or a weaker  
6 privilege.

7 (e) In order to promote more effective regulation and  
8 reduce regulatory burden through supervisory information  
9 sharing, this Section shall not apply to the employment history  
10 of a mortgage loan originator, and the record of publicly  
11 adjudicated disciplinary and enforcement actions against a  
12 mortgage loan originator.

13 (205 ILCS 635/4-8.3)

14 Sec. 4-8.3. Annual report of mortgage brokering and  
15 servicing activity. On or before March 1 of each year or the  
16 date selected for Mortgage Call Reports under Section 4-9 of  
17 this Act, each licensee, ~~except residential mortgage brokers,~~  
18 shall file a report with the Commissioner that shall disclose  
19 such information as the Commissioner requires. Exempt entities  
20 as defined in subsection (d) of Section 1-4 shall not file the  
21 annual report of mortgage and servicing activity required by  
22 this Section.

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

24 (205 ILCS 635/4-9.1 new)

1       Sec. 4-9.1. Mortgage call reports. Each residential  
2 mortgage licensee shall submit to the Nationwide Mortgage  
3 Licensing System and Registry reports of condition, which shall  
4 be in the form and shall contain the information that the  
5 Nationwide Mortgage Licensing System and Registry may require.

6           (205 ILCS 635/Art. VII heading)

7                           ARTICLE VII.

8                           MORTGAGE LOAN ORIGINATOR LICENSE REQUIRED

9                           ~~REGISTRATION OF LOAN ORIGINATORS~~

10           (205 ILCS 635/7-1A new)

11       Sec. 7-1A. Mortgage loan originator license.

12       (a) It is unlawful for any individual to act or assume to  
13 act as a mortgage loan originator, as defined in subsection  
14 (jj) of Section 1-4 of this Act, without obtaining a license  
15 from the Director, unless the individual is exempt under  
16 subsection (c) of this Section. Each licensed mortgage loan  
17 originator must register with and maintain a valid unique  
18 identifier issued by the Nationwide Mortgage Licensing System  
19 and Registry.

20       (b) In order to facilitate an orderly transition to  
21 licensing and minimize disruption in the mortgage marketplace,  
22 the operability date for subsection (a) of this Section shall  
23 be as follows:

24           (1) For all individuals other than individuals

1 described in item (2) of this subsection (b), the  
2 operability date shall be July 31, 2010, or any later date  
3 approved by the Secretary of the U.S. Department of Housing  
4 and Urban Development, pursuant to the authority granted  
5 under federal Public Law 110-289, Section 1508(a).

6 (2) For all individuals registered as mortgage loan  
7 originators as of the effective date of this amendatory Act  
8 of the 96th General Assembly, the operability date shall be  
9 January 1, 2011, or any later date approved by the  
10 Secretary of the U.S. Department of Housing and Urban  
11 Development, pursuant to the authority granted under  
12 Public Law 110-289, Section 1508(a).

13 (c) The following are exempt from this Act:

14 (1) Registered mortgage loan originators, when acting  
15 for an entity described in subsection (jj) of Section 1-4.

16 (2) Any individual who offers or negotiates terms of a  
17 residential mortgage loan with or on behalf of an immediate  
18 family member of the individual.

19 (3) Any individual who offers or negotiates terms of a  
20 residential mortgage loan secured by a dwelling that served  
21 as the individual's residence.

22 (4) A licensed attorney who negotiates the terms of a  
23 residential mortgage loan on behalf of a client as an  
24 ancillary matter to the attorney's representation of the  
25 client, unless the attorney is compensated by a lender, a  
26 mortgage broker, or other mortgage loan originator or by

1       any agent of a lender, mortgage broker, or other mortgage  
2       loan originator.

3       (d) A loan processor or underwriter who is an independent  
4       contractor may not engage in the activities of a loan processor  
5       or underwriter unless he or she obtains and maintains a license  
6       under subsection (a) of this Section. Each independent  
7       contractor loan processor or underwriter licensed as a mortgage  
8       loan originator must have and maintain a valid unique  
9       identifier issued by the Nationwide Mortgage Licensing System  
10       and Registry.

11       (e) For the purposes of implementing an orderly and  
12       efficient licensing process, the Director may establish  
13       licensing rules or regulations and interim procedures for  
14       licensing and acceptance of applications. For previously  
15       registered or licensed individuals, the Director may establish  
16       expedited review and licensing procedures.

17       (205 ILCS 635/7-2 new)

18       Sec. 7-2. State license application and issuance.

19       (a) Applicants for a license shall apply in a form  
20       prescribed by the Director. Each form shall contain content as  
21       set forth by rule, regulation, instruction, or procedure of the  
22       Director and may be changed or updated as necessary by the  
23       Director in order to carry out the purposes of this Act.

24       (b) In order to fulfill the purposes of this Act, the  
25       Director is authorized to establish relationships or contracts

1 with the Nationwide Mortgage Licensing System and Registry or  
2 other entities designated by the Nationwide Mortgage Licensing  
3 System and Registry to collect and maintain records and process  
4 transaction fees or other fees related to licensees or other  
5 persons subject to this Act.

6 (c) In connection with an application for licensing as a  
7 mortgage loan originator, the applicant shall, at a minimum,  
8 furnish to the Nationwide Mortgage Licensing System and  
9 Registry information concerning the applicant's identity,  
10 including the following:

11 (1) Fingerprints for submission to the Federal Bureau  
12 of Investigation, and any governmental agency or entity  
13 authorized to receive such information for a state,  
14 national and international criminal history background  
15 check.

16 (2) Personal history and experience in a form  
17 prescribed by the Nationwide Mortgage Licensing System and  
18 Registry, including the submission of authorization for  
19 the Nationwide Mortgage Licensing System and Registry and  
20 the Director to obtain:

21 (A) an independent credit report obtained from a  
22 consumer reporting agency described in Section 603(p)  
23 of the Fair Credit Reporting Act; and

24 (B) information related to any administrative,  
25 civil, or criminal findings by any governmental  
26 jurisdiction.

1       (d) For the purpose of this Section, and in order to reduce  
2 the points of contact which the Federal Bureau of Investigation  
3 may have to maintain for purposes of subsection (c) of this  
4 Section, the Director may use the Nationwide Mortgage Licensing  
5 System and Registry as a channeling agent for requesting  
6 information from and distributing information to the  
7 Department of Justice or any governmental agency.

8       (e) For the purposes of this Section and in order to reduce  
9 the points of contact which the Director may have to maintain  
10 for purposes of item (2) of subsection (c) of this Section, the  
11 Director may use the Nationwide Mortgage Licensing System and  
12 Registry as a channeling agent for requesting and distributing  
13 information to and from any source so directed by the Director.

14       (205 ILCS 635/7-3 new)

15       Sec. 7-3. Issuance of license. The Director shall not issue  
16 a mortgage loan originator license unless the Director makes at  
17 a minimum the following findings:

18       (1) The applicant has never had a mortgage loan originator  
19 license revoked in any governmental jurisdiction, except that a  
20 subsequent formal vacation of such revocation shall not be  
21 deemed a revocation.

22       (2) The applicant has not been convicted of, or pled guilty  
23 or nolo contendere to, a felony in a domestic, foreign, or  
24 military court:

25       (A) during the 7-year period preceding the date of the



1 application for licensing and registration; or

2 (B) at any time preceding such date of application, if  
3 such felony involved an act of fraud, dishonesty, or a  
4 breach of trust, or money laundering;

5 provided that any pardon of a conviction shall not be a  
6 conviction for purposes of this item (2).

7 (3) The applicant has demonstrated financial  
8 responsibility, character, and general fitness so as to command  
9 the confidence of the community and to warrant a determination  
10 that the mortgage loan originator will operate honestly,  
11 fairly, and efficiently within the purposes of this Act. For  
12 purposes of this item (3) a person has shown that he or she is  
13 not financially responsible when he or she has shown a  
14 disregard for the management of his or her own financial  
15 condition. A determination that an individual has not shown  
16 financial responsibility may include, but is not limited to,  
17 consideration of:

18 (A) current outstanding judgments, except judgments  
19 solely as a result of medical expenses;

20 (B) current outstanding tax liens or other government  
21 liens and filings, educational loan defaults, and  
22 non-payment of child support;

23 (C) foreclosures within the past 3 years; and

24 (D) a pattern of seriously delinquent accounts within  
25 the past 3 years.

26 (4) The applicant has completed the pre-licensing

1 education requirement described in Section 7-4 of this Act.

2 (5) The applicant has passed a written test that meets the  
3 test requirement described in Section 7-5 of this Act.

4 (6) The applicant has met the surety bond requirement as  
5 required pursuant to Section 7-11 of this Act.

6 (205 ILCS 635/7-4 new)

7 Sec. 7-4. Pre-licensing and education of mortgage loan  
8 originators.

9 (a) In order to meet the pre-licensing education  
10 requirement referred to in item (4) of Section 7-3 of this Act  
11 an individual shall complete at least 20 hours of education  
12 approved in accordance with subsection (b) of this Section,  
13 which shall include at least:

14 (1) 3 hours of Federal law and regulations;

15 (2) 3 hours of ethics, which shall include instruction  
16 on fraud, consumer protection, and fair lending issues; and

17 (3) 2 hours of training related to lending standards  
18 for the nontraditional mortgage product marketplace.

19 (b) For purposes of subsection (a) of this Section,  
20 pre-licensing education courses shall be reviewed and approved  
21 by the Nationwide Mortgage Licensing System and Registry based  
22 upon reasonable standards. Review and approval of a  
23 pre-licensing education course shall include review and  
24 approval of the course provider.

25 (c) Nothing in this Section shall preclude any

1 pre-licensing education course, as approved by the Nationwide  
2 Mortgage Licensing System and Registry, that is provided by the  
3 employer of the applicant or an entity which is affiliated with  
4 the applicant by an agency contract, or any subsidiary or  
5 affiliate of such an employer or entity.

6 (d) Pre-licensing education may be offered in a classroom,  
7 online, or by any other means approved by the Nationwide  
8 Mortgage Licensing System and Registry.

9 (e) The pre-licensing education requirements approved by  
10 the Nationwide Mortgage Licensing System and Registry for the  
11 subjects listed in items (1) through (3) of subsection (a) for  
12 any state shall be accepted as credit towards completion of  
13 pre-licensing education requirements in Illinois.

14 (f) An individual previously registered under this Act who  
15 is applying to be licensed after the effective date of this  
16 amendatory Act of the 96th General Assembly must prove that he  
17 or she has completed all of the continuing education  
18 requirements for the year in which the registration or license  
19 was last held.

20 (205 ILCS 635/7-5 new)

21 Sec. 7-5. Testing of mortgage loan originators.

22 (a) In order to meet the written test requirement referred  
23 to in item (5) of Section 7-3, an individual shall pass, in  
24 accordance with the standards established under this  
25 subsection (a), a qualified written test developed by the

1 Nationwide Mortgage Licensing System and Registry and  
2 administered by a test provider approved by the Nationwide  
3 Mortgage Licensing System and Registry based upon reasonable  
4 standards.

5 (b) A written test shall not be treated as a qualified  
6 written test for purposes of subsection (a) of this Section  
7 unless the test adequately measures the applicant's knowledge  
8 and comprehension in appropriate subject areas, including:

9 (1) ethics;

10 (2) federal law and regulation pertaining to mortgage  
11 origination;

12 (3) State law and regulation pertaining to mortgage  
13 origination; and

14 (4) federal and State law and regulation, including  
15 instruction on fraud, consumer protection, the  
16 nontraditional mortgage marketplace, and fair lending  
17 issues.

18 (c) Nothing in this Section shall prohibit a test provider  
19 approved by the Nationwide Mortgage Licensing System and  
20 Registry from providing a test at the location of the employer  
21 of the applicant or the location of any subsidiary or affiliate  
22 of the employer of the applicant, or the location of any entity  
23 with which the applicant holds an exclusive arrangement to  
24 conduct the business of a mortgage loan originator.

25 (d) An individual shall not be considered to have passed a  
26 qualified written test unless the individual achieves a test

1 score of not less than 75% correct answers to questions.

2 An individual may retake a test 3 consecutive times with  
3 each consecutive taking occurring at least 30 days after the  
4 preceding test.

5 After failing 3 consecutive tests, an individual shall wait  
6 at least 6 months before taking the test again.

7 A licensed mortgage loan originator who fails to maintain a  
8 valid license for a period of 5 years or longer shall retake  
9 the test, not taking into account any time during which such  
10 individual is a registered mortgage loan originator.

11 (205 ILCS 635/7-6 new)

12 Sec. 7-6. Standards for license renewal.

13 (a) The minimum standards for license renewal for mortgage  
14 loan originators shall include the following:

15 (1) The mortgage loan originator continues to meet the  
16 minimum standards for license issuance under Section 7-3.

17 (2) The mortgage loan originator has satisfied the  
18 annual continuing education requirements described in  
19 Section 7-7.

20 (3) The mortgage loan originator has paid all required  
21 fees for renewal of the license.

22 (b) The license of a mortgage loan originator failing to  
23 satisfy the minimum standards for license renewal shall expire.  
24 The Director may adopt procedures for the reinstatement of  
25 expired licenses consistent with the standards established by

1 the Nationwide Mortgage Licensing System and Registry.

2 (205 ILCS 635/7-7 new)

3 Sec. 7-7. Continuing education for mortgage loan  
4 originators.

5 (a) In order to meet the annual continuing education  
6 requirements referred to in Section 7-6, a licensed mortgage  
7 loan originator shall complete at least 8 hours of education  
8 approved in accordance with subsection (b) of this Section,  
9 which shall include at least:

10 (1) 3 hours of Federal law and regulations;

11 (2) 2 hours of ethics, which shall include instruction  
12 on fraud, consumer protection, and fair lending issues; and

13 (3) 2 hours of training related to lending standards  
14 for the nontraditional mortgage product marketplace.

15 (b) For purposes of this subsection (a), continuing  
16 education courses shall be reviewed and approved by the  
17 Nationwide Mortgage Licensing System and Registry based upon  
18 reasonable standards. Review and approval of a continuing  
19 education course shall include review and approval of the  
20 course provider.

21 (c) Nothing in this Section shall preclude any education  
22 course, as approved by the Nationwide Mortgage Licensing System  
23 and Registry, that is provided by the employer of the mortgage  
24 loan originator or an entity which is affiliated with the  
25 mortgage loan originator by an agency contract, or any

1 subsidiary or affiliate of the employer or entity.

2 (d) Continuing education may be offered either in a  
3 classroom, online, or by any other means approved by the  
4 Nationwide Mortgage Licensing System and Registry.

5 (e) A licensed mortgage loan originator:

6 (1) Except as provided in Section 7-6 and subsection  
7 (i) of this Section, may only receive credit for a  
8 continuing education course in the year in which the course  
9 is taken; and

10 (2) May not take the same approved course in the same  
11 or successive years to meet the annual requirements for  
12 continuing education.

13 (f) A licensed mortgage loan originator who is an  
14 approved instructor of an approved continuing education course  
15 may receive credit for the licensed mortgage loan originator's  
16 own annual continuing education requirement at the rate of 2  
17 hours credit for every one hour taught.

18 (g) A person having successfully completed the education  
19 requirements approved by the Nationwide Mortgage Licensing  
20 System and Registry for the subjects listed in subsection (a)  
21 of this Section for any state shall be accepted as credit  
22 towards completion of continuing education requirements in  
23 this State.

24 (h) A licensed mortgage loan originator who subsequently  
25 becomes unlicensed must complete the continuing education  
26 requirements for the last year in which the license was held

1 prior to issuance of a new or renewed license.

2 (i) A person meeting the requirements of Section 7-6 may  
3 make up any deficiency in continuing education as established  
4 by rule or regulation of the Director.

5 (205 ILCS 635/7-8 new)

6 Sec. 7-8. Authority to require license. In addition to any  
7 other duties imposed upon the Director by law, the Director  
8 shall require mortgage loan originators to be licensed and  
9 registered through the Nationwide Mortgage Licensing System  
10 and Registry. In order to carry out this requirement the  
11 Director is authorized to participate in the Nationwide  
12 Mortgage Licensing System and Registry. For this purpose, the  
13 Director may establish by agreement, order or rule requirements  
14 as necessary, including, but not limited to, the following:

15 (1) Background checks for:

16 (A) criminal history through fingerprint or other  
17 databases;

18 (B) civil or administrative records;

19 (C) credit history; or

20 (D) any other information as deemed necessary by  
21 the Nationwide Mortgage Licensing System and Registry.

22 (2) The payment of fees to apply for or renew licenses  
23 through the Nationwide Mortgage Licensing System and  
24 Registry;

25 (3) The setting or resetting as necessary of renewal or



1 reporting dates; and

2 (4) Requirements for amending or surrendering a  
3 license or any other such activities as the Director deems  
4 necessary for participation in the Nationwide Mortgage  
5 Licensing System and Registry.

6 (205 ILCS 635/7-9 new)

7 Sec. 7-9. Report to Nationwide Mortgage Licensing System  
8 and Registry. Subject to State privacy laws, the Director is  
9 required to report regularly violations of this Act, as well as  
10 enforcement actions and other relevant information, to the  
11 Nationwide Mortgage Licensing System and Registry subject to  
12 the provisions contained in Section 4-8.1A of this Act.

13 (205 ILCS 635/7-10 new)

14 Sec. 7-10. Nationwide Mortgage Licensing System and  
15 Registry information challenge process. The Director shall  
16 establish a process whereby mortgage loan originators may  
17 challenge information entered into the Nationwide Mortgage  
18 Licensing System and Registry by the Director.

19 (205 ILCS 635/7-11 new)

20 Sec. 7-11. Mortgage loan originator suspension or  
21 revocation of registration; refusal to renew; fines.

22 (a) In addition to any other action authorized by this Act  
23 or any other applicable law, rule or regulation, the Director

1 may do the following:

2 (1) Suspend, revoke, or refuse to renew a license or  
3 reprimand, place on probation or otherwise discipline a  
4 licensee if the Director finds that the mortgage loan  
5 originator has violated this Act or any other applicable  
6 law or regulation or has been convicted of a criminal  
7 offense.

8 (2) Impose a fine of not more than \$1,000 for each day  
9 for each violation of this Act or any other applicable law  
10 or regulation that is committed. If the Mortgage Loan  
11 Originator engages in a pattern of repeated violations, the  
12 Director may impose a fine of not more than \$2,000 for each  
13 day for each violation committed. In determining the amount  
14 of a fine to be imposed pursuant to this Act or any other  
15 applicable law or regulation, the Director shall consider  
16 all of the following:

17 (A) The seriousness of the violation;

18 (B) The mortgage loan originator's good faith  
19 efforts to prevent the violation; and

20 (C) The mortgage loan originator's history of  
21 violations and compliance with orders.

22 (b) In addition to any other action authorized by this Act  
23 or any other applicable law, rule or regulation, the Director  
24 may investigate alleged violations of the Act or any other  
25 applicable law, rule or regulation and complaints concerning  
26 any such violation. The Director may seek a court order to

1 enjoin the violation.

2 (c) In addition to any other action authorized by this Act  
3 or any other applicable law, rule or regulation, if the  
4 Director determines that a mortgage loan originator is engaged  
5 in or is believed to be engaged in activities that may  
6 constitute a violation of this Act or any other applicable law,  
7 rule or regulation, the Director may issue a cease and desist  
8 order to compel the mortgage loan originator to comply with  
9 this Act or any other applicable law, rule or regulation or,  
10 upon a showing that an emergency exists, may suspend the  
11 mortgage loan originator's license for a period not exceeding  
12 180 calendar days, pending investigation.

13 (205 ILCS 635/7-12 new)

14 Sec. 7-12. Surety bond required.

15 (a) Each mortgage loan originator shall be covered by a  
16 surety bond in accordance with this Section. In the event that  
17 the mortgage loan originator is an employee or exclusive agent  
18 of a person subject to this Act, the surety bond of such person  
19 subject to this Act can be used in lieu of the mortgage loan  
20 originator's surety bond requirement. The surety bond shall  
21 provide coverage for each mortgage loan originator in an amount  
22 prescribed under subsection (b) of this Section. The surety  
23 bond shall be in a form prescribed by the Director. The  
24 Director may promulgate rules or regulations with respect to  
25 the requirements for such surety bonds as necessary to

1 accomplish the purposes of this Act.

2 (b) The penal sum of the surety bond shall be maintained in  
3 an amount that reflects the dollar amount of loans originated  
4 as determined by the Director.

5 (c) When an action is commenced on a licensee's bond the  
6 Director may require the filing of a new bond.

7 (d) Immediately upon recovery upon any action on the bond  
8 the licensee shall file a new bond.

9 (205 ILCS 635/7-13 new)

10 Sec. 7-13. Prohibited acts and practices for mortgage loan  
11 originators. It is a violation of this Act for an individual  
12 subject to this Act to:

13 (1) Directly or indirectly employ any scheme, device,  
14 or artifice to defraud or mislead borrowers or lenders or  
15 to defraud any person.

16 (2) Engage in any unfair or deceptive practice toward  
17 any person.

18 (3) Obtain property by fraud or misrepresentation.

19 (4) Solicit or enter into a contract with a borrower  
20 that provides in substance that the person or individual  
21 subject to this Act may earn a fee or commission through  
22 "best efforts" to obtain a loan even though no loan is  
23 actually obtained for the borrower.

24 (5) Solicit, advertise, or enter into a contract for  
25 specific interest rates, points, or other financing terms

1 unless the terms are actually available at the time of  
2 soliciting, advertising, or contracting.

3 (6) Conduct any business covered by this Act without  
4 holding a valid license as required under this Act, or  
5 assist or aid and abet any person in the conduct of  
6 business under this Act without a valid license as required  
7 under this Act.

8 (7) Fail to make disclosures as required by this Act  
9 and any other applicable State or federal law, including  
10 regulations thereunder.

11 (8) Fail to comply with this Act or rules or  
12 regulations promulgated under this Act, or fail to comply  
13 with any other state or federal law, including the rules  
14 and regulations thereunder, applicable to any business  
15 authorized or conducted under this Act.

16 (9) Make, in any manner, any false or deceptive  
17 statement or representation of a material fact, or any  
18 omission of a material fact, required on any document or  
19 application subject to this Act.

20 (10) Negligently make any false statement or knowingly  
21 and willfully make any omission of material fact in  
22 connection with any information or report filed with a  
23 governmental agency or the Nationwide Mortgage Licensing  
24 System and Registry or in connection with any investigation  
25 conducted by the Director or another governmental agency.

26 (11) Make any payment, threat or promise, directly or

1 indirectly, to any person for the purpose of influencing  
2 the independent judgment of the person in connection with a  
3 residential mortgage loan, or make any payment threat or  
4 promise, directly or indirectly, to any appraiser of a  
5 property, for the purpose of influencing the independent  
6 judgment of the appraiser with respect to the value of the  
7 property.

8 (12) Collect, charge, attempt to collect or charge, or  
9 use or propose any agreement purporting to collect or  
10 charge any fee prohibited by this Act.

11 (13) Cause or require a borrower to obtain property  
12 insurance coverage in an amount that exceeds the  
13 replacement cost of the improvements as established by the  
14 property insurer.

15 (14) Fail to truthfully account for monies belonging to  
16 a party to a residential mortgage loan transaction.

17 (15) Engage in conduct that constitutes dishonest  
18 dealings.

19 (16) Knowingly instruct, solicit, propose, or cause a  
20 person other than the borrower to sign a borrower's  
21 signature on a mortgage related document, or solicit,  
22 accept or execute any contract or other document related to  
23 the residential mortgage transaction that contains any  
24 blanks to be filled in after signing or initialing the  
25 contract or other document, except for forms authorizing  
26 the verification of application information.

1           (17) Discourage any applicant from seeking or  
2           participating in housing or financial counseling either  
3           before or after the consummation of a loan transaction, or  
4           fail to provide information on counseling resources upon  
5           request.

6           (18) Charge for any ancillary products or services, not  
7           essential to the basic loan transaction for which the  
8           consumer has applied, without the applicant's knowledge  
9           and written authorization, or charge for any ancillary  
10           products or services not actually provided in the  
11           transaction.

12           (19) Fail to give reasonable consideration to a  
13           borrower's ability to repay the debt.

14           (20) Interfere or obstruct an investigation or  
15           examination conducted pursuant to this Act.

16           (205 ILCS 635/7-14 new)

17           Sec. 7-14. Unique identifier shown. The unique identifier  
18           of any person originating a residential mortgage loan shall be  
19           clearly shown on all residential mortgage loan application  
20           forms, solicitations, and advertisements, including business  
21           cards and websites, and any other documents as established by  
22           rule, regulation, or order of the Commissioner.

23           Section 97. Severability. The provisions of this Act are  
24           severable under Section 1.31 of the Statute on Statutes.

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



1		INDEX
2		Statutes amended in order of appearance
3	205 ILCS 635/1-2	from Ch. 17, par. 2321-2
4	205 ILCS 635/1-4	from Ch. 17, par. 2321-4
5	205 ILCS 635/2-2	from Ch. 17, par. 2322-2
6	205 ILCS 635/2-3	from Ch. 17, par. 2322-3
7	205 ILCS 635/2-4	from Ch. 17, par. 2322-4
8	205 ILCS 635/2-6	from Ch. 17, par. 2322-6
9	205 ILCS 635/3-1	from Ch. 17, par. 2323-1
10	205 ILCS 635/3-2	from Ch. 17, par. 2323-2
11	205 ILCS 635/3-4	from Ch. 17, par. 2323-4
12	205 ILCS 635/4-1	from Ch. 17, par. 2324-1
13	205 ILCS 635/4-2	from Ch. 17, par. 2324-2
14	205 ILCS 635/4-5	from Ch. 17, par. 2324-5
15	205 ILCS 635/4-7 new	
16	205 ILCS 635/4-8.1A new	
17	205 ILCS 635/4-8.3	
18	205 ILCS 635/4-9.1 new	
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20	heading	
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22	205 ILCS 635/7-2 new	
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- 1 205 ILCS 635/7-6 new
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- 9 205 ILCS 635/7-14 new