



Rep. Brandon W. Phelps

Filed: 4/12/2013

09800HB2927ham001

LRB098 07544 HLH 44335 a

1 AMENDMENT TO HOUSE BILL 2927

2 AMENDMENT NO. _____. Amend House Bill 2927 by replacing
3 everything after the enacting clause with the following:

4 "ARTICLE 5. CONVEYANCE AND ENCUMBRANCE OF MANUFACTURED HOMES AS
5 REAL PROPERTY AND SEVERANCE ACT

6 Section 5-1. Short title. This Act may be cited as the
7 Conveyance and Encumbrance of Manufactured Homes as Real
8 Property and Severance Act. All references in this Article to
9 "this Act" mean this Article.

10 Section 5-2. Findings and purpose.

11 (a) The General Assembly finds that there is a need to
12 clarify the legal status of manufactured homes affixed or to be
13 affixed to real property in the State.

14 (b) The purpose of this Act is to establish a clear
15 statutory procedure for converting to real property

1 manufactured homes located outside of mobile home parks that
2 are affixed to real property and for the severance of
3 manufactured homes from real property.

4 Section 5-5. Manufactured home; permanently affixed to
5 real property. For the purposes of this Act, "manufactured
6 home" means a manufactured home as defined in subdivision (53)
7 of Section 9-102 of the Uniform Commercial Code.
8 Notwithstanding the foregoing, for the purposes of subsection
9 (b)(2) of Section 1322 of the federal Bankruptcy Code (11
10 U.S.C. § 1322(b)(2)), a manufactured home shall be deemed to be
11 real property. For the purposes of this Act, a manufactured
12 home is "affixed to a permanent foundation" if it is anchored
13 to real property by attachment to a permanent foundation and
14 connected to residential utilities (such as water, gas,
15 electricity, or sewer or septic service).

16 Section 5-10. Act not mandatory; record notice. The owner
17 of a manufactured home that is personal property or a fixture
18 may, but need not, cause that manufactured home to be deemed to
19 be real property by satisfying the requirements of Section 5-30
20 of this Act and the requirements of Section 3-116.1 or 3-116.2
21 of the Illinois Vehicle Code, as applicable.

22 To convey or voluntarily encumber a manufactured home as
23 real property, the following conditions must be met:

24 (1) the manufactured home must be affixed a permanent

1 foundation to real property;

2 (2) the ownership interests in the manufactured home
3 and the real property to which the manufactured home is
4 affixed must be identical, or, if the manufactured home is
5 not located in a mobile home park as defined in Section 2.5
6 of the Mobile Home Park Act, and if the owner of the
7 manufactured home, if not the owner of the real property,
8 is in possession of the real property pursuant to the terms
9 of a lease in recordable form that has a term that
10 continues for at least 20 years after the date of
11 execution, then the consent of the lessor of the real
12 property must be given;

13 (3) the person (all, if more than one) having an
14 ownership interest in such manufactured home shall execute
15 and record with the recording officer of the county in
16 which the real property is located an affidavit of
17 affixation as provided in Section 5-15 of this Act and
18 satisfy the other applicable requirements of this Act; and

19 (4) upon receipt of a certified copy of the recorded
20 affidavit of affixation pursuant to Section 5-25 of this
21 Act, any person designated therein for filing with the
22 Secretary of State shall file the certified copy of
23 affidavit of affixation with the Secretary of State; except
24 that

25 (A) in a case described in subsection (a) (4) (A) of
26 Section 5-15 of this Act, a certified copy of the

1 affidavit of affixation and the original
2 Manufacturer's Statement of Origin, each as recorded
3 in the county in which the real property is located,
4 must be filed with the Secretary of State pursuant to
5 Section 3-116.1 of the Illinois Vehicle Code; and

6 (B) in a case described in subsection (a) (4) (B) of
7 Section 5-15 of this Act, a certified copy of the
8 recorded affidavit of affixation as recorded in the
9 county in which the real property is located, and the
10 original certificate of title, including, if
11 applicable, a certificate of title issued in
12 accordance with subsection (b) of Section 3-109 of the
13 Illinois Vehicle Code, must be filed with the Secretary
14 of State pursuant to Section 3-116.2 of the Illinois
15 Vehicle Code.

16 Section 5-15. Affidavit of affixation.

17 (a) An affidavit of affixation shall contain or be
18 accompanied by:

19 (1) the name of the manufacturer, the make, the model
20 name, the model year, the dimensions, and the
21 manufacturer's serial number or numbers of the
22 manufactured home, and whether the manufactured home is new
23 or used;

24 (2) (A) a statement that the party executing the
25 affidavit is the owner of the real property described

1 therein or (B) if the party executing the affidavit is not
2 the owner of the real property, (1) a statement that the
3 manufactured home is not located in a mobile home park as
4 defined in Section 2.5 of the Mobile Home Park Act and that
5 the party executing the affidavit is in possession of the
6 real property pursuant to the terms of a lease in
7 recordable form that has a term that continues for at least
8 20 years after the date of execution of the affidavit and
9 (2) the consent of the lessor of the real property,
10 endorsed upon or attached to the affidavit and acknowledged
11 or proved in the manner as to entitle a conveyance to be
12 recorded;

13 (3) the street address and the legal description of the
14 real property to which the manufactured home is or shall be
15 affixed; and

16 (4) as applicable:

17 (A) if the manufactured home is not covered by a
18 certificate of title, including, if applicable, a
19 certificate of title issued in accordance with
20 subsection (b) of Section 3-109 of the Illinois Vehicle
21 Code, a statement by the owner to that effect, and

22 (i) a statement by the owner of the
23 manufactured home that the manufactured home is
24 covered by a Manufacturer's Statement of Origin,
25 the date the Manufacturer's Statement of Origin
26 was issued, and the manufacturer's serial number

1 or numbers of the manufactured home; and

2 (ii) a statement that annexed to the affidavit
3 of affixation is the original Manufacturer's
4 Statement of Origin for the manufactured home,
5 duly endorsed to the owner of the manufactured
6 home, and that the owner of the manufactured home
7 shall surrender the Manufacturer's Statement of
8 Origin; or

9 (B) if the manufactured home is covered by a
10 certificate of title, including, if applicable, a
11 certificate of title issued in accordance with
12 subsection (b) of Section 3-109 of the Illinois Vehicle
13 Code, a statement by the owner of the manufactured home
14 that the manufactured home is covered by a certificate
15 of title, the date the title was issued, the title
16 number, and that the owner of the manufactured home
17 shall surrender the title;

18 (5) a statement whether or not the manufactured home is
19 subject to one or more security interests or liens, and

20 (A) if the manufactured home is subject to one or
21 more security interests or liens, the name and address
22 of each party holding a security interest in or lien on
23 the manufactured home, including but not limited to,
24 each holder shown on any certificate of title issued by
25 the Secretary of State, if any, the original principal
26 amount secured by each security interest or lien; and a

1 statement that the security interest or lien shall be
2 released; or

3 (B) a statement that each security interest in or
4 lien on the manufactured home, if any, has been
5 released, together with due proof of each such release;

6 (6) a statement that the manufactured home is or shall
7 be affixed to a permanent foundation; and

8 (7) the name and address of a person designated for
9 filing the certified copy of the affidavit of affixation
10 with the Secretary of State, to whom the recording officer
11 shall return the certified copy of the affidavit of
12 affixation after it has been duly recorded in the real
13 property records, as provided in Section 5 of this Act.

14 (b) An affidavit of affixation shall be in the form set
15 forth in this Section, duly acknowledged or proved in like
16 manner as to entitle a conveyance to be recorded, and when so
17 acknowledged or proved and upon payment of the lawful fees
18 therefor, the recording officer shall immediately cause the
19 affidavit of affixation and any attachments thereto to be duly
20 recorded and indexed in the record of deeds.

21 (c) An affidavit of affixation shall be in the form set
22 forth below:

23

MANUFACTURED HOME

24

AFFIDAVIT OF AFFIXATION

1 STATE OF)
 2)SS.
 3 COUNTY OF

4 BEFORE ME, the undersigned Notary Public, on this day
 5 personally appeared (type the
 6 name(s) of each person signing this Affidavit) known to me to
 7 be the person(s) whose name(s) is/are subscribed below (each a
 8 "Homeowner"), and who, being by me first duly sworn, did each
 9 on his or her oath state as follows:

10 1. Homeowner owns the manufactured home ("Home") described as
 11 follows:
 12
 13
 14 (Year; Manufacturer's Name; Manufacturer's Serial No(s).)

15 2. The street address of the real property to which the Home is
 16 or shall be permanently affixed ("Property Address") is:
 17
 18 (Street or Route; City; County; State; Zip Code)

19 3. The legal description of the real property to which the Home
 20 is or shall be affixed ("Land") is:
 21
 22

1
 2

3 4. Homeowner is the owner of the Land or, if not the owner of
 4 the Land, the Home is not located in a mobile home park, as
 5 defined in Section 2.5 of the Mobile Home Park Act, and
 6 Homeowner is in possession of the Land pursuant to a lease
 7 in recordable form that has a term that continues for at
 8 least 20 years after the date of the execution of this
 9 Affidavit, and the consent of the lessor is attached to
 10 this Affidavit.

11 5. The Home is or shall be assessed and taxed as an improvement
 12 to the Land.

13 6. As of the date of the execution of this Affidavit, or, if
 14 the Home is not yet located at the Property Address, upon
 15 the delivery of the Home to the Property Address:

16 (a) The Home [] is [] shall be affixed to a permanent
 17 foundation as defined in Section 5-5 of the Conveyance and
 18 Encumbrance of Manufactured Homes as Real Property and
 19 Severance Act;

20 (b) The wheels, axles, towbar, or hitch were removed when
 21 the Home was placed on the Property Address; and

22 7. The Home [] was [] was not permanently affixed before
 23 January 1, 2011.

24 8. If Homeowner is the owner of the Land, any conveyance or
 25 financing of the Home and the Land shall be a single

1 transaction under applicable State law.

2 9. The Home is subject to the following security interests or
3 liens:

4 Name of Lienholder:

5 Address:

6 Name of Lienholder:

7 Address:

8 10. Other than those disclosed in this Affidavit, Homeowner is
9 not aware of (i) any other security interest, claim, lien,
10 or encumbrance affecting the Home or (ii) any other facts
11 or information that could reasonably affect the validity of
12 the title of the Home or the existence or non-existence of
13 security interests in it.

14 11. A release of lien from each of the lienholders identified
15 in paragraph 11 of this Affidavit [] has been [] shall be
16 delivered to the Secretary of State.

17 12. Homeowner shall initial only one of the following, as it
18 applies to the Home:

19 [] The Home is not covered by a certificate of title. The
20 Home is covered by a Manufacturer's Statement of Origin,
21 issued on the of,, manufacturer's
22 serial number, which Homeowner shall
23 surrender. The original Manufacturer's Statement of Origin,

1 duly endorsed to Homeowner, is attached to this Affidavit.

2 [] The Home is covered by a certificate of title issued
3 on the day of,, title number
4, which Homeowner shall surrender.

5 13. Homeowner designates the following person to file a
6 certified copy of this Affidavit with the Secretary of
7 State, and the person to whom the Recorder shall return a
8 certified copy of this Affidavit after it has been duly
9 recorded in the real property records:

10 Name:.....
11 Address:

12 14. This Affidavit is executed by Homeowner pursuant to Section
13 5-15 of the Conveyance and Encumbrance of Manufactured
14 Homes as Real Property and Severance Act.

15
16 IN WITNESS WHEREOF, Homeowner(s) has/have executed this
17 Affidavit in my presence and in the presence of the
18 undersigned witnesses on this day of,

19 (SEAL)
20 Homeowner #1 Witness
21
22 Printed Name

1 Official Seal:

2 ATTENTION RECORDER: This instrument covers goods that are
3 or are to become fixtures on the Property described herein and
4 is to be filed for record in the records where conveyances of
5 real estate are recorded.

6 Section 5-20. Disposition of liens. Neither the act of
7 affixing a manufactured home to a permanent foundation nor the
8 recording of the affidavit of affixation shall impair the
9 rights of any holder of a security interest in or lien on a
10 manufactured home perfected as provided in Section 3-202 of the
11 Illinois Vehicle Code, unless and until the due filing with and
12 acceptance by the Secretary of State of an application to
13 surrender the title as provided in Section 3-116.2 of the
14 Illinois Vehicle Code and release of all security interests or
15 liens as provided in Section 3-205 of the Illinois Vehicle
16 Code. Upon the filing of such releases, the security interests
17 or liens perfected under Section 3-202 of the Illinois Vehicle
18 Code are terminated. The recording of an affidavit of
19 affixation does not change the character of any security
20 interest or lien noted on a certificate of title, and no
21 recording tax shall be imposed at the time an affidavit of
22 affixation is recorded upon any security interest in or lien on
23 a manufactured home perfected under Section 3-202 of the
24 Illinois Vehicle Code.

1 Section 5-25. Notice to Secretary of State. Upon payment of
2 the fees provided by law and recordation of the affidavit of
3 affixation, the recording officer shall endorse the affidavit
4 as "recorded in land records", setting forth thereon the
5 indexing information for the affidavit of affixation, and the
6 recording officer shall forthwith forward a certified copy of
7 the recorded affidavit of affixation and all attachments
8 thereto to the person designated therein for filing with the
9 Secretary of State. Upon receipt of a certified copy of the
10 recorded affidavit of affixation by the person designated
11 therein for filing with the Secretary of State, such person
12 shall forthwith deliver for filing to the Secretary a certified
13 copy of the affidavit of affixation and other documents as
14 provided in item (4) of Section 5-10 of this Act.

15 Section 5-30. Effect of recorded affidavit of affixation. A
16 manufactured home shall be deemed to be real property when all
17 of the following events have occurred:

18 (1) the manufactured home is permanently affixed to land as
19 provided in Section 5-5 of this Act;

20 (2) an affidavit of affixation conforming to the
21 requirements of Section 5-15 of this Act has been recorded;

22 (3) a certified copy of the recorded affidavit of
23 affixation has been delivered for filing to the Secretary of
24 State as provided in Section 5 of this Act; and

1 (4) the requirements of Section 3-116.1 or 3-116.2 of the
2 Illinois Vehicle Code, as applicable, have been satisfied.

3 Section 5-35. Conveyance and encumbrance as real property.
4 Upon the satisfaction of the requirements of Section 5-30 of
5 this Act and the requirements of Section 3-116.1 or 3-116.2 of
6 the Illinois Vehicle Code, as applicable, such manufactured
7 home shall be deemed to be real property; any mortgage, deed of
8 trust, lien, or security interest that can attach to land,
9 buildings erected thereon, or fixtures affixed thereto shall
10 attach as of the date of its recording in the same manner as if
11 the manufactured home were built from ordinary building
12 materials on site; title to such manufactured home shall be
13 transferred by deed or other form of conveyance that is
14 effective to transfer an interest in real property, together
15 with the land to which such structure has been affixed; and the
16 manufactured home shall be deemed to be real property and shall
17 be governed by the laws applicable to real property.

18 Section 5-40. Manufactured home that remains personal
19 property or a fixture. Except as provided in Sections 5-15,
20 5-25, 5-30, and 5-35 of this Act, an affidavit of affixation is
21 not necessary or effective to convey or encumber a manufactured
22 home or to change the character of the manufactured home to
23 real property. Every conveyance of land upon which is located a
24 manufactured home for which no affidavit of affixation has been

1 recorded or for which an affidavit of severance has been
2 recorded shall contain a recital that such conveyance does not
3 affect the title to said manufactured home and that the
4 transfer or encumbrance thereof can only be made pursuant to
5 the provisions of the Illinois Vehicle Code. Any agreement by
6 any party to the transaction whereby the requirements of this
7 subsection are waived shall be void as contrary to public
8 policy.

9 Section 5-45. Applicability. Nothing in this Act shall
10 impair any rights existing under law prior to the effective
11 date of this Act of anyone claiming an interest in the
12 manufactured home.

13 Section 5-50. Affidavit of severance.

14 (a) If and when a manufactured home for which an affidavit
15 of affixation has been recorded is detached or severed from the
16 real property to which it is affixed, the person (all, if more
17 than one) having an interest in the real property shall record
18 an affidavit of severance in the land records of the county
19 where the affidavit of affixation with respect to the
20 manufactured home is recorded. The affidavit of severance shall
21 contain or be accompanied by:

22 (i) the name, residence, and mailing address of the
23 owner of the manufactured home;

24 (ii) a description of the manufactured home including

1 the name of the manufacturer, manufacturer's serial number
2 or numbers of the manufactured home;

3 (iii) the book number, page number and date of
4 recordation of the affidavit of affixation;

5 (iv) a statement of either (A) any facts or information
6 known to the party executing the affidavit that could
7 reasonably affect the validity of the title of the
8 manufactured home or the existence or non-existence of a
9 security interest in or lien on it, or (B) that no such
10 facts or information are known to such party; and

11 (v) the name and address of the person designated for
12 filing the certified copy of the recorded affidavit of
13 severance with the Secretary of State, to whom the
14 recording officer shall return the certified copy of the
15 affidavit of severance after it has been duly recorded in
16 the real property records, as provided in subsection (d) of
17 this Section.

18 (b) The affidavit of severance shall be in the form set
19 forth in subsection (d) of this Section, duly acknowledged or
20 proved in like manner as to entitle a conveyance to be
21 recorded, and when so acknowledged or proved and upon payment
22 of the lawful fees therefor, such recording officer shall
23 immediately cause the affidavit and any attachments thereto to
24 be duly recorded and indexed in the record of deeds.

25 (c) Upon payment of the fees provided by law and
26 recordation of the affidavit of severance, the recording

1 officer shall endorse the affidavit as "recorded in land
 2 records", setting forth thereon the indexing information for
 3 the recorded affidavit of severance, and the recording officer
 4 shall forthwith forward a certified copy of the recorded
 5 affidavit of severance to the person designated therein for
 6 filing with the Secretary of State. Upon receipt of a certified
 7 copy of the recorded affidavit of severance by the person
 8 designated therein for filing with the Secretary of State, such
 9 person shall deliver for filing to the Secretary of State such
 10 certified copy of the affidavit of severance and the other
 11 documents provided in subsection (a) of this Section, together
 12 with an application for a certificate of title to the
 13 manufactured home, to be issued in accordance with subsection
 14 (b) of Section 3-109 of the Illinois Vehicle Code.

15 (d) An affidavit of severance shall be in the form set
 16 forth below:

17 MANUFACTURED HOME

18 AFFIDAVIT OF SEVERANCE

19 STATE OF)

20)SS.

21 COUNTY OF)

22 BEFORE ME, the undersigned notary public, on this day
 23 personally appeared (type the name(s) of

1 each person signing this Affidavit) known to me to be the
2 person(s) whose name(s) is/are subscribed below (each an
3 "Affiant"), and who, being by me first duly sworn, did each on
4 his or her oath state as follows:

5 1. The owner(s) of the manufactured home described below
6 reside(s) at the following address:

7

8 (Street or Route; City; County; State; Zip Code)

9 Mailing address, if different:

10

11 (Street or Route; City; County; State; Zip Code)

12 2. The manufactured home that is the subject of this Affidavit
13 ("Home") is described as follows:

14

15 (Year; Manufacturer's Name; Manufacturer's Serial No(s).)

16 3. The Home was severed from the following address ("Land"):

17

18 (Street or Route; City; County; State; Zip Code)

19 4. An Affidavit of Affixation was duly recorded in the land
20 records of the county in which the Land is located on

21 (date), in book number at page

1 number

2 5. Affiant is the owner of the Land or, if not the owner of
3 the Land, is in possession of the Land pursuant to a
4 lease in recordable form, and the consent of the lessor
5 is attached to this Affidavit.

6 6. The Home is subject to the following security interests:

7 Name of Lienholder:

8 Address:

9 Name of Lienholder:

10 Address:

11 7. Other than those disclosed in this Affidavit, Affiant is
12 not aware of (i) any other security interest, claim,
13 lien, or encumbrance affecting the Home or (ii) any other
14 facts or information that could reasonably affect the
15 validity of the title of the Home or the existence or
16 non-existence of security interests in it.

17 8. A release of lien from each of the lienholders identified
18 in paragraph 6 of this Affidavit [] has been [] shall be
19 delivered to the Secretary of State.

20 9. Affiant designates the following person to file a
21 certified copy of this Affidavit with the Secretary of
22 State, and the person to whom the Recorder shall return a
23 certified copy of this Affidavit after it has been duly

1 recorded in the real property records:
 2 Name:.....
 3 Address:

4 10. This Affidavit is executed by Affiant pursuant to Section
 5 5-50 of the Conveyance and Encumbrance of Manufactured
 6 Homes as Real Property and Severance Act.

7
 8 IN WITNESS WHEREOF, Affiant(s) has/have executed this
 9 Affidavit in my presence and in the presence of the
 10 undersigned witnesses on this day of
 11,

12
 13 (SEAL)
 14 Homeowner #1 Witness
 15
 16 Printed Name

17 (SEAL)
 18 Homeowner #2 Witness
 19
 20 Printed Name

21 (SEAL)
 22 Homeowner #3 Witness
 23

1 Printed Name

2 (SEAL)

3 Homeowner #4 Witness

4

5 Printed Name

6 STATE OF)

7) SS.

8 COUNTY OF)

9 The foregoing instrument was acknowledged before me this
10 (date) by (name(s) of person(s) who acknowledged).

11 Notary Public

12 Signature

13 My commission expires:

14 Official Seal:

15 ATTENTION RECORDER: This instrument covers goods that had been
16 fixtures on the Property described herein and is to be filed
17 for record in the records where conveyances of real estate are
18 recorded.

19 Section 5-55. Documents in trust.

20 (a) Manufacturer's Statement of Origin. The holder of a

1 Manufacturer's Statement of Origin to a manufactured home may
2 deliver it to any person to facilitate conveying or encumbering
3 the home. Any person receiving a Manufacturer's Statement of
4 Origin so delivered holds it in trust for the person delivering
5 it.

6 (b) Lien Release. The holder of a security interest in a
7 manufactured home may deliver lien release documents to any
8 person to facilitate conveying or encumbering the home. Any
9 person receiving any such documents so delivered holds the
10 documents in trust for the lienholder.

11 ARTICLE 10. AMENDATORY PROVISIONS

12 Section 10-15. The Property Tax Code is amended by changing
13 Section 1-130 as follows:

14 (35 ILCS 200/1-130)

15 Sec. 1-130. Property; real property; real estate; land;
16 tract; lot.

17 (a) The land itself, with all things contained therein, and
18 also all buildings, structures and improvements, and other
19 permanent fixtures thereon, including all oil, gas, coal, and
20 other minerals in the land and the right to remove oil, gas and
21 other minerals, excluding coal, from the land, and all rights
22 and privileges belonging or pertaining thereto, except where
23 otherwise specified by this Code. Not included therein are

1 low-income housing tax credits authorized by Section 42 of the
2 Internal Revenue Code, 26 U.S.C. 42.

3 (b) Notwithstanding any other provision of law, mobile
4 homes and manufactured homes that (i) are located outside of
5 mobile home parks and (ii) are taxed under the Mobile Home
6 Local Services Tax Act on the effective date of this amendatory
7 Act of the 96th General Assembly shall continue to be taxed
8 under the Mobile Home Local Services Tax Act and shall not be
9 ~~classified,~~ assessed~~,~~ and taxed as real property until the home
10 is sold or transferred or until the home is relocated to a
11 different parcel of land outside of a mobile home park. If a
12 mobile home or manufactured home described in this subsection
13 (b) is sold, transferred, or relocated to a different parcel of
14 land outside of a mobile home park, then the home shall be
15 ~~classified,~~ assessed~~,~~ and taxed as real property whether or not
16 that mobile home or manufactured home is affixed to a permanent
17 foundation, as defined in Section 5-5 of the Conveyance and
18 Encumbrance of Manufactured Homes as Real Property and
19 Severance Act, or installed on a permanent foundation, and
20 whether or not such mobile home or manufactured home is real
21 property as defined in Section 5-35 of the Conveyance and
22 Encumbrance of Manufactured Homes as Real Property and
23 Severance Act. Mobile homes and manufactured homes that are
24 located outside of mobile home parks and ~~classified,~~ assessed~~,~~
25 and taxed as real property on the effective date of this
26 amendatory Act of the 96th General Assembly shall continue to

1 be ~~classified,~~ assessed, and taxed as real property whether or
2 not those mobile homes or manufactured homes are affixed to a
3 permanent foundation as defined in the Conveyance and
4 Encumbrance of Manufactured Homes as Real Property and
5 Severance Act or installed on permanent foundations and whether
6 or not those mobile homes or manufactured homes are real
7 property as defined in the Conveyance and Encumbrance of
8 Manufactured Homes as Real Property and Severance Act. If a
9 mobile or manufactured home that is located outside of a mobile
10 home park is relocated to a mobile home park, it must be
11 considered chattel and must be taxed according to the Mobile
12 Home Local Services Tax Act. The owner of a mobile home or
13 manufactured home that is located outside of a mobile home park
14 may file a request with the chief county assessment officer
15 ~~county~~ that the home be ~~classified, assessed, and~~ taxed as real
16 property.

17 (c) Mobile homes and manufactured homes that are located in
18 mobile home parks must be ~~considered chattel and must be~~ taxed
19 according to the Mobile Home Local Services Tax Act.

20 (d) If the provisions of this Section conflict with the
21 Illinois Manufactured Housing and Mobile Home Safety Act, the
22 Mobile Home Local Services Tax Act, the Mobile Home Park Act,
23 or any other provision of law with respect to the taxation of
24 mobile homes or manufactured homes located outside of mobile
25 home parks, the provisions of this Section shall control.

26 (Source: P.A. 96-1477, eff. 1-1-11.)

1 Section 10-20. The Mobile Home Local Services Tax Act is
2 amended by changing Sections 1 and 4 as follows:

3 (35 ILCS 515/1) (from Ch. 120, par. 1201)

4 Sec. 1. (a) As ~~Except as provided in subsections (b) and~~
5 ~~(c), as~~ used in this Act, "manufactured home" means a
6 factory-assembled, completely integrated structure designed
7 for permanent habitation, with a permanent chassis, and so
8 constructed as to permit its transport, on wheels temporarily
9 or permanently attached to its frame, and is a movable or
10 portable unit that is (i) 8 body feet or more in width, (ii) 40
11 body feet or more in length, and (iii) 320 or more square feet,
12 constructed to be towed on its own chassis (comprised of frame
13 and wheels) from the place of its construction to the location,
14 or subsequent locations, at which it is ~~installed and set up~~
15 ~~according to the manufacturer's instructions and~~ connected to
16 utilities for year-round occupancy for use as a permanent
17 habitation, and designed and situated so as to permit its
18 occupancy as a dwelling place for one or more persons, and
19 specifically includes a "manufactured home" as defined in
20 subdivision 53 of Section 9-102 of the Uniform Commercial Code.
21 The term shall include units containing parts that may be
22 folded, collapsed, or telescoped when being towed and that may
23 be expected to provide additional cubic capacity, and that are
24 designed to be joined into one integral unit capable of being

1 separated again into the components for repeated towing. The
2 term excludes campers and recreational vehicles. Mobile homes
3 and manufactured homes in mobile home parks must be assessed
4 and taxed as chattel. Mobile homes and manufactured homes
5 outside of mobile home parks must be assessed and taxed as real
6 property whether or not such mobile homes and manufactured
7 homes are affixed to a permanent foundation as defined in
8 Section 5-5 of the Conveyance and Encumbrance of Manufactured
9 Homes as Real Property and Severance Act, and whether or not
10 such mobile homes and manufactured homes are real property as
11 defined in Section 5-35 of the Conveyance and Encumbrance of
12 Manufactured Homes as Real Property and Severance Act. The
13 words "mobile home" and "manufactured home" are synonymous for
14 the purposes of this Act. Any such structure located outside of
15 a mobile home park shall not be assessed and taxed ~~constructed~~
16 as chattel, but must be assessed and taxed as real property as
17 defined by Section 1-130 of the Property Tax Code. All mobile
18 homes and manufactured homes located inside mobile home parks
19 must be ~~considered as chattel and~~ taxed according to this Act.
20 Mobile homes and manufactured homes located on a dealer's lot
21 for resale purposes or as a temporary office shall not be
22 subject to this tax.

23 (b) Mobile homes and manufactured homes that (i) are
24 located outside of mobile home parks and (ii) are taxed under
25 this Act on the effective date of this amendatory Act of the
26 96th General Assembly must continue to be taxed under this Act

1 and shall not be ~~classified,~~ assessed~~,~~ and taxed as real
2 property until the home is sold, transferred, or relocated to a
3 different parcel of land outside of a mobile home park. If a
4 mobile home or manufactured home described in this subsection
5 (b) is sold, transferred, or relocated to a different parcel of
6 land outside of a mobile home park, then the home must be
7 ~~classified,~~ assessed~~,~~ and taxed as real property whether or not
8 the mobile home or manufactured home is affixed to a permanent
9 foundation as defined in Section 5-5 of the Conveyance and
10 Encumbrance of Manufactured Homes as Real Property and
11 Severance Act and whether or not the mobile home or
12 manufactured home is real property as defined in Section 5-35
13 of the Conveyance and Encumbrance of Manufactured Homes as Real
14 Property and Severance Act. Mobile homes and manufactured homes
15 that are located outside of mobile home parks and ~~classified,~~
16 assessed~~,~~ and taxed as real property on the effective date of
17 this amendatory Act of the 96th General Assembly must continue
18 to be ~~classified,~~ assessed~~,~~ and taxed as real property whether
19 or not the mobile homes and manufactured homes are affixed to a
20 permanent foundation as defined in Section 5-5 of the
21 Conveyance and Encumbrance of Manufactured Homes as Real
22 Property and Severance Act or installed on permanent
23 foundations and whether or not the mobile homes and
24 manufactured homes are real property as defined in Section 5-35
25 of the Conveyance and Encumbrance of Manufactured Homes as Real
26 Property and Severance Act. If a mobile or manufactured home

1 that is located outside of a mobile home park is relocated to a
2 mobile home park, the home must be ~~considered chattel and must~~
3 ~~be~~ taxed according to the Mobile Home Local Services Tax Act.
4 The owner of a mobile home or manufactured home that is located
5 outside of a mobile home park may file a request with the
6 county that the home be ~~classified,~~ assessed, and taxed as real
7 property.

8 (c) Mobile homes and manufactured homes that are located in
9 mobile home parks must be ~~considered chattel and must be~~ taxed
10 according to this Act.

11 (Source: P.A. 96-1477, eff. 1-1-11.)

12 (35 ILCS 515/4) (from Ch. 120, par. 1204)

13 Sec. 4. The owner of each inhabited mobile home or
14 manufactured home located in this State, but not located inside
15 of a mobile home park, on the effective date of this amendatory
16 Act of the 96th General Assembly shall, within 30 days after
17 such date, record with the Office of the Recorder in the county
18 where the mobile home or manufactured home is located ~~file with~~
19 ~~the township assessor, if any, or with the Supervisor of~~
20 ~~Assessments or county assessor if there is no township~~
21 ~~assessor, or with the county assessor in those counties in~~
22 ~~which a county assessor is elected pursuant to Section 3-45 of~~
23 ~~the Property Tax Code,~~ a mobile home registration form
24 containing the information hereinafter specified, subject to
25 the county's recording fees ~~and record a signed copy of the~~

1 ~~title or certificate of origin in the county where the home is~~
2 ~~located or surrender the signed title or certificate of origin~~
3 ~~to be held by the county until such time as the home is to be~~
4 ~~removed from the county.~~ Mobile home park operators shall
5 forward a copy of the mobile home registration form provided in
6 Section 12 of "An Act to provide for, license and regulate
7 mobile homes and mobile home parks and to repeal an Act named
8 herein", approved September 8, 1971, as amended, to the
9 township assessor, if any, or to Supervisor of Assessments or
10 county assessor if there is no township assessor, or to the
11 county assessor in those counties in which a county assessor is
12 elected pursuant to Section 3-45 of the Property Tax Code,
13 within 5 days of the entry of a mobile home into such park. The
14 owner of a mobile home or manufactured home not located in a
15 mobile home park, other than a mobile home or manufactured home
16 with respect to which the requirements of Section 5-30 of the
17 Conveyance and Encumbrance of Manufactured Homes as Real
18 Property and Severance Act and the requirements of Section
19 3-116.1 or Section 3-116.2 of the Illinois Vehicle Code, as
20 applicable, have been satisfied unless with respect to the same
21 manufactured home there has been recorded an affidavit of
22 severance pursuant to Section 5-50 of the Conveyance and
23 Encumbrance of Manufactured Homes as Real Property and
24 Severance Act, shall, within 30 days after initial placement of
25 such mobile home or manufactured home in any county and within
26 30 days after movement of such mobile home or manufactured home

1 to a new location, record with the Office of the Recorder in
2 the county where the mobile home or manufactured home is
3 located ~~file with the county assessor, Supervisor of~~
4 ~~Assessments or township assessor, as the case may be,~~ a mobile
5 home registration showing the name and address of the owner and
6 every occupant of the mobile home or manufactured home, the
7 location of the mobile home or manufactured home, the year of
8 manufacture, and the square feet of floor space contained in
9 such mobile home or manufactured home together with the date
10 that the mobile home or manufactured home became inhabited, was
11 initially installed and set up in the county, or was moved to a
12 new location. Such registration shall also include the license
13 number of such mobile home or manufactured home and of the
14 towing vehicle, if there be any, and the State issuing such
15 licenses, subject to the county's recording fees. In the case
16 of a mobile home or manufactured home not located in a mobile
17 home park, the registration shall be signed by the owner or
18 occupant of the mobile home or manufactured home. ~~and the title~~
19 ~~or certificate of origin shall be signed and recorded in the~~
20 ~~county where the home is located or surrendered to the county~~
21 ~~and held until such time the home is removed from the county.~~
22 ~~Titles or certificates of origin held by a mortgage company on~~
23 ~~the home shall be signed and recorded in the county where~~
24 ~~located or surrendered to the county once the mortgage is~~
25 ~~released.~~ Failure to record the registration ~~or surrender the~~
26 ~~title or certificate of origin~~ shall not prevent the home from

1 being assessed and taxed as real property. It is the duty of
2 each township assessor, if any, and each Supervisor of
3 Assessments or county assessor if there is no township
4 assessor, or the county assessor in those counties in which a
5 county assessor is elected pursuant to Section 3-45 of the
6 Property Tax Code, to require timely filing of a properly
7 completed registration for each mobile home or manufactured
8 home located in a mobile home park in his or her township or
9 county, as the case may be. Any person furnishing
10 misinformation for purposes of registration or failing to
11 record ~~file~~ a required registration is guilty of a Class A
12 misdemeanor. This Section applies only when the tax permitted
13 by Section 3 has been imposed on mobile homes and manufactured
14 homes located inside mobile home parks.

15 (Source: P.A. 96-1477, eff. 1-1-11.)

16 Section 10-25. The Illinois Banking Act is amended by
17 changing Sections 3, 5a, 5d, and 6.1 as follows:

18 (205 ILCS 5/3) (from Ch. 17, par. 309)

19 Sec. 3. Formation and primary powers. It shall be lawful to
20 form banks, as herein provided, for the purpose of discount and
21 deposit, buying and selling exchange and doing a general
22 banking business, excepting the issuing of bills to circulate
23 as money; and such banks shall have the power to loan money on
24 personal and real estate security, and to accept and execute

1 trusts upon obtaining a certificate of authority pursuant to
2 the "Corporate Fiduciary Act", and shall be subject to all of
3 the provisions of this Act. For purposes of this Section, "real
4 estate" includes a manufactured home as defined in subdivision
5 (53) of Section 9-102 of the Uniform Commercial Code that is
6 real property as defined in Section 5-35 of the Conveyance and
7 Encumbrance of Manufactured Homes as Real Property and
8 Severance Act.

9 (Source: P.A. 85-1402.)

10 (205 ILCS 5/5a) (from Ch. 17, par. 312)

11 Sec. 5a. Reverse mortgage loans. Notwithstanding any other
12 provision of this Act, a bank may engage in making "reverse
13 mortgage" loans.

14 For purposes of this Section, a "reverse mortgage" loan
15 shall be a loan extended on the basis of existing equity in
16 homestead property. A bank, in making a "reverse mortgage"
17 loan, may add deferred interest to principal or otherwise
18 provide for the charging of interest or premium on the deferred
19 interest.

20 The loans shall be repaid upon sale of the property or upon
21 the death of the owner or, if the property is in joint tenancy,
22 upon the death of the last surviving joint tenant who had an
23 interest in the property at the time the loan was initiated.

24 "Homestead" property, for purposes of this Section, means
25 the domicile and contiguous real estate owned and occupied by

1 the mortgagor. For purposes of this Section, "homestead"
2 includes a manufactured home as defined in subdivision (53) of
3 Section 9-102 of the Uniform Commercial Code, used as the
4 domicile, that is real property, as defined in Section 5-35 of
5 the Conveyance and Encumbrance of Manufactured Homes as Real
6 Property and Severance Act, and is owned and occupied by the
7 mortgagor.

8 The Commissioner of Banks and Real Estate shall prescribe
9 rules governing this Section and Section 1-6a of the Illinois
10 Savings and Loan Act of 1985.

11 (Source: P.A. 88-643, eff. 1-1-95; 89-508, eff. 7-3-96.)

12 (205 ILCS 5/5d) (from Ch. 17, par. 312.3)

13 Sec. 5d. Notwithstanding any other provision of this Act, a
14 bank may engage in making revolving credit loans secured by
15 mortgages or deeds of trust on real property or by security
16 assignments of beneficial interests in land trusts.

17 For purposes of this Section, "revolving credit", has the
18 meaning defined in Section 4.1 of "An Act in relation to the
19 rate of interest and other charges in connection with sales on
20 credit and the lending of money", approved May 24, 1879, as
21 amended.

22 Any mortgage or deed of trust given to secure a revolving
23 credit loan may, and when so expressed therein shall, secure
24 not only the existing indebtedness, but also such future
25 advances, whether such advances are obligatory or to be made at

1 the option of the lender, or otherwise, as are made within
2 twenty years from the date thereof, to the same extent as if
3 such future advances were made on the date of the execution of
4 such mortgage or deed of trust, although there may be no
5 advance made at the time of execution of such mortgage or other
6 instrument, and although there may be no indebtedness
7 outstanding at the time any advance is made. The lien of such
8 mortgage or deed of trust, as to third persons without actual
9 notice thereof, shall be valid as to all such indebtedness and
10 future advances from the time said mortgage or deed of trust is
11 filed for record in the office of the Recorder of Deeds or the
12 Registrar of Titles of the county where the real property
13 described therein is located. The total amount of indebtedness
14 that may be so secured may increase or decrease from time to
15 time, but the total unpaid balance so secured at any one time
16 shall not exceed a maximum principal amount which must be
17 specified in such mortgage or deed of trust, plus interest
18 thereon, and any disbursements made for the payment of taxes,
19 special assessments, or insurance on said real property, with
20 interest on such disbursements.

21 Any such mortgage or deed of trust shall be valid and have
22 priority over all subsequent liens and encumbrances, including
23 statutory liens, except taxes and assessments levied on said
24 real property.

25 For purposes of this Section, "real property" includes a
26 manufactured home as defined in subdivision (53) of Section

1 9-102 of the Uniform Commercial Code, that is real property as
2 defined in Section 5-35 of the Conveyance and Encumbrance of
3 Manufactured Homes as Real Property and Severance Act.

4 (Source: P.A. 83-1539; 83-1380.)

5 (205 ILCS 5/6.1) (from Ch. 17, par. 313.1)

6 Sec. 6.1. Non-recourse reverse mortgage loans.

7 (a) It is the intent of this amendatory Act of 1991 that
8 homeowners at least 62 years of age be permitted to meet their
9 financial needs by accessing the equity in their homes through
10 a reverse mortgage. The General Assembly recognizes that many
11 restrictions and requirements that exist to govern traditional
12 mortgage transactions are inapplicable in the context of
13 reverse mortgages. In order to foster reverse mortgage
14 transactions and better serve the citizens of this State, this
15 Section authorizes the making of reverse mortgages, and
16 expressly relieves reverse mortgage lenders and borrowers from
17 compliance with inappropriate requirements.

18 As used in this Section, "borrower" means any homeowner who
19 is, or whose spouse is, at least 62 years of age.

20 For purposes of this Section, "real property" includes a
21 manufactured home as defined in subdivision (53) of Section
22 9-102 of the Uniform Commercial Code which is real property as
23 defined in Section 5-35 of the Conveyance and Encumbrance of
24 Manufactured Homes as Real Property and Severance Act.

25 As used in this Section, "reverse mortgage" means a

1 non-recourse loan, secured by real property, that complies with
2 all of the following:

3 (1) Provides cash advances to a borrower based on the
4 equity in a borrower's owner-occupied principal residence,
5 provided that it is a residence designed to be occupied by
6 not more than 4 families.

7 (2) Requires no payment of principal or interest until
8 the entire loan becomes due and payable.

9 (b) Reverse mortgage loans shall be subject only to all of
10 the following provisions:

11 (1) Payment, in whole or in part, shall be permitted
12 without penalty at any time during the term of the
13 mortgage.

14 (2) A reverse mortgage may provide for an interest rate
15 that is fixed or adjustable and may provide for interest
16 that is contingent on appreciation in the value of the
17 property.

18 (3) If a reverse mortgage provides for periodic
19 advances to a borrower, the advances may not be reduced in
20 amount or number based on any adjustment in the interest
21 rate.

22 (4) A reverse mortgage may be subject to any additional
23 terms and conditions imposed by a lender that are required
24 under the provisions of the federal Housing and Community
25 Development Act of 1987 to enable the lender to obtain
26 federal government insurance on the mortgage if the loans

1 are to be insured under that Act.

2 (c) The repayment obligation under a reverse mortgage is
3 subject to all of the following:

4 (1) Temporary absences from the home not exceeding 60
5 consecutive days shall not cause the mortgage to become due
6 and payable.

7 (2) Temporary absences from the home exceeding 60 days,
8 but not exceeding one year shall not cause the mortgage to
9 become due and payable, provided that the borrower has
10 taken action that secures the home in a manner satisfactory
11 to the lender.

12 (3) The lender must disclose any interest or other fees
13 to be charged during the period that commences on the date
14 the mortgage becomes due and payable and ends when
15 repayment in full is made in accordance with applicable
16 State and federal laws, rules, and regulations.

17 (d) A reverse mortgage shall become due and payable upon
18 the occurrence of any of the following events:

19 (1) The real property securing the loan is sold.

20 (2) All borrowers cease to occupy the home as a
21 principal residence.

22 (3) A fixed maturity date agreed to by the lender and
23 the borrower is reached.

24 (4) An event that is specified in the loan documents
25 and that jeopardizes the lender's security occurs.

26 (e) No reverse mortgage commitment may be made by a lender

1 unless the loan applicant attests, in writing, that the
2 applicant has received from the lender, at the time of initial
3 inquiry, a statement prepared by the Department on Aging
4 regarding the advisability and availability of independent
5 information and counseling services on reverse mortgages.

6 (Source: P.A. 87-488.)

7 Section 10-30. The Illinois Savings and Loan Act of 1985 is
8 amended by changing Sections 1-10.30 and 5-2 as follows:

9 (205 ILCS 105/1-10.30) (from Ch. 17, par. 3301-10.30)

10 Sec. 1-10.30. "Real property": the interests, benefits,
11 and rights inherent in the ownership of the physical real
12 estate. It is the rights with which the ownership of real
13 estate is endowed. "Real property" includes a manufactured home
14 as defined in subdivision (53) of Section 9-102 of the Uniform
15 Commercial Code that is real property as defined in Section
16 5-35 of the Conveyance and Encumbrance of Manufactured Homes as
17 Real Property and Severance Act. For purposes of this Act, the
18 term "Real Estate" is synonymous with "Real Property".

19 (Source: P.A. 84-543.)

20 (205 ILCS 105/5-2) (from Ch. 17, par. 3305-2)

21 Sec. 5-2. Investment in loans. An association may loan
22 funds to members as follows:

23 (a) On the security of withdrawable capital accounts, but

1 no such loan shall exceed the withdrawal value of the pledged
2 account;

3 (b) On the security of real estate:

4 (1) Of a value, determined in accordance with Section 5-12
5 of this Act, sufficient to provide good and ample security for
6 the loan;

7 (2) With a fee simple title or a leasehold title of not
8 less duration than 10 years beyond the maturity of the loan;

9 (3) With the title established by such evidence of title as
10 is consistent with sound lending practices in the locality;

11 (4) With the security interest in such real estate
12 evidenced by an appropriate written instrument and the loan
13 evidenced by a note, bond or similar written instrument. A loan
14 on the security of the whole of the beneficial interest in a
15 land trust satisfies the requirements of this paragraph if the
16 title to the land is held by a corporate trustee and if the
17 real estate held in the land trust meets the other requirements
18 of this subsection; and

19 (5) With a mortgage loan not to exceed 40 years;

20 (c) For the purpose of repair, improvement,
21 rehabilitation, furnishing or equipment of real estate or any
22 other purpose;

23 (d) For the purpose of financing or refinancing an existing
24 ownership interest in certificates of stock, certificates of
25 beneficial interest or other evidence of an ownership interest
26 in, and a proprietary lease from, a corporation, trust or

1 partnership formed for the purpose of the cooperative ownership
2 of real estate, secured by the assignment or transfer of such
3 certificates or other evidence of ownership of the borrower;

4 (e) Through the purchase of loans which at the time of
5 purchase the association could make in accordance with this
6 Section and the by-laws;

7 (f) Through the purchase of installment contracts for the
8 sale of real estate, and title thereto which is subject to such
9 contracts, but in each instance only if the association at the
10 time of purchase could make a mortgage loan of the same amount
11 and for the same length of time on the security of such real
12 estate;

13 (g) Through loans guaranteed or insured, wholly or in part
14 by the United States or any of its instrumentalities, and
15 without regard to the limits in amount and terms otherwise
16 imposed by this Article;

17 (h) Through secured or unsecured loans for business,
18 corporate, personal, family, or household purposes, or for
19 secured or unsecured loans for agricultural or commercial
20 purposes to the same extent that such agricultural or
21 commercial loans are authorized by federal law for any savings
22 and loan association organized under federal law and authorized
23 to do business in this State, except that loans to service
24 corporations shall not be subject to the limitations of this
25 paragraph;

26 (i) For the purpose of manufactured ~~mobile~~ home financing

1 subject, however, to the regulation of the Commissioner; as
2 used in this Section, "manufactured home" means a manufactured
3 home as defined in subdivision (53) of Section 9-102 of the
4 Uniform Commercial Code;

5 (j) Through loans to its members secured by the cash
6 surrender value of any life insurance policy or any collateral
7 which would be a legal investment if made by such association
8 pursuant to the terms of this Act; and

9 (k) Any provision of this Act to the contrary
10 notwithstanding, any association may make any loan to its
11 members or investment which such association could make if it
12 were incorporated and operating as an association organized
13 under the laws of the United States.

14 (Source: P.A. 86-137.)

15 Section 10-35. The Savings Bank Act is amended by changing
16 Sections 6002 and 6008 as follows:

17 (205 ILCS 205/6002) (from Ch. 17, par. 7306-2)

18 Sec. 6002. Investment in loans.

19 (a) Subject to the regulations of the Commissioner, a
20 savings bank may loan funds as follows:

21 (1) On the security of deposit accounts, but no such loan
22 shall exceed the withdrawal value of the pledged account.

23 (2) On the security of real estate:

24 (A) of a value, determined in accordance with this Act,

1 sufficient to provide good and ample security for the loan;

2 (B) with a fee simple title or a leasehold title;

3 (C) with the title established by evidence of title as
4 is consistent with sound lending practices in the locality;

5 (D) with the security interest in the real estate
6 evidenced by an appropriate written instrument and the loan
7 evidenced by a note, bond, or similar written instrument; a
8 loan on the security of the whole of the beneficial
9 interest in a land trust satisfies the requirements of this
10 paragraph if the title to the land is held by a corporate
11 trustee and if the real estate held in the land trust meets
12 the other requirements of this subsection;

13 (E) with a mortgage loan not to exceed 40 years.

14 (3) For the purpose of repair, improvement,
15 rehabilitation, furnishing, or equipment of real estate.

16 (4) For the purpose of financing or refinancing an existing
17 ownership interest in certificates of stock, certificates of
18 beneficial interest, other evidence of an ownership interest
19 in, or a proprietary lease from a corporation, trust, or
20 partnership formed for the purpose of the cooperative ownership
21 of real estate, secured by the assignment or transfer of
22 certificates or other evidence of ownership of the borrower.

23 (5) Through the purchase of loans that, at the time of
24 purchase, the savings bank could make in accordance with this
25 Section and the bylaws.

26 (6) Through the purchase of installment contracts for the

1 sale of real estate and title thereto that is subject to the
2 contracts, but in each instance only if the savings bank, at
3 the time of purchase, could make a mortgage loan of the same
4 amount and for the same length of time on the security of the
5 real estate.

6 (7) Through loans guaranteed or insured, wholly or in part,
7 by the United States or any of its instrumentalities.

8 (8) Subject to regulations adopted by the Commissioner,
9 through secured or unsecured loans for business, corporate,
10 commercial, or agricultural purposes; provided that the total
11 of all loans granted under this paragraph shall not exceed 15%
12 of the savings bank's total assets unless a greater amount is
13 authorized in writing by the Commissioner.

14 (9) For the purpose of manufactured ~~mobile~~ home financing
15 subject, however, to the regulation of the Commissioner. As
16 used in this Section, "manufactured home" means a manufactured
17 home as defined in subdivision (53) of Section 9-102 of the
18 Uniform Commercial Code.

19 (10) Through loans secured by the cash surrender value of
20 any life insurance policy or any collateral that would be a
21 legal investment under the terms of this Act if made by the
22 savings bank.

23 (11) Any provision of this Act or any other law, except for
24 paragraph (18) of Section 6003, to the contrary
25 notwithstanding, but subject to the Financial Institutions
26 Insurance Sales Law and subject to the Commissioner's

1 regulations, any savings bank may make any loan or investment
2 or engage in any activity that it could make or engage in if it
3 were organized under State law as a savings and loan
4 association or under federal law as a federal savings and loan
5 association or federal savings bank.

6 (12) A savings bank may issue letters of credit or other
7 similar arrangements only as provided for by regulation of the
8 Commissioner with regard to aggregate amounts permitted, take
9 out commitments for stand-by letters of credit, underlying
10 documentation and underwriting, legal limitations on loans of
11 the savings bank, control and subsidiary records, and other
12 procedures deemed necessary by the Commissioner.

13 (13) For the purpose of automobile financing, subject to
14 the regulation of the Commissioner.

15 (14) For the purpose of financing primary, secondary,
16 undergraduate, or postgraduate education.

17 (15) Through revolving lines of credit on the security of a
18 first or junior lien on the borrower's personal residence,
19 based primarily on the borrower's equity, the proceeds of which
20 may be used for any purpose; those loans being commonly
21 referred to as home equity loans.

22 (16) As secured or unsecured credit to cover the payment of
23 checks, drafts, or other funds transfer orders in excess of the
24 available balance of an account on which they are drawn,
25 subject to the regulations of the Commissioner.

26 (b) For purposes of this Section, "real estate" includes a

1 manufactured home as defined in subdivision (53) of Section
2 9-102 of the Uniform Commercial Code which is real property as
3 defined in Section 5-35 of the Conveyance and Encumbrance of
4 Manufactured Homes as Real Property and Severance Act.

5 (Source: P.A. 90-301, eff. 8-1-97; 91-97, eff. 7-9-99.)

6 (205 ILCS 205/6008) (from Ch. 17, par. 7306-8)

7 Sec. 6008. Purchase of real estate at forced sale. A
8 savings bank may purchase at any sheriff's or other judicial
9 sale, either public or private, any real estate upon which the
10 savings bank has any mortgage, lien or other encumbrance, or in
11 which the savings bank has any other interest. The savings bank
12 thereafter may repair, insure, improve, sell, convey, lease,
13 preserve, mortgage, exchange, or otherwise dispose of real
14 estate so acquired in the best interests of the savings bank.
15 For purposes of this Section, "real estate" includes a
16 manufactured home as defined in subdivision (53) of Section
17 9-102 of the Uniform Commercial Code which is real property as
18 defined in Section 5-35 of the Conveyance and Encumbrance of
19 Manufactured Homes as Real Property and Severance Act.

20 (Source: P.A. 86-1213.)

21 Section 10-40. The Illinois Credit Union Act is amended by
22 changing Sections 46 and 46.1 as follows:

23 (205 ILCS 305/46) (from Ch. 17, par. 4447)

1 Sec. 46. Loans and interest rate.

2 (1) A credit union may make loans to its members for such
3 purpose and upon such security and terms, including rates of
4 interest, as the credit committee, credit manager, or loan
5 officer approves. Notwithstanding the provisions of any other
6 law in connection with extensions of credit, a credit union may
7 elect to contract for and receive interest and fees and other
8 charges for extensions of credit subject only to the provisions
9 of this Act and rules promulgated under this Act, except that
10 extensions of credit secured by residential real estate shall
11 be subject to the laws applicable thereto. The rates of
12 interest to be charged on loans to members shall be set by the
13 board of directors of each individual credit union in
14 accordance with Section 30 of this Act and such rates may be
15 less than, but may not exceed, the maximum rate set forth in
16 this Section. A borrower may repay his loan prior to maturity,
17 in whole or in part, without penalty. The credit contract may
18 provide for the payment by the member and receipt by the credit
19 union of all costs and disbursements, including reasonable
20 attorney's fees and collection agency charges, incurred by the
21 credit union to collect or enforce the debt in the event of a
22 delinquency by the member, or in the event of a breach of any
23 obligation of the member under the credit contract. A
24 contingency or hourly arrangement established under an
25 agreement entered into by a credit union with an attorney or
26 collection agency to collect a loan of a member in default

1 shall be presumed prima facie reasonable.

2 (2) Credit unions may make loans based upon the security of
3 any interest or equity in real estate, subject to rules and
4 regulations promulgated by the Secretary. In any contract or
5 loan which is secured by a mortgage, deed of trust, or
6 conveyance in the nature of a mortgage, on residential real
7 estate, the interest which is computed, calculated, charged, or
8 collected pursuant to such contract or loan, or pursuant to any
9 regulation or rule promulgated pursuant to this Act, may not be
10 computed, calculated, charged or collected for any period of
11 time occurring after the date on which the total indebtedness,
12 with the exception of late payment penalties, is paid in full.

13 For purposes of this subsection (2) of this Section 46, a
14 prepayment shall mean the payment of the total indebtedness,
15 with the exception of late payment penalties if incurred or
16 charged, on any date before the date specified in the contract
17 or loan agreement on which the total indebtedness shall be paid
18 in full, or before the date on which all payments, if timely
19 made, shall have been made. In the event of a prepayment of the
20 indebtedness which is made on a date after the date on which
21 interest on the indebtedness was last computed, calculated,
22 charged, or collected but before the next date on which
23 interest on the indebtedness was to be calculated, computed,
24 charged, or collected, the lender may calculate, charge and
25 collect interest on the indebtedness for the period which
26 elapsed between the date on which the prepayment is made and

1 the date on which interest on the indebtedness was last
2 computed, calculated, charged or collected at a rate equal to
3 1/360 of the annual rate for each day which so elapsed, which
4 rate shall be applied to the indebtedness outstanding as of the
5 date of prepayment. The lender shall refund to the borrower any
6 interest charged or collected which exceeds that which the
7 lender may charge or collect pursuant to the preceding
8 sentence. The provisions of this amendatory Act of 1985 shall
9 apply only to contracts or loans entered into on or after the
10 effective date of this amendatory Act.

11 (3) Notwithstanding any other provision of this Act, a
12 credit union authorized under this Act to make loans secured by
13 an interest or equity in real estate may engage in making
14 "reverse mortgage" loans to persons for the purpose of making
15 home improvements or repairs, paying insurance premiums or
16 paying real estate taxes on the homestead properties of such
17 persons. If made, such loans shall be made on such terms and
18 conditions as the credit union shall determine and as shall be
19 consistent with the provisions of this Section and such rules
20 and regulations as the Secretary shall promulgate hereunder.
21 For purposes of this Section, a "reverse mortgage" loan shall
22 be a loan extended on the basis of existing equity in homestead
23 property and secured by a mortgage on such property. Such loans
24 shall be repaid upon the sale of the property or upon the death
25 of the owner or, if the property is in joint tenancy, upon the
26 death of the last surviving joint tenant who had such an

1 interest in the property at the time the loan was initiated,
2 provided, however, that the credit union and its member may by
3 mutual agreement, establish other repayment terms. A credit
4 union, in making a "reverse mortgage" loan, may add deferred
5 interest to principal or otherwise provide for the charging of
6 interest or premiums on such deferred interest. "Homestead"
7 property, for purposes of this Section, means the domicile and
8 contiguous real estate owned and occupied by the mortgagor.

9 (4) Notwithstanding any other provisions of this Act, a
10 credit union authorized under this Act to make loans secured by
11 an interest or equity in real property may engage in making
12 revolving credit loans secured by mortgages or deeds of trust
13 on such real property or by security assignments of beneficial
14 interests in land trusts.

15 For purposes of this Section, "revolving credit" has the
16 meaning defined in Section 4.1 of the Interest Act.

17 Any mortgage or deed of trust given to secure a revolving
18 credit loan may, and when so expressed therein shall, secure
19 not only the existing indebtedness but also such future
20 advances, whether such advances are obligatory or to be made at
21 the option of the lender, or otherwise, as are made within
22 twenty years from the date thereof, to the same extent as if
23 such future advances were made on the date of the execution of
24 such mortgage or deed of trust, although there may be no
25 advance made at the time of execution of such mortgage or other
26 instrument, and although there may be no indebtedness

1 outstanding at the time any advance is made. The lien of such
2 mortgage or deed of trust, as to third persons without actual
3 notice thereof, shall be valid as to all such indebtedness and
4 future advances from the time said mortgage or deed of trust is
5 filed for record in the office of the recorder of deeds or the
6 registrar of titles of the county where the real property
7 described therein is located. The total amount of indebtedness
8 that may be so secured may increase or decrease from time to
9 time, but the total unpaid balance so secured at any one time
10 shall not exceed a maximum principal amount which must be
11 specified in such mortgage or deed of trust, plus interest
12 thereon, and any disbursements made for the payment of taxes,
13 special assessments, or insurance on said real property, with
14 interest on such disbursements.

15 Any such mortgage or deed of trust shall be valid and have
16 priority over all subsequent liens and encumbrances, including
17 statutory liens, except taxes and assessments levied on said
18 real property.

19 (4-5) For purposes of this Section, "real estate" and "real
20 property" include a manufactured home as defined in subdivision
21 (53) of Section 9-102 of the Uniform Commercial Code which is
22 real property as defined in Section 5-35 of the Conveyance and
23 Encumbrance of Manufactured Homes as Real Property and
24 Severance Act.

25 (5) Compliance with federal or Illinois preemptive laws or
26 regulations governing loans made by a credit union chartered

1 under this Act shall constitute compliance with this Act.

2 (6) Credit unions may make residential real estate mortgage
3 loans on terms and conditions established by the United States
4 Department of Agriculture through its Rural Development
5 Housing and Community Facilities Program. The portion of any
6 loan in excess of the appraised value of the real estate shall
7 be allocable only to the guarantee fee required under the
8 program.

9 (Source: P.A. 96-141, eff. 8-7-09; 97-133, eff. 1-1-12.)

10 (205 ILCS 305/46.1) (from Ch. 17, par. 4447.1)

11 Sec. 46.1. Non-recourse reverse mortgage loans. Any credit
12 union authorized under this Act to make loans secured by an
13 interest or equity in real estate may make non-recourse reverse
14 mortgage loans as provided in Section 6.1 of the Illinois
15 Banking Act.

16 For purposes of this Section, "real estate" includes a
17 manufactured home as defined in subdivision (53) of Section
18 9-102 of the Uniform Commercial Code that is real property as
19 defined in Section 5-35 of the Conveyance and Encumbrance of
20 Manufactured Homes as Real Property and Severance Act.

21 (Source: P.A. 87-488.)

22 Section 10-45. The Residential Mortgage License Act of 1987
23 is amended by changing Section 1-4 as follows:

1 (205 ILCS 635/1-4)

2 Sec. 1-4. Definitions.

3 (a) "Residential real property" or "residential real
4 estate" shall mean any real property located in Illinois, upon
5 which is constructed or intended to be constructed a dwelling.
6 Those terms include a manufactured home as defined in
7 subdivision (53) of Section 9-102 of the Uniform Commercial
8 Code which is real property as defined in Section 5-35 of the
9 Conveyance and Encumbrance of Manufactured Homes as Real
10 Property and Severance Act.

11 (b) "Making a residential mortgage loan" or "funding a
12 residential mortgage loan" shall mean for compensation or gain,
13 either directly or indirectly, advancing funds or making a
14 commitment to advance funds to a loan applicant for a
15 residential mortgage loan.

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

1 closing in the name of a broker.

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

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

1 its principal place of business in this State, provided
2 that the first tier subsidiary is regularly examined by the
3 Illinois Commissioner of Banks and Real Estate or the
4 Comptroller of the Currency, or a consumer compliance
5 examination is regularly conducted by the Federal Reserve
6 Board.

7 (1.5) Any employee of a person or entity mentioned in
8 item (1) of this subsection, when acting for such person or
9 entity, or any registered mortgage loan originator when
10 acting for an entity described in subsection (tt) of this
11 Section.

12 (1.8) Any person or entity that does not originate
13 mortgage loans in the ordinary course of business, but
14 makes or acquires residential mortgage loans with his or
15 her own funds for his or her or its own investment without
16 intent to make, acquire, or resell more than 3 residential
17 mortgage loans in any one calendar year.

18 (2) (Blank).

19 (3) Any person employed by a licensee to assist in the
20 performance of the residential mortgage licensee's
21 activities regulated by this Act who is compensated in any
22 manner by only one licensee.

23 (4) (Blank).

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 and
3 the federal Secure and Fair Enforcement for Mortgage
4 Licensing Act of 2008 and the rules promulgated under that
5 Act with regard to the nature and amount of compensation.

6 (6) (Blank).

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

11 (f) "Mortgage loan" "residential mortgage loan" or "home
12 mortgage loan" shall mean any loan primarily for personal,
13 family, or household use that is secured by a mortgage, deed of
14 trust, or other equivalent consensual security interest on a
15 dwelling as defined in Section 103(v) of the federal Truth in
16 Lending Act, or residential real estate upon which is
17 constructed or intended to be constructed a dwelling.

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

21 (h) "Ultimate equitable owner" shall mean a person who,
22 directly or indirectly, owns or controls an ownership interest
23 in a corporation, foreign corporation, alien business
24 organization, trust, or any other form of business organization
25 regardless of whether the person owns or controls the ownership
26 interest through one or more persons or one or more proxies,

1 powers of attorney, nominees, corporations, associations,
2 partnerships, trusts, joint stock companies, or other entities
3 or devices, or any combination thereof.

4 (i) "Residential mortgage financing transaction" shall
5 mean the negotiation, acquisition, sale, or arrangement for or
6 the offer to negotiate, acquire, sell, or arrange for, a
7 residential mortgage loan or residential mortgage loan
8 commitment.

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

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

13 (l) "Party to a residential mortgage financing
14 transaction" shall mean a borrower, lender, or loan broker in a
15 residential mortgage financing transaction.

16 (m) "Payments" shall mean payment of all or any of the
17 following: principal, interest and escrow reserves for taxes,
18 insurance and other related reserves, and reimbursement for
19 lender advances.

20 (n) "Commissioner" shall mean the Commissioner of Banks and
21 Real Estate, except that, beginning on April 6, 2009 (the
22 effective date of Public Act 95-1047), all references in this
23 Act to the Commissioner of Banks and Real Estate are deemed, in
24 appropriate contexts, to be references to the Secretary of
25 Financial and Professional Regulation, or his or her designee,
26 including the Director of the Division of Banking of the

1 Department of Financial and Professional Regulation.

2 (n-1) "Director" shall mean the Director of the Division of
3 Banking of the Department of Financial and Professional
4 Regulation, except that, beginning on July 31, 2009 (the
5 effective date of Public Act 96-112), all references in this
6 Act to the Director are deemed, in appropriate contexts, to be
7 the Secretary of Financial and Professional Regulation, or his
8 or her designee, including the Director of the Division of
9 Banking of the Department of Financial and Professional
10 Regulation.

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

21 (p) "Loan broker" or "broker" shall mean a person,
22 partnership, association, corporation, or limited liability
23 company, other than those persons, partnerships, associations,
24 corporations, or limited liability companies exempted from
25 licensing pursuant to Section 1-4, subsection (d), of this Act,
26 who performs the activities described in subsections (c), (o),

1 and (yy) of this Section.

2 (q) "Servicing" shall mean the collection or remittance for
3 or the right or obligation to collect or remit for any lender,
4 noteowner, noteholder, or for a licensee's own account, of
5 payments, interests, principal, and trust items such as hazard
6 insurance and taxes on a residential mortgage loan in
7 accordance with the terms of the residential mortgage loan; and
8 includes loan payment follow-up, delinquency loan follow-up,
9 loan analysis and any notifications to the borrower that are
10 necessary to enable the borrower to keep the loan current and
11 in good standing. "Servicing" includes management of
12 third-party entities acting on behalf of a residential mortgage
13 licensee for the collection of delinquent payments and the use
14 by such third-party entities of said licensee's servicing
15 records or information, including their use in foreclosure.

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

1 business, staff training and supervision, and provision for a
2 mechanism to resolve consumer inquiries, complaints, and
3 problems. The Commissioner shall issue regulations with regard
4 to these requirements and shall include an evaluation of
5 compliance with this Section in his or her periodic examination
6 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. This definition
24 applies only to Section 7-1 of this Act.

25 (ii) "Confidential supervisory information" means any
26 report of examination, visitation, or investigation prepared

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

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

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

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

20 "Mortgage loan originator" includes an individual engaged
21 in loan modification activities as defined in subsection (yy)
22 of this Section. A mortgage loan originator engaged in loan
23 modification activities shall report those activities to the
24 Department of Financial and Professional Regulation in the
25 manner provided by the Department; however, the Department
26 shall not impose a fee for reporting, nor require any

1 additional qualifications to engage in those activities beyond
2 those provided pursuant to this Act for mortgage loan
3 originators.

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

8 "Mortgage loan originator" does not include a person or
9 entity that only performs real estate brokerage activities and
10 is licensed in accordance with the Real Estate License Act of
11 2000, unless the person or entity is compensated by a lender, a
12 mortgage broker, or other mortgage loan originator, or by any
13 agent of that lender, mortgage broker, or other mortgage loan
14 originator.

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

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

22 (ll) "Dwelling" means a residential structure or mobile
23 home which contains one to 4 family housing units, or
24 individual units of condominiums or cooperatives.

25 (mm) "Immediate family member" means a spouse, child,
26 sibling, parent, grandparent, or grandchild, and includes

1 step-parents, step-children, step-siblings, or adoptive
2 relationships.

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

4 (oo) "Loan processor or underwriter" means an individual
5 who performs clerical or support duties as an employee at the
6 direction of and subject to the supervision and instruction of
7 a person licensed, or exempt from licensing, under this Act.
8 "Clerical or support duties" includes subsequent to the receipt
9 of an application:

10 (i) the receipt, collection, distribution, and
11 analysis of information common for the processing or
12 underwriting of a residential mortgage loan; and

13 (ii) communicating with a consumer to obtain the
14 information necessary for the processing or underwriting
15 of a loan, to the extent that the communication does not
16 include offering or negotiating loan rates or terms, or
17 counseling consumers about residential mortgage loan rates
18 or terms. An individual engaging solely in loan processor
19 or underwriter activities shall not represent to the
20 public, through advertising or other means of
21 communicating or providing information, including the use
22 of business cards, stationery, brochures, signs, rate
23 lists, or other promotional items, that the individual can
24 or will perform any of the activities of a mortgage loan
25 originator.

26 (pp) "Nationwide Mortgage Licensing System and Registry"

1 means a mortgage licensing system developed and maintained by
2 the Conference of State Bank Supervisors and the American
3 Association of Residential Mortgage Regulators for the
4 licensing and registration of licensed mortgage loan
5 originators.

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

8 (rr) "Person" means a natural person, corporation,
9 company, limited liability company, partnership, or
10 association.

11 (ss) "Real estate brokerage activity" means any activity
12 that involves offering or providing real estate brokerage
13 services to the public, including:

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

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

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

22 (4) engaging in any activity for which a person engaged
23 in the activity is required to be registered or licensed as
24 a real estate agent or real estate broker under any
25 applicable law; or

26 (5) offering to engage in any activity, or act in any

1 capacity, described in this subsection (ss).

2 (tt) "Registered mortgage loan originator" means any
3 individual that:

4 (1) meets the definition of mortgage loan originator
5 and is an employee of:

6 (A) a depository institution;

7 (B) a subsidiary that is:

8 (i) owned and controlled by a depository
9 institution; and

10 (ii) regulated by a federal banking agency; or

11 (C) an institution regulated by the Farm Credit
12 Administration; and

13 (2) is registered with, and maintains a unique
14 identifier through, the Nationwide Mortgage Licensing
15 System and Registry.

16 (uu) "Unique identifier" means a number or other identifier
17 assigned by protocols established by the Nationwide Mortgage
18 Licensing System and Registry.

19 (vv) "Residential mortgage license" means a license issued
20 pursuant to Section 1-3, 2-2, or 2-6 of this Act.

21 (ww) "Mortgage loan originator license" means a license
22 issued pursuant to Section 7-1A, 7-3, or 7-6 of this Act.

23 (xx) "Secretary" means the Secretary of the Department of
24 Financial and Professional Regulation, or a person authorized
25 by the Secretary or by this Act to act in the Secretary's
26 stead.

1 (yy) "Loan modification" means, for compensation or gain,
2 either directly or indirectly offering or negotiating on behalf
3 of a borrower or homeowner to adjust the terms of a residential
4 mortgage loan in a manner not provided for in the original or
5 previously modified mortgage loan.

6 (zz) "Short sale facilitation" means, for compensation or
7 gain, either directly or indirectly offering or negotiating on
8 behalf of a borrower or homeowner to facilitate the sale of
9 residential real estate subject to one or more residential
10 mortgage loans or debts constituting liens on the property in
11 which the proceeds from selling the residential real estate
12 will fall short of the amount owed and the lien holders are
13 contacted to agree to release their lien on the residential
14 real estate and accept less than the full amount owed on the
15 debt.

16 (Source: P.A. 96-112, eff. 7-31-09; 96-1000, eff. 7-2-10;
17 96-1216, eff. 1-1-11; 97-143, eff. 7-14-11; 97-891, eff.
18 8-3-12.)

19 Section 10-50. The Mobile Home Park Act is amended by
20 changing Section 2.1 as follows:

21 (210 ILCS 115/2.1) (from Ch. 111 1/2, par. 712.1)

22 Sec. 2.1. "Manufactured home" means a factory-assembled,
23 completely integrated structure designed for permanent
24 habitation, with a permanent chassis, and so constructed as to

1 permit its transport, on wheels temporarily or permanently
2 attached to its frame, and is a movable or portable unit that
3 is (i) 8 body feet or more in width, (ii) 40 body feet or more
4 in length, and (iii) 320 or more square feet, constructed to be
5 towed on its own chassis (comprised of frame and wheels) from
6 the place of its construction to the location, or subsequent
7 locations, at which it is ~~installed and set up according to the~~
8 ~~manufacturer's instructions and~~ connected to utilities for
9 year-round occupancy for use as a permanent habitation, and
10 designed and situated so as to permit its occupancy as a
11 dwelling place for one or more persons, and specifically
12 includes a "manufactured home" as defined in subdivision (53)
13 of Section 9-102 of the Uniform Commercial Code. The term shall
14 include units containing parts that may be folded, collapsed,
15 or telescoped when being towed and that may be expected to
16 provide additional cubic capacity, and that are designed to be
17 joined into one integral unit capable of being separated again
18 into the components for repeated towing. The term excludes
19 campers and recreational vehicles. The term "mobile home" shall
20 not include modular homes and their support systems. The words
21 "mobile home" and "manufactured home" are synonymous for the
22 purposes of this Act.

23 (Source: P.A. 96-1477, eff. 1-1-11.)

24 Section 10-55. The Abandoned Mobile Home Act is amended by
25 changing Section 10 as follows:

1 (210 ILCS 117/10)

2 Sec. 10. Definitions. As used in this Act:

3 "Manufactured home" means a factory-assembled, completely
4 integrated structure designed for permanent habitation, with a
5 permanent chassis, and so constructed as to permit its
6 transport, on wheels temporarily or permanently attached to its
7 frame, and is a movable or portable unit that is (i) 8 body
8 feet or more in width, (ii) 40 body feet or more in length, and
9 (iii) 320 or more square feet, constructed to be towed on its
10 own chassis (comprised of frame and wheels) from the place of
11 its construction to the location, or subsequent locations, at
12 which it is ~~installed and set up according to the~~
13 ~~manufacturer's instructions and~~ connected to utilities for
14 year-round occupancy for use as a permanent habitation, and
15 designed and situated so as to permit its occupancy as a
16 dwelling place for one or more persons, and specifically
17 includes a "manufactured home" as defined in subdivision (53)
18 of Section 9-102 of the Uniform Commercial Code. The term shall
19 include units containing parts that may be folded, collapsed,
20 or telescoped when being towed and that may be expected to
21 provide additional cubic capacity, and that are designed to be
22 joined into one integral unit capable of being separated again
23 into the components for repeated towing. The term excludes
24 campers and recreational vehicles. The words "mobile home" and
25 "manufactured home" are synonymous for the purposes of this

1 Act.

2 "Abandoned mobile home" means a mobile home located inside
3 a mobile home park that has no owner currently residing in the
4 mobile home or authorized tenant of the owner currently
5 residing in the mobile home to the best knowledge of the
6 municipality; has had its electricity, natural gas, sewer, and
7 water payments declared delinquent by the utility companies
8 that are providing such services; and for which the Mobile Home
9 Privilege Tax, imposed under the Mobile Home Local Services Tax
10 Act, is delinquent for at least 3 months. A mobile home
11 abandoned outside a mobile home park must be treated like other
12 real property for condemnation purposes.

13 "Municipality" means any city, village, incorporated town,
14 or its duly authorized agent. If an abandoned mobile home is
15 located in an unincorporated area, the county where the mobile
16 home is located shall have all powers granted to a municipality
17 under this Act.

18 (Source: P.A. 96-1477, eff. 1-1-11.)

19 Section 10-60. The Illinois Manufactured Housing and
20 Mobile Home Safety Act is amended by changing Section 2 as
21 follows:

22 (430 ILCS 115/2) (from Ch. 67 1/2, par. 502)

23 Sec. 2. Unless clearly indicated otherwise by the context,
24 the following words and terms when used in this Act, for the

1 purpose of this Act, shall have the following meanings:

2 (a) "Manufactured home" means a manufactured home as
3 defined in subdivision (53) of Section 9-102 of the Uniform
4 Commercial Code. "Mobile home" means a factory-assembled,
5 completely integrated structure, constructed on or before June
6 30, 1976, designed for permanent habitation, with a permanent
7 chassis, and so constructed as to permit its transport, on
8 wheels temporarily or permanently attached to its frame, that
9 is a movable or portable unit that is constructed to be towed
10 on its own chassis (comprised of frame and wheels) from the
11 place of its construction to the location, or subsequent
12 locations, at which it is connected to utilities for year-round
13 occupancy for use as a permanent habitation, and designed and
14 situated so as to permit its occupancy as a dwelling place for
15 one or more persons. ~~a factory assembled, completely~~
16 ~~integrated structure designed for permanent habitation, with a~~
17 ~~permanent chassis, and so constructed as to permit its~~
18 ~~transport, on wheels temporarily or permanently attached to its~~
19 ~~frame, and is a movable or portable unit that is (i) 8 body~~
20 ~~feet or more in width, (ii) 40 body feet or more in length, and~~
21 ~~(iii) 320 or more square feet, constructed to be towed on its~~
22 ~~own chassis (comprised of frame and wheels) from the place of~~
23 ~~its construction to the location, or subsequent locations, at~~
24 ~~which it is installed and set up according to the~~
25 ~~manufacturer's instructions and connected to utilities for~~
26 ~~year round occupancy for use as a permanent habitation, and~~

1 ~~designed and situated so as to permit its occupancy as a~~
2 ~~dwelling place for one or more persons.~~ The terms "manufactured
3 home" and "mobile home" term shall include units otherwise
4 meeting their respective definitions containing parts that may
5 be folded, collapsed, or telescoped when being towed and that
6 may be expected to provide additional cubic capacity, and that
7 are designed to be joined into one integral unit capable of
8 being separated again into the components for repeated towing.
9 The terms "mobile home" and "manufactured home" exclude term
10 ~~excludes~~ campers and recreational vehicles. The terms "mobile
11 home" and "manufactured home" do not include modular homes or
12 manufactured housing units.

13 (b) "Person" means a person, partnership, corporation, or
14 other legal entity.

15 (c) "Manufacturer" means any person who manufactures
16 mobile homes or manufactured housing at the place or places,
17 either on or away from the building site, at which machinery,
18 equipment and other capital goods are assembled and operated
19 for the purpose of making, fabricating, forming or assembling
20 mobile homes or manufactured housing.

21 (d) "Department" means the Department of Public Health.

22 (e) "Director" means the Director of the Department of
23 Public Health.

24 (f) "Dealer" means any person, other than a manufacturer,
25 as defined in this Act, who sells 3 or more mobile homes or
26 manufactured housing units in any consecutive 12-month period.

1 (g) "Codes" means the safety codes for manufactured housing
2 and mobile homes promulgated by the Department. The Codes shall
3 contain the standards and requirements for manufactured
4 housing and mobile homes so that adequate performance for the
5 intended use is made the test of acceptability. The Code of
6 Standards shall permit the use of new and used technology,
7 techniques, methods and materials, for both manufactured
8 housing and mobile homes, consistent with recognized and
9 accepted codes and standards developed by the International
10 Code Council (ICC) or by the organizations that formed the ICC
11 in 1994: Building Officials and Code Administrators, the
12 International Conference of Building Officials, the Southern
13 Building Codes Congress International, the National Fire
14 Protection Association, the International Association of
15 Plumbing and Mechanical Officials, the American National
16 Standards Institute, the Illinois State Plumbing Code, and the
17 United States Department of Housing and Urban Development,
18 hereinafter referred to as "HUD", applying to manufactured
19 housing and mobile homes installed and set up according to the
20 manufacturer's instructions. A copy of said safety codes,
21 including said revisions thereof is on file with the
22 Department.

23 (h) "Seal" means a device or insignia issued by the
24 Department to be displayed on the exterior of the mobile home
25 or the interior of a manufactured housing unit or modular home
26 to evidence compliance with the applicable safety code.

1 (i) "Modular home" means a building assembly or system of
2 building sub-assemblies, designed for habitation as a dwelling
3 for one or more persons, including the necessary electrical,
4 plumbing, heating, ventilating and other service systems,
5 which is of closed or open construction and which is made or
6 assembled by a manufacturer, on or off the building site, for
7 installation, or assembly and installation, on the building
8 site, installed and set up according to the manufacturer's
9 instructions on an approved foundation and support system. The
10 construction of modular dwelling units located in Illinois is
11 regulated by the Illinois Department of Public Health.

12 (j) "Closed construction" is any building, component,
13 assembly or system manufactured in such a manner that all
14 portions cannot readily be inspected at the installation site
15 without disassembly, damage to, or destruction thereof.

16 (k) "Open construction" is any building, component,
17 assembly or system manufactured in such a manner that all
18 portions can be readily inspected at the installation site
19 without disassembly, damage to, or destruction thereof.

20 (l) "Approved foundation and support system" means, for a
21 modular home or modular dwelling unit, a closed perimeter
22 formation consisting of materials such as concrete, mortared
23 concrete block, or mortared brick extending into the ground
24 below the frost line which shall include, but not necessarily
25 be limited to, cellars, basements, or crawl spaces, and does
26 include the use of piers supporting the marriage wall of the

1 home that extend below the frost line.

2 (m) "Code compliance certificate" means the certificate
3 provided by the manufacturer to the Department that warrants
4 that the manufactured housing unit or mobile home complies with
5 the applicable code.

6 (n) "Manufactured housing", "manufactured housing unit",
7 "modular dwelling", and "modular home" shall not be confused
8 with "manufactured home" or "mobile home".

9 (Source: P.A. 96-1477, eff. 1-1-11.)

10 Section 10-65. The Manufactured Home Quality Assurance Act
11 is amended by changing Section 10 as follows:

12 (430 ILCS 117/10)

13 Sec. 10. Definitions. In this Act:

14 "Department" means the Illinois Department of Public
15 Health.

16 "Licensed installer" means a person who has successfully
17 completed a manufactured home installation course approved by
18 the Department and paid the required fees.

19 "Manufactured home" means a "manufactured home", as
20 defined in subdivision (53) of Section 9-102 of the Uniform
21 Commercial Code. "Mobile home" means a factory-assembled,
22 completely integrated structure, constructed on or before June
23 30, 1976, designed for permanent habitation, with a permanent
24 chassis, and so constructed as to permit its transport, on

1 wheels temporarily or permanently attached to its frame, that
2 is a movable or portable unit that is constructed to be towed
3 on its own chassis (comprised of frame and wheels) from the
4 place of its construction to the location, or subsequent
5 locations, at which it is connected to utilities for year-round
6 occupancy for use as a permanent habitation, and designed and
7 situated so as to permit its occupancy as a dwelling place for
8 one or more persons. ~~a factory assembled, completely~~
9 ~~integrated structure designed for permanent habitation, with a~~
10 ~~permanent chassis, and so constructed as to permit its~~
11 ~~transport, on wheels temporarily or permanently attached to its~~
12 ~~frame, and is a movable or portable unit that is (i) 8 body~~
13 ~~feet or more in width, (ii) 40 body feet or more in length, and~~
14 ~~(iii) 320 or more square feet, constructed to be towed on its~~
15 ~~own chassis (comprised of frame and wheels) from the place of~~
16 ~~its construction to the location, or subsequent locations, at~~
17 ~~which it is installed and set up according to the~~
18 ~~manufacturer's instructions and connected to utilities for~~
19 ~~year round occupancy for use as a permanent habitation, and~~
20 ~~designed and situated so as to permit its occupancy as a~~
21 ~~dwelling place for one or more persons.~~ The terms "manufactured
22 home" and "mobile home" term shall include units otherwise
23 meeting their respective definitions containing parts that may
24 be folded, collapsed, or telescoped when being towed and that
25 may be expected to provide additional cubic capacity, and that
26 are designed to be joined into one integral unit capable of

1 being separated again into the components for repeated towing.
2 The terms "manufactured home" and "mobile home" exclude term
3 ~~excludes~~ campers and recreational vehicles.

4 "Manufacturer" means a manufacturer of a manufactured
5 home, whether the manufacturer is located within or outside of
6 the State of Illinois.

7 "Mobile home" or "manufactured home" does not include a
8 modular home.

9 "Mobile home park" means a tract of land or 2 contiguous
10 tracts of land that contain sites with the necessary utilities
11 for 5 or more mobile homes or manufactured homes. A mobile home
12 park may be operated either free of charge or for revenue
13 purposes.

14 (Source: P.A. 96-1477, eff. 1-1-11.)

15 Section 10-70. The Illinois Vehicle Code is amended by
16 changing Sections 3-100, 3-102, 3-103, 3-104, 3-106, 3-107,
17 3-109, 3-110, 3-116, 3-202, 3-205, 3-207, and 3-208 and by
18 adding Sections 1-144.03, 3-116.1, 3-116.2, and 3-116.3 as
19 follows:

20 (625 ILCS 5/1-144.03 new)

21 Sec. 1-144.03. Mobile home or manufactured home. A mobile
22 home or manufactured home means a manufactured home as defined
23 in subdivision (53) of Section 9-102 of the Uniform Commercial
24 Code.

1 (625 ILCS 5/3-100) (from Ch. 95 1/2, par. 3-100)
2 Sec. 3-100. Definitions. For the purposes of this Chapter,
3 the following words shall have the meanings ascribed to them:

4 "Electronic" includes electrical, digital, magnetic,
5 optical, electromagnetic, or any other form of technology that
6 entails capabilities similar to these technologies.

7 "Electronic record" means a record generated,
8 communicated, received, or stored by electronic means for use
9 in an information system or for transmission from one
10 information system to another.

11 "Electronic signature" means a signature in electronic
12 form attached to or logically associated with an electronic
13 record.

14 "Owner" means a person who holds legal document of
15 ownership of a vehicle, limited to a certificate of origin,
16 certificate of title, salvage certificate, or junking
17 certificate. However, in the event a vehicle is the subject of
18 an agreement for the conditional sale or lease thereof with the
19 right of purchase upon performance of the conditions stated in
20 the agreement and with an immediate right of possession vested
21 in the conditional vendee or lessee, or in the event a
22 mortgagor of such vehicle is entitled to possession, then such
23 conditional vendee or lessee or mortgagor shall be deemed the
24 owner for the purpose of this Chapter, except as provided under
25 paragraph (c) of Section 3-118.

1 "Record" means information that is inscribed, stored, or
2 otherwise fixed on a tangible medium or that is stored in an
3 electronic or other medium and is retrievable in perceivable
4 form.

5 "Signature" or "signed" includes any symbol executed or
6 adopted, or any security procedure employed or adopted, using
7 electronic means or otherwise, by or on behalf of a person with
8 intent to authenticate a record.

9 "Vehicle" means a vehicle as defined in Section 1-217 of
10 this Code. Unless otherwise specified, "vehicle" also means a
11 "manufactured home" as defined in Section 1-144.03 of this
12 Code.

13 (Source: P.A. 91-79, eff. 1-1-00; 91-357, eff. 7-29-99; 91-772,
14 eff. 1-1-01.)

15 (625 ILCS 5/3-102) (from Ch. 95 1/2, par. 3-102)

16 Sec. 3-102. Exclusions.

17 No certificate of title need be obtained for:

18 1. A vehicle owned by the State of Illinois; or a vehicle
19 owned by the United States unless it is registered in this
20 State;

21 2. A vehicle owned by a manufacturer or dealer and held for
22 sale, even though incidentally moved on the highway or used for
23 purposes of testing or demonstration, provided a dealer
24 reassignment area is still available on the manufacturer's
25 certificate of origin or the Illinois title; or a vehicle used

1 by a manufacturer solely for testing;

2 3. A vehicle owned by a non-resident of this State and not
3 required by law to be registered in this State;

4 4. A motor vehicle regularly engaged in the interstate
5 transportation of persons or property for which a currently
6 effective certificate of title has been issued in another
7 State;

8 5. A vehicle moved solely by animal power;

9 6. An implement of husbandry;

10 7. Special mobile equipment;

11 8. An apportionable trailer or an apportionable
12 semitrailer registered in the State prior to April 1, 1998.

13 9. A manufactured home for which an affidavit of affixation
14 has been recorded pursuant to the Conveyance and Encumbrance of
15 Manufactured Homes as Real Property and Severance Act unless
16 with respect to the same manufactured home there has been
17 recorded an affidavit of severance pursuant to that Act.

18 (Source: P.A. 91-441, eff. 1-1-00.)

19 (625 ILCS 5/3-103) (from Ch. 95 1/2, par. 3-103)

20 Sec. 3-103. Optional certificate of title.

21 (a) The owner of an implement of husbandry or special
22 mobile equipment may apply for and obtain a certificate of
23 title on it. All of the provisions of this chapter, except part
24 (e) of Section 3-104, are applicable to a certificate of title
25 so issued, except that a person who receives a transfer of an

1 interest in the vehicle without knowledge of the certificate of
2 title is not prejudiced by reason of the existence of the
3 certificate, and the perfection of a security interest under
4 this act is not effective until the lienholder has complied
5 with the provisions of applicable law which otherwise relate to
6 the perfection of security interests in personal property.

7 An application for an optional certificate of title must be
8 accompanied by either an exemption determination from the
9 Department of Revenue showing that no tax imposed under the
10 "Use Tax Act" or the "Retailers' Occupation Tax Act" is owed by
11 anyone with respect to that vehicle or by a receipt from the
12 Department of Revenue showing that any tax so imposed has been
13 paid. No optional certificate of title shall be issued in the
14 absence of such a receipt or exemption determination.

15 If the proof of payment or of nonliability is, after the
16 issuance of the optional certificate of title, found to be
17 invalid, the Secretary of State shall revoke the optional
18 certificate of title and require that it be returned to him.

19 (b) The owner of a manufactured home which is affixed to a
20 permanent foundation and for which a certificate of title has
21 not previously been issued and surrendered for cancellation may
22 apply for a certificate of title, including, if applicable, a
23 certificate of title issued in accordance with subsection (b)
24 of Section 3-109, which shall be issued for the sole purpose of
25 (i) surrendering such certificate of title for cancellation in
26 accordance with Section 3-116.2 or (ii) satisfying the

1 requirements of subdivision (e)(4) of Section 9-334 of the
2 Uniform Commercial Code. The Secretary of State shall issue a
3 certificate of title, in accordance with this Chapter, upon
4 satisfaction of the application requirements of this Code.

5 (Source: P.A. 78-1165.)

6 (625 ILCS 5/3-104) (from Ch. 95 1/2, par. 3-104)

7 Sec. 3-104. Application for certificate of title.

8 (a) The application for a certificate of title for a
9 vehicle in this State must be made by the owner to the
10 Secretary of State on the form prescribed and must contain:

11 1. The name, Illinois residence and mail address of the
12 owner;

13 2. A description of the vehicle including, so far as
14 the following data exists: Its make, year-model,
15 identifying number, type of body, whether new or used, as
16 to house trailers as defined in Section 1-128 of this
17 Code, and as to manufactured homes as defined in Section
18 1-144.03 of this Code, the square footage ~~of the house~~
19 ~~trailer~~ based upon the outside dimensions ~~of the house~~
20 ~~trailer~~ excluding the length of the tongue and hitch, and,
21 as to vehicles of the second division, whether for-hire,
22 not-for-hire, or both for-hire and not-for-hire;

23 3. The date of purchase by applicant and, if
24 applicable, the name and address of the person from whom
25 the vehicle was acquired and the names and addresses of any

1 lienholders in the order of their priority and signatures
2 of owners;

3 4. The current odometer reading at the time of transfer
4 and that the stated odometer reading is one of the
5 following: actual mileage, not the actual mileage or
6 mileage is in excess of its mechanical limits; and

7 5. Any further information the Secretary of State
8 reasonably requires to identify the vehicle and to enable
9 him to determine whether the owner is entitled to a
10 certificate of title and the existence or nonexistence of
11 security interests in the vehicle.

12 (a-5) The Secretary of State shall designate on the
13 prescribed application form a space where the owner of a
14 vehicle may designate a beneficiary, to whom ownership of the
15 vehicle shall pass in the event of the owner's death.

16 (b) If the application refers to a vehicle purchased from a
17 dealer, it must also be signed by the dealer as well as the
18 owner, and the dealer must promptly mail or deliver the
19 application and required documents to the Secretary of State.

20 (c) If the application refers to a vehicle last previously
21 registered in another State or country, the application must
22 contain or be accompanied by:

23 1. Any certified document of ownership so recognized
24 and issued by the other State or country and acceptable to
25 the Secretary of State, and

26 2. Any other information and documents the Secretary of

1 State reasonably requires to establish the ownership of the
2 vehicle and the existence or nonexistence of security
3 interests in it.

4 (d) If the application refers to a new vehicle it must be
5 accompanied by the Manufacturer's Statement of Origin, or other
6 documents as required and acceptable by the Secretary of State,
7 with such assignments as may be necessary to show title in the
8 applicant.

9 (e) If an application refers to a vehicle rebuilt from a
10 vehicle previously salvaged, that application shall comply
11 with the provisions set forth in Sections 3-302 through 3-304
12 of this Code.

13 (f) An application for a certificate of title for any
14 vehicle, whether purchased in Illinois or outside Illinois, and
15 even if previously registered in another State, must be
16 accompanied by either an exemption determination from the
17 Department of Revenue showing that no tax imposed pursuant to
18 the Use Tax Act or the vehicle use tax imposed by Section
19 3-1001 of the Illinois Vehicle Code is owed by anyone with
20 respect to that vehicle, or a receipt from the Department of
21 Revenue showing that any tax so imposed has been paid. An
22 application for a certificate of title for any vehicle
23 purchased outside Illinois, even if previously registered in
24 another state, must be accompanied by either an exemption
25 determination from the Department of Revenue showing that no
26 tax imposed pursuant to the Municipal Use Tax Act or the County

1 Use Tax Act is owed by anyone with respect to that vehicle, or
2 a receipt from the Department of Revenue showing that any tax
3 so imposed has been paid. In the absence of such a receipt for
4 payment or determination of exemption from the Department, no
5 certificate of title shall be issued to the applicant.

6 If the proof of payment of the tax or of nonliability
7 therefor is, after the issuance of the certificate of title and
8 display certificate of title, found to be invalid, the
9 Secretary of State shall revoke the certificate and require
10 that the certificate of title and, when applicable, the display
11 certificate of title be returned to him.

12 (g) If the application refers to a vehicle not manufactured
13 in accordance with federal safety and emission standards, the
14 application must be accompanied by all documents required by
15 federal governmental agencies to meet their standards before a
16 vehicle is allowed to be issued title and registration.

17 (h) If the application refers to a vehicle sold at public
18 sale by a sheriff, it must be accompanied by the required fee
19 and a bill of sale issued and signed by a sheriff. The bill of
20 sale must identify the new owner's name and address, the year
21 model, make and vehicle identification number of the vehicle,
22 court order document number authorizing such sale, if
23 applicable, and the name and address of any lienholders in
24 order of priority, if applicable.

25 (i) If the application refers to a vehicle for which a
26 court of law determined the ownership, it must be accompanied

1 with a certified copy of such court order and the required fee.
2 The court order must indicate the new owner's name and address,
3 the complete description of the vehicle, if known, the name and
4 address of the lienholder, if any, and must be signed and dated
5 by the judge issuing such order.

6 (j) If the application refers to a vehicle sold at public
7 auction pursuant to the Labor and Storage Lien (Small Amount)
8 Act, it must be accompanied by an affidavit or affirmation
9 furnished by the Secretary of State along with the documents
10 described in the affidavit or affirmation and the required fee.

11 (k) The Secretary may provide an expedited process for the
12 issuance of vehicle titles. Expedited title applications must
13 be delivered to the Secretary of State's Vehicle Services
14 Department in Springfield by express mail service or hand
15 delivery. Applications must be complete, including necessary
16 forms, fees, and taxes. Applications received before noon on a
17 business day will be processed and shipped that same day.
18 Applications received after noon on a business day will be
19 processed and shipped the next business day. The Secretary
20 shall charge an additional fee of \$30 for this service, and
21 that fee shall cover the cost of return shipping via an express
22 mail service. All fees collected by the Secretary of State for
23 expedited services shall be deposited into the Motor Vehicle
24 License Plate Fund. In the event the Vehicle Services
25 Department determines that the volume of expedited title
26 requests received on a given day exceeds the ability of the

1 Vehicle Services Department to process those requests in an
2 expedited manner, the Vehicle Services Department may decline
3 to provide expedited services, and the additional fee for the
4 expedited service shall be refunded to the applicant.

5 (l) If the application refers to a homemade trailer, (i) it
6 must be accompanied by the appropriate documentation regarding
7 the source of materials used in the construction of the
8 trailer, as required by the Secretary of State, (ii) the
9 trailer must be inspected by a Secretary of State employee
10 prior to the issuance of the title, and (iii) upon approval of
11 the Secretary of State, the trailer must have a vehicle
12 identification number, as provided by the Secretary of State,
13 stamped or riveted to the frame.

14 (m) The holder of a Manufacturer's Statement of Origin to a
15 manufactured home may deliver it to any person to facilitate
16 conveying or encumbering the manufactured home. Any person
17 receiving any such Manufacturer's Statement of Origin so
18 delivered holds it in trust for the person delivering it.

19 (n) Within 45 days after the completion of the first retail
20 sale of a manufactured home, the Manufacturer's Statement of
21 Origin to that manufactured home must be surrendered to the
22 Secretary of State either in conjunction with an application
23 for a certificate of title for that manufactured home or in
24 accordance with Section 3-116.1.

25 (Source: P.A. 96-519, eff. 1-1-10; 96-554, eff. 1-1-10;
26 96-1000, eff. 7-2-10; 97-918, eff. 1-1-13.)

1 (625 ILCS 5/3-106) (from Ch. 95 1/2, par. 3-106)

2 Sec. 3-106. Certificate of title - Issuance - Records. (a)
3 The Secretary of State shall file each application received
4 and, when satisfied as to its genuineness and regularity, and
5 that no tax imposed by the "Use Tax Act" or the vehicle use
6 tax, as imposed by Section 3-1001 of "The Illinois Vehicle
7 Code", or pursuant to the "Municipal Use Tax Act" or pursuant
8 to the "County Use Tax Act" is owed as evidenced by the receipt
9 for payment or determination of exemption from the Department
10 of Revenue provided for in Section 3-104 of this Act, and that
11 the applicant is entitled to the issuance of a certificate of
12 title, shall issue a certificate of title of the vehicle.

13 (b) The Secretary of State shall maintain a record of all
14 certificates of title issued by him under a distinctive title
15 number assigned to the vehicle; and, in the discretion of the
16 Secretary of State, in any other method determined.

17 (c) The Secretary of State shall not issue a certificate of
18 title, including a certificate of title issued in accordance
19 with subsection (b) of Section 3-109, to a manufactured home
20 for which there has been recorded an affidavit of affixation
21 pursuant to the Conveyance and Encumbrance of Manufactured
22 Homes as Real Property and Severance Act unless with respect to
23 the same manufactured home there has been recorded an affidavit
24 of severance pursuant to the Conveyance and Encumbrance of
25 Manufactured Homes as Real Property and Severance Act.

1 (d) The Secretary of State shall file, upon receipt, each
2 affidavit of affixation and each affidavit of severance
3 relating to a manufactured home that is delivered in accordance
4 with the Conveyance and Encumbrance of Manufactured Homes as
5 Real Property and Severance Act, when satisfied as to its
6 genuineness and regularity.

7 (e) The Secretary of State shall maintain a record of each
8 affidavit of affixation and each affidavit of severance filed
9 in accordance with subsection (d) of this Section. The record
10 shall state the name of the owner of the related manufactured
11 home, the name of manufacturer, model year, manufacturer's
12 serial number, and any other data the Secretary of State
13 prescribes.

14 (f) The Secretary of State shall file, upon receipt, each
15 application for surrender of the Manufacturer's Statement of
16 Origin relating to a manufactured home that is delivered in
17 accordance with Section 3-116.1, when satisfied as to its
18 genuineness and regularity.

19 (g) The Secretary of State shall file, upon receipt, each
20 application for surrender of the certificate of title relating
21 to a manufactured home that is delivered in accordance with
22 Section 3-116.2, when satisfied as to its genuineness and
23 regularity.

24 (h) The Secretary of State shall maintain a record,
25 including a record in the form of a searchable electronic
26 database accessible to the public, of each Manufacturer's

1 Statement of Origin accepted for surrender as provided in
2 Section 3-116.1. The record shall state the date the
3 Manufacturer's Statement of Origin was accepted for surrender,
4 the name of manufacturer, make, model name, model year,
5 manufacturer's serial number, and any other data the Secretary
6 of State prescribes.

7 (i) The Secretary of State shall maintain a record,
8 including a record in the form of a searchable electronic
9 database accessible to the public, of each manufactured home
10 certificate of title accepted for surrender as provided in
11 Section 3-116.2. The record shall state the date the
12 certificate of title was accepted for surrender, the name of
13 manufacturer, model year, manufacturer's serial number, and
14 any other data the Secretary of State prescribes.

15 (Source: P.A. 86-444.)

16 (625 ILCS 5/3-107) (from Ch. 95 1/2, par. 3-107)

17 Sec. 3-107. Contents and effect.

18 (a) Each certificate of title issued by the Secretary of
19 State shall contain:

- 20 1. the date issued;
- 21 2. the name and address of the owner;
- 22 3. the names and addresses of any lienholders, in the
23 order of priority as shown on the application or, if the
24 application is based on a certificate of title, as shown on
25 the certificate;

- 1 4. the title number assigned to the vehicle;
- 2 5. a description of the vehicle including, so far as
3 the following data exists: its make, year-model,
4 identifying number, type of body, whether new or used, as
5 to house trailers as defined in Section 1-128 of this Code,
6 and as to manufactured homes as defined in Section 1-144.03
7 of this Code, the square footage of the vehicle based upon
8 the outside dimensions ~~of the house trailer~~ excluding the
9 length of the tongue and hitch, and, if a new vehicle, the
10 date of the first sale of the vehicle for use;
- 11 6. an odometer certification as provided for in this
12 Code; and
- 13 7. any other data the Secretary of State prescribes.
- 14 (a-5) In the event the applicant seeks to have the vehicle
15 titled as a custom vehicle or street rod, that fact must be
16 stated in the application. The custom vehicle or street rod
17 must be inspected as required by Section 3-406 of this Code
18 prior to issuance of the title. Upon successful completion of
19 the inspection, the vehicle may be titled in the following
20 manner. The make of the vehicle shall be listed as the make of
21 the actual vehicle or the make it is designed to resemble
22 (e.g., Ford or Chevrolet); the model of the vehicle shall be
23 listed as custom vehicle or street rod; and the year of the
24 vehicle shall be listed as the year the actual vehicle was
25 manufactured or the year it is designed to resemble. A vehicle
26 previously titled as other than a custom vehicle or street rod

1 may be issued a corrected title reflecting the custom vehicle
2 or street rod model if it otherwise meets the requirements for
3 the designation.

4 (b) The certificate of title shall contain forms for
5 assignment and warranty of title by the owner, and for
6 assignment and warranty of title by a dealer, and may contain
7 forms for applications for a certificate of title by a
8 transferee, the naming of a lienholder and the assignment or
9 release of the security interest of a lienholder.

10 (b-5) The Secretary of State shall designate on a
11 certificate of title a space where the owner of a vehicle may
12 designate a beneficiary, to whom ownership of the vehicle shall
13 pass in the event of the owner's death.

14 (c) A certificate of title issued by the Secretary of State
15 is prima facie evidence of the facts appearing on it.

16 (d) A certificate of title for a vehicle is not subject to
17 garnishment, attachment, execution or other judicial process,
18 but this subsection does not prevent a lawful levy upon the
19 vehicle.

20 (e) Any certificate of title issued by the Secretary of
21 State is subject to a lien in favor of the State of Illinois
22 for any fees or taxes required to be paid under this Act and as
23 have not been paid, as provided for in this Code.

24 (f) Notwithstanding any other provision of law, a
25 certificate of title issued by the Secretary of State to a
26 manufactured home is prima facie evidence of the facts

1 appearing on it, notwithstanding the fact that such
2 manufactured home, at any time, shall have become affixed in
3 any manner to real property.

4 (Source: P.A. 95-784, eff. 1-1-09; 96-487, eff. 1-1-10.)

5 (625 ILCS 5/3-109) (from Ch. 95 1/2, par. 3-109)

6 Sec. 3-109. Registration without certificate of title;
7 bond. If the Secretary of State is not satisfied as to the
8 ownership of the vehicle, including but not limited to, in the
9 case of a manufactured home, a circumstance in which the
10 manufactured home is covered by a Manufacturer's Statement of
11 Origin that the owner of the manufactured home, after diligent
12 search and inquiry, is unable to produce, or that there are no
13 undisclosed security interests in it, the Secretary of State
14 may register the vehicle but shall either:

15 (a) Withhold issuance of a certificate of title until the
16 applicant presents documents reasonably sufficient to satisfy
17 the Secretary of State as to the applicant's ownership of the
18 vehicle and that there are no undisclosed security interests in
19 it; or

20 (b) As a condition of issuing a certificate of title,
21 require the applicant to file with the Secretary of State a
22 bond in the form prescribed by the Secretary of State and
23 executed by the applicant, and either accompanied by the
24 deposit of cash with the Secretary of State or also executed by
25 a person authorized to conduct a surety business in this State.

1 The bond shall be in an amount equal to one and one-half times
2 the value of the vehicle as determined by the Secretary of
3 State and conditioned to indemnify any prior owner and
4 lienholder and any subsequent purchaser of the vehicle or
5 person acquiring any security interest in it, and their
6 respective successors in interest, against any expense, loss or
7 damage, including reasonable attorney's fees, by reason of the
8 issuance of the certificate of title of the vehicle or on
9 account of any defect in or undisclosed security interest upon
10 the right, title and interest of the applicant in and to the
11 vehicle. Any such interested person has a right of action to
12 recover on the bond for any breach of its conditions, but the
13 aggregate liability of the surety to all persons shall not
14 exceed the amount of the bond. The bond, and any deposit
15 accompanying it, shall be returned at the end of three (3)
16 years or prior thereto if (i) the vehicle is no longer
17 registered in this State and the currently valid certificate of
18 title is surrendered to the Secretary of State or (ii), in the
19 case of a certificate of title to a manufactured home, the
20 currently valid certificate of title is surrendered to the
21 Secretary of State in accordance with Section 3-116.2, unless
22 the Secretary of State has been notified of the pendency of an
23 action to recover on the bond.

24 Security deposited as a bond hereunder shall be placed by
25 the Secretary of State in the custody of the State Treasurer.

26 (c) During July, annually, the Secretary shall compile a

1 list of all bonds on deposit, pursuant to this Section, for
2 more than 3 years and concerning which he has received no
3 notice as to the pendency of any judicial proceeding that could
4 affect the disposition thereof. Thereupon, he shall promptly
5 send a notice by certified mail to the last known address of
6 each depositor advising him that his bond will be subject to
7 escheat to the State of Illinois if not claimed within 30 days
8 after the mailing date of such notice. At the expiration of
9 such time, the Secretary of State shall file with the State
10 Treasurer an order directing the transfer of such deposit to
11 the Road Fund in the State Treasury. Upon receipt of such
12 order, the State Treasurer shall make such transfer, after
13 converting to cash any other type of security. Thereafter any
14 person having a legal claim against such deposit may enforce it
15 by appropriate proceedings in the Court of Claims subject to
16 the limitations prescribed for such Court. At the expiration of
17 such limitation period such deposit shall escheat to the State
18 of Illinois.

19 (Source: P.A. 81-1458.)

20 (625 ILCS 5/3-110) (from Ch. 95 1/2, par. 3-110)

21 Sec. 3-110. Refusing certificate of title. The Secretary of
22 State shall refuse issuance of a certificate of title if any
23 required fee is not paid or if he has reasonable grounds to
24 believe that:

25 (a) the applicant is not the owner of the vehicle;

1 (b) the application contains a false or fraudulent
2 statement;

3 (c) the applicant fails to furnish required
4 information or documents or any additional information the
5 Secretary of State reasonably requires; or

6 (d) the applicant has not paid to the Secretary of
7 State any fees or taxes due under this Act and have not
8 been paid upon reasonable notice and demand.

9 Except as provided in Section 3-116.2, the Secretary of
10 State shall not refuse to issue a certificate of title to a
11 manufactured home by reason of the fact that, at any time, in
12 any manner, it shall have been affixed to real property.

13 (Source: P.A. 97-333, eff. 8-12-11.)

14 (625 ILCS 5/3-116) (from Ch. 95 1/2, par. 3-116)

15 Sec. 3-116. When Secretary of State to issue a certificate
16 of title.

17 (a) The Secretary of State, upon receipt of a properly
18 assigned certificate of title, with an application for a
19 certificate of title, the required fee and any other documents
20 required by law, shall issue a new certificate of title in the
21 name of the transferee as owner and mail it to the first
22 lienholder named in it or, if none, to the owner or owner's
23 designee.

24 (b) The Secretary of State, upon receipt of an application
25 for a new certificate of title by a transferee other than by

1 voluntary transfer, with proof of the transfer, the required
2 fee and any other documents required by law, shall issue a new
3 certificate of title in the name of the transferee as owner.

4 (c) Any person, firm or corporation, who shall knowingly
5 possess, buy, sell, exchange or give away, or offer to buy,
6 sell, exchange or give away the certificate of title to any
7 motor vehicle which is a junk or salvage, or who shall fail to
8 surrender the certificate of title to the Secretary of State as
9 required under the provisions of this Section and Section
10 3-117.2, shall be guilty of Class 3 felony.

11 (d) The Secretary of State shall file and retain for four
12 (4) years a record of every surrendered certificate of title or
13 proof of ownership accepted by the Secretary of State, the file
14 to be maintained so as to permit the tracing of title of the
15 vehicle designated therein. Such filing and retention
16 requirements shall be in addition to and not in substitution
17 for the recordkeeping requirements set forth in Section 3-106
18 of this Code, which recordkeeping requirements are not limited
19 to any period of time.

20 (e) The Secretary of State, upon receipt of an application
21 for corrected certificate of title, with the original title,
22 the required fee and any other required documents, shall issue
23 a corrected certificate of title in the name of the owner and
24 mail it to the first lienholder named in it or, if none, to the
25 owner or owner's designee.

26 (f) The Secretary of State, upon receipt of a certified

1 copy of a court order awarding ownership to an applicant along
2 with an application for a certificate of title and the required
3 fee, shall issue a certificate of title to the applicant.

4 (Source: P.A. 90-212, eff. 1-1-98.)

5 (625 ILCS 5/3-116.1 new)

6 Sec. 3-116.1. Surrender of Manufacturer's Statement of
7 Origin to a manufactured home.

8 (a) The owner (all, if more than one) of a manufactured
9 home that is covered by a Manufacturer's Statement of Origin
10 and that is affixed to a permanent foundation as defined in the
11 Conveyance and Encumbrance of Manufactured Homes as Real
12 Property and Severance Act, or which the owner intends to affix
13 to a permanent foundation as defined in the Conveyance and
14 Encumbrance of Manufactured Homes as Real Property and
15 Severance Act, may surrender the Manufacturer's Statement of
16 Origin to the manufactured home to the Secretary of State by
17 filing with the Secretary of State an application for surrender
18 of Manufacturer's Statement of Origin containing or
19 accompanied by:

20 (1) the name, residence, and mailing address of the
21 owner;

22 (2) a description of the manufactured home
23 including the name of the manufacturer, the make, the model
24 name, the model year, the dimensions, and the vehicle
25 identification number of the manufactured home and whether

1 it is new or used, and any other information the Secretary
2 of State requires;

3 (3) the date of purchase by the owner of the
4 manufactured home, the name and address of the person from
5 whom the home was acquired, and the names and addresses of
6 any security interest holders and lienholders in the order
7 of their apparent priority;

8 (4) a statement signed by the owner, stating either
9 (i) any facts or information known to the owner that could
10 reasonably affect the validity of the title to the
11 manufactured home or the existence or non-existence of a
12 security interest in or lien on it or (ii) that no such
13 facts or information are known to the owner;

14 (5) a certified copy of the recorded affidavit of
15 affixation in accordance with the Conveyance and
16 Encumbrance of Manufactured Homes as Real Property and
17 Severance Act;

18 (6) the original Manufacturer's Statement of
19 Origin;

20 (7) the name and mailing address of each owner of
21 the manufactured home or such owner's designee wishing to
22 receive written acknowledgment of surrender from the
23 Secretary of State; and

24 (8) any other information and documents the
25 Secretary of State reasonably requires to identify the
26 owner of the manufactured home and to enable him or her to

1 determine whether the owner satisfied the requirements of
2 the Conveyance and Encumbrance of Manufactured Homes as
3 Real Property and Severance Act and is entitled to
4 surrender the Manufacturer's Statement of Origin, and the
5 existence or non-existence of security interests in or
6 liens on the manufactured home.

7 (b) When satisfied as to the genuineness and regularity of
8 the surrender of a Manufacturer's Statement of Origin to a
9 manufactured home, payment of any applicable fees and upon
10 satisfaction of the requirements of subsection (a) of this
11 Section, the Secretary of State shall (i) cancel the
12 Manufacturer's Statement of Origin and update his or her
13 records in accordance with the provisions of Section 3-106 and
14 (ii) provide written acknowledgment of compliance with the
15 provisions of this Section to each person identified on the
16 application for surrender of Manufacturer's Statement of
17 Origin pursuant to subsection (a) (7) of this Section.

18 (c) Upon satisfaction of the requirements of this Section,
19 a manufactured home shall be conveyed and encumbered as
20 provided in the Conveyance and Encumbrance of Manufactured
21 Homes as Real Property and Severance Act. If the application to
22 surrender a Manufacturer's Statement of Origin is delivered to
23 the Secretary of State within 60 days of recording the related
24 affidavit of affixation with the recording officer in the
25 county in which the real property to which the manufactured
26 home is or shall be affixed and the application is thereafter

1 accepted by the Secretary of State, the requirements of this
2 Section shall be deemed satisfied as of the date the affidavit
3 of affixation is recorded.

4 (d) Upon written request by a person identified on the
5 application for surrender of Manufacturer's Statement of
6 Origin pursuant to subsection (a)(7) of this Section, the
7 Secretary of State shall provide written acknowledgment of
8 compliance with the provisions of this Section.

9 (625 ILCS 5/3-116.2 new)

10 Sec. 3-116.2. Application for surrender of title.

11 (a) The owner (all, if more than one) of a manufactured
12 home that is covered by a certificate of title, including, if
13 applicable, a certificate of title issued in accordance with
14 subsection (b) of Section 3-109, and that is permanently
15 affixed to real property as defined in the Conveyance and
16 Encumbrance of Manufactured Homes as Real Property and
17 Severance Act, or which the owner intends to permanently affix
18 to real property as defined in the Conveyance and Encumbrance
19 of Manufactured Homes as Real Property and Severance Act, may
20 surrender the certificate of title to the manufactured home to
21 the Secretary of State by filing with the Secretary of State an
22 application for surrender of title containing or accompanied
23 by:

24 (1) the name, residence, and mailing address of the
25 owner;

1 (2) a description of the manufactured home including
2 the name of the manufacturer, the make, the model name, the
3 model year, the dimensions, and the vehicle identification
4 number or numbers of the manufactured home and whether it
5 is new or used and any other information the Secretary of
6 State requires;

7 (3) the date of purchase by the owner of the
8 manufactured home, the name and address of the person from
9 whom the home was acquired and the names and addresses of
10 any security interest holders and lienholders in the order
11 of their apparent priority;

12 (4) a statement signed by the owner, stating either,
13 (i) any facts or information known to the owner that could
14 reasonably affect the validity of the title to the
15 manufactured home or the existence or non-existence of a
16 security interest in or lien on it; or (ii) that no such
17 facts or information are known to the owner;

18 (5) a certified copy of the affidavit of affixation in
19 accordance with the Conveyance and Encumbrance of
20 Manufactured Homes as Real Property and Severance Act;

21 (6) the original certificate of title;

22 (7) the name and mailing address of each owner of the
23 manufactured home or such owner's designee wishing written
24 acknowledgment of surrender from the Secretary of State;

25 (8) a release of security interests (if any) pursuant
26 to Section 3-205 of this Code; and

1 (9) any other information and documents the Secretary
2 of State reasonably requires to identify the owner of the
3 manufactured home and to enable him or her to determine
4 whether the owner satisfied the requirements of the
5 Conveyance and Encumbrance of Manufactured Homes as Real
6 Property and Severance Act and is entitled to surrender the
7 certificate of title and the existence or non-existence of
8 security interests in or liens on the manufactured home.

9 (b) The Secretary of State shall not accept for surrender a
10 certificate of title to a manufactured home unless and until
11 all security interests or liens perfected pursuant to Sections
12 3-106 and 3-202 have been released.

13 (c) When satisfied as to the genuineness and regularity of
14 the surrender of a certificate of title to a manufactured home,
15 payment of any applicable fees and upon satisfaction of the
16 requirements of subsections (a) and (b) of this Section, the
17 Secretary of State shall (i) cancel the certificate of title
18 and update his or her records in accordance with the provisions
19 of Section 3-106 and (ii) provide written acknowledgment of
20 compliance with the provisions of this Section to each person
21 identified on the application for surrender of title pursuant
22 to subsection (a) (7) of this Section.

23 (d) Upon satisfaction of the requirements of this Section,
24 a manufactured home shall be conveyed and encumbered as
25 provided in the Conveyance and Encumbrance of Manufactured
26 Homes as Real Property and Severance Act. If the application to

1 surrender a certificate of title is delivered to the Secretary
2 of State within 60 days of recording the related affidavit of
3 affixation with the recording officer in the county in which
4 the real property to which the manufactured home is or shall be
5 affixed, and the application is thereafter accepted by the
6 Secretary of State, the requirements of this Section shall be
7 deemed satisfied as of the date the affidavit of affixation is
8 recorded.

9 (e) Upon written request by a person identified on the
10 application for surrender of title pursuant to subsection
11 (a)(7) of this Section, the Secretary of State shall provide
12 written acknowledgment of compliance with the provisions of
13 this Section.

14 (625 ILCS 5/3-116.3 new)

15 Sec. 3-116.3. Application for a certificate of title to a
16 severed manufactured home.

17 (a) Notwithstanding any other provision of law, where a
18 manufactured home has been affixed to a permanent foundation,
19 and an affidavit of affixation has been recorded as part of the
20 real property records in the county in which the manufactured
21 home is located in accordance with the Conveyance and
22 Encumbrance of Manufactured Homes as Real Property and
23 Severance Act, and where the manufactured home subsequently is
24 detached or severed from the real property, the owner (all, if
25 more than one) of the manufactured home shall, unless exempted

1 by other provisions of this Code, apply for a new certificate
2 of title by filing with the Secretary of State an application
3 for a certificate of title to a manufactured home, to be issued
4 in accordance with subsection (b) of Section 3-109, containing
5 or accompanied by:

6 (1) the name, residence, and mailing address of the
7 owner;

8 (2) a description of the manufactured home, including
9 the name of the manufacturer, the make, the model name, the
10 model year, the dimensions, and the vehicle identification
11 number or numbers of the manufactured home and whether it
12 is new or used, and any other information the Secretary of
13 State requires;

14 (3) a statement signed by the applicant, stating
15 either: (i) any facts or information known to the applicant
16 that could reasonably affect the validity of the title of
17 the manufactured home or the existence or non-existence of
18 any security interest in or lien on it or (ii) that no such
19 facts or information are known to the applicant;

20 (4) a certified copy of the recorded affidavit of
21 severance provided in accordance with the Conveyance and
22 Encumbrance of Manufactured Homes as Real Property and
23 Severance Act; and

24 (5) any other information and documents the Secretary
25 of State reasonably requires.

26 (b) Upon satisfaction of the requirements of subsection (a)

1 of this Section and subsection (b) of Section 3-109, the
2 Secretary of State shall issue a new certificate of title
3 pursuant to subsection (b) of Section 3-109 and update his or
4 her records in accordance with the provisions of Section 3-106.

5 (c) Immediately upon satisfaction of the requirements of
6 this Section and thereafter, a manufactured home shall be
7 conveyed and encumbered as personal property.

8 (d) The satisfaction of the requirements of this Section
9 with respect to a manufactured home shall have no effect on the
10 manner in which such manufactured home is taxed pursuant to the
11 Property Tax Code or the Mobile Home Local Services Tax Act.

12 (625 ILCS 5/3-202) (from Ch. 95 1/2, par. 3-202)

13 Sec. 3-202. Perfection of security interest.

14 (a) Unless excepted by Section 3-201, a security interest
15 in a vehicle of a type for which a certificate of title is
16 required is not valid against subsequent transferees or
17 lienholders of the vehicle unless perfected as provided in this
18 Act. A purchase money security interest in a manufactured home
19 is perfected against the rights of judicial lien creditors and
20 execution creditors on and after the date such purchase money
21 security interest attaches.

22 (b) A security interest is perfected by the delivery to the
23 Secretary of State of the existing certificate of title, if
24 any, an application for a certificate of title containing the
25 name and address of the lienholder and the required fee. The

1 security interest is perfected as of the time of its creation
2 if the delivery to the Secretary of State is completed within
3 30 days after the creation of the security interest or receipt
4 by the new lienholder of the existing certificate of title from
5 a prior lienholder or licensed dealer, otherwise as of the time
6 of the delivery.

7 (c) If a vehicle is subject to a security interest when
8 brought into this State, the validity of the security interest
9 is determined by the law of the jurisdiction where the vehicle
10 was when the security interest attached, subject to the
11 following:

12 1. If the parties understood at the time the security
13 interest attached that the vehicle would be kept in this
14 State and it was brought into this State within 30 days
15 thereafter for purposes other than transportation through
16 this State, the validity of the security interest in this
17 State is determined by the law of this State.

18 2. If the security interest was perfected under the law
19 of the jurisdiction where the vehicle was when the security
20 interest attached, the following rules apply:

21 (A) If the name of the lienholder is shown on an
22 existing certificate of title issued by that
23 jurisdiction, his security interest continues
24 perfected in this State.

25 (B) If the name of the lienholder is not shown on
26 an existing certificate of title issued by that

1 jurisdiction, a security interest may be perfected by
2 the lienholder delivering to the Secretary of State the
3 prescribed notice and by payment of the required fee.
4 Such security interest is perfected as of the time of
5 delivery of the prescribed notice and payment of the
6 required fee.

7 3. If the security interest was not perfected under the
8 law of the jurisdiction where the vehicle was when the
9 security interest attached, it may be perfected in this
10 State; in that case perfection dates from the time of
11 perfection in this State.

12 4. A security interest may be perfected under paragraph
13 3 of this subsection either as provided in subsection (b)
14 or by the lienholder delivering to the Secretary of State a
15 notice of security interest in the form the Secretary of
16 State prescribes and the required fee.

17 (d) Except as otherwise provided in Sections 3-116.1,
18 3-116.2, 3-207, and the Conveyance and Encumbrance of
19 Manufactured Homes as Real Property and Severance Act, after a
20 certificate of title has been issued for a manufactured home
21 and as long as the manufactured home is subject to any security
22 interest perfected pursuant to this Section, the Secretary of
23 State shall not file an affidavit of affixation, nor cancel the
24 Manufacturer's Statement of Origin, nor revoke the certificate
25 of title, nor issue a certificate of title under Section 3-106,
26 and, in any event, the validity and priority of any security

1 interest perfected pursuant to this Section shall continue,
2 notwithstanding the provision of any other law.

3 (Source: P.A. 95-284, eff. 1-1-08.)

4 (625 ILCS 5/3-205) (from Ch. 95 1/2, par. 3-205)

5 Sec. 3-205. Release of security interest.

6 (a) Within 21 days after receiving payment to satisfy a
7 security interest in a vehicle for which the certificate of
8 title is in the possession of the lienholder, he shall execute
9 a release of his security interest, and mail or deliver the
10 certificate and release to the next lienholder named therein,
11 or, if none, to the owner or any person who delivers to the
12 lienholder an authorization from the owner to receive the
13 certificate. If the payment is in the form of cash, a cashier's
14 check, or a certified check, the number of days is reduced to
15 10 business days. If the owner desires a new certificate
16 reflecting no lien, the certificate and release from the
17 lienholder may be submitted to the Secretary of State, along
18 with the prescribed application and required fee, for issuance
19 of that new certificate.

20 (b) Within 21 days after receiving payment to satisfy a
21 security interest in a vehicle for which the certificate of
22 title is in the possession of a prior lienholder, the
23 lienholder whose security interest is satisfied shall execute a
24 release and deliver the release to the owner or any person who
25 delivers to the lienholder an authorization from the owner to

1 receive it. If the payment is in the form of cash, a cashier's
2 check, or a certified check, the number of days is reduced to
3 10 business days. The lienholder in possession of the
4 certificate of title may either deliver the certificate to the
5 owner, or the person authorized by him, for delivery to the
6 Secretary of State, or, upon receipt of the release, may mail
7 or may deliver the certificate and release, along with
8 prescribed application and require fee, to the Secretary of
9 State, who shall issue a new certificate.

10 (c) In addition to any other penalty, a lienholder who
11 fails to execute a release of his or her security interest or
12 who fails to mail or deliver the certificate and release within
13 the time limit provided in subsection (a) or (b) is liable to
14 the person or entity that was supposed to receive the release
15 or certificate for \$150 plus reasonable attorney fees and court
16 costs. An action under this Section may be brought in small
17 claims court or in any other appropriate court.

18 (d) The holder of a security interest in or a lien on a
19 manufactured home may deliver lien release documents to any
20 person to facilitate conveying or encumbering the manufactured
21 home. Any person receiving any such documents so delivered
22 holds the documents in trust for the security interest holder
23 or the lienholder.

24 (Source: P.A. 93-621, eff. 12-15-03.)

25 (625 ILCS 5/3-207) (from Ch. 95 1/2, par. 3-207)

1 Sec. 3-207. Exclusiveness of procedure.

2 The method provided in this act of perfecting and giving
3 notice of security interests subject to this act is exclusive.
4 Security interests subject to this act are hereby exempted from
5 the provisions of law which otherwise require or relate to the
6 recording or filing of instruments creating or evidencing
7 security interests in vehicles including chattel mortgages and
8 conditional sale agreements, provided, however, that with
9 respect to a manufactured home that is or will be affixed to a
10 permanent foundation, upon recordation of an affidavit of
11 affixation pursuant to the Conveyance and Encumbrance of
12 Manufactured Homes as Real Property and Severance Act and
13 satisfaction of the requirements of Section 3-116.1 or 3-116.2,
14 as applicable, any perfection or termination of a security
15 interest with respect to such permanently affixed property
16 shall be governed by the laws applicable to real property.

17 (Source: P.A. 76-1586.)

18 (625 ILCS 5/3-208) (from Ch. 95 1/2, par. 3-208)

19 Sec. 3-208. Suspension or revocation of certificates.

20 (a) The Secretary of State may suspend or revoke a
21 certificate of title, upon notice and reasonable opportunity to
22 be heard in accordance with Section 2-118, when authorized by
23 any other provision of law or if he finds:

24 1. The certificate of title was fraudulently procured
25 or erroneously issued, or

1 2. The vehicle has been scrapped, dismantled or
2 destroyed.

3 Except as provided in Section 3-116.2, the Secretary of
4 State shall not suspend or revoke a certificate of title to a
5 manufactured home by reason of the fact that, at any time, it
6 shall have become affixed in any manner to real property.

7 (b) Suspension or revocation of a certificate of title does
8 not, in itself, affect the validity of a security interest
9 noted on it.

10 (c) When the Secretary of State suspends or revokes a
11 certificate of title, the owner or person in possession of it
12 shall, immediately upon receiving notice of the suspension or
13 revocation, mail or deliver the certificate to the Secretary of
14 State.

15 (d) The Secretary of State may seize and impound any
16 certificate of title which has been suspended or revoked.

17 (Source: P.A. 76-1586.)

18 Section 10-75. The Code of Civil Procedure is amended by
19 changing Section 15-1213 as follows:

20 (735 ILCS 5/15-1213) (from Ch. 110, par. 15-1213)

21 Sec. 15-1213. Real Estate. "Real estate" means land or any
22 estate or interest in, over or under land (including minerals,
23 air rights, structures, fixtures and other things which by
24 custom, usage or law pass with a conveyance of land though not

1 described or mentioned in the contract of sale or instrument of
2 conveyance). "Mortgaged real estate" means the real estate
3 which is the subject of a mortgage. "Real Estate" includes a
4 manufactured home as defined in subdivision (53) of Section
5 9-102 of the Uniform Commercial Code that is real property as
6 defined in the Conveyance and Encumbrance of Manufactured Homes
7 as Real Property and Severance Act.

8 (Source: P.A. 84-1462.)

9 Section 10-80. The Conveyances Act is amended by changing
10 Section 38 as follows:

11 (765 ILCS 5/38) (from Ch. 30, par. 37)

12 Sec. 38. The term "real estate," as used in this act, shall
13 be construed as co-extensive in meaning with "lands, tenements
14 and hereditaments," and as embracing all chattels real. "Real
15 estate" and "real property" include a manufactured home as
16 defined in subdivision (53) of Section 9-102 of the Uniform
17 Commercial Code that is real property as defined in the
18 Conveyance and Encumbrance of Manufactured Homes as Real
19 Property and Severance Act. This act shall not be construed so
20 as to embrace last wills, except as herein expressly provided.

21 (Source: P.A. 84-551.)

22 Section 10-85. The Residential Real Property Disclosure
23 Act is amended by changing Section 5 as follows:

1 (765 ILCS 77/5)

2 Sec. 5. Definitions. As used in this Act, unless the
3 context otherwise requires the following terms have the meaning
4 given in this Section.

5 "Residential real property" means real property improved
6 with not less than one nor more than 4 residential dwelling
7 units; units in residential cooperatives; or, condominium
8 units, including the limited common elements allocated to the
9 exclusive use thereof that form an integral part of the
10 condominium unit. The term includes a manufactured home as
11 defined in subdivision (53) of Section 9-102 of the Uniform
12 Commercial Code that is real property as defined in the
13 Conveyance and Encumbrance of Manufactured Homes as Real
14 Property and Severance Act.

15 "Seller" means every person or entity who is an owner,
16 beneficiary of a trust, contract purchaser or lessee of a
17 ground lease, who has an interest (legal or equitable) in
18 residential real property. However, "seller" shall not include
19 any person who has both (i) never occupied the residential real
20 property and (ii) never had the management responsibility for
21 the residential real property nor delegated such
22 responsibility for the residential real property to another
23 person or entity.

24 "Prospective buyer" means any person or entity negotiating
25 or offering to become an owner or lessee of residential real

1 property by means of a transfer for value to which this Act
2 applies.

3 (Source: P.A. 90-383, eff. 1-1-98.)

4 Section 10-90. The Mobile Home Landlord and Tenant Rights
5 Act is amended by changing Section 3 as follows:

6 (765 ILCS 745/3) (from Ch. 80, par. 203)

7 Sec. 3. Definitions. Unless otherwise expressly defined,
8 all terms in this Act shall be construed to have their
9 ordinarily accepted meanings or such meaning as the context
10 therein requires.

11 (a) "Person" means any legal entity, including but not
12 limited to, an individual, firm, partnership, association,
13 trust, joint stock company, corporation or successor of any of
14 the foregoing.

15 (b) "Manufactured home" means a factory-assembled,
16 completely integrated structure designed for permanent
17 habitation, with a permanent chassis, and so constructed as to
18 permit its transport, on wheels temporarily or permanently
19 attached to its frame, and is a movable or portable unit that
20 is (i) 8 body feet or more in width, (ii) 40 body feet or more
21 in length, and (iii) 320 or more square feet, constructed to be
22 towed on its own chassis (comprised of frame and wheels) from
23 the place of its construction to the location, or subsequent
24 locations, at which it is ~~installed and set up according to the~~

1 ~~manufacturer's instructions and~~ connected to utilities for
2 year-round occupancy for use as a permanent habitation, and
3 designed and situated so as to permit its occupancy as a
4 dwelling place for one or more persons, and specifically
5 includes a "manufactured home" as defined in subdivision (53)
6 of Section 9-102 of the Uniform Commercial Code. The term shall
7 include units containing parts that may be folded, collapsed,
8 or telescoped when being towed and that may be expected to
9 provide additional cubic capacity, and that are designed to be
10 joined into one integral unit capable of being separated again
11 into the components for repeated towing. The term excludes
12 campers and recreational vehicles. The words "mobile home" and
13 "manufactured home" are synonymous for the purposes of this
14 Act.

15 (c) "Mobile Home Park" or "Park" means a tract of land or 2
16 contiguous tracts of land that contain sites with the necessary
17 utilities for 5 or more mobile homes or manufactured homes. A
18 mobile home park may be operated either free of charge or for
19 revenue purposes.

20 (d) "Park Owner" means the owner of a mobile home park and
21 any person authorized to exercise any aspect of the management
22 of the premises, including any person who directly or
23 indirectly receives rents and has no obligation to deliver the
24 whole of such receipts to another person.

25 (e) "Tenant" means any person who occupies a mobile home
26 rental unit for dwelling purposes or a lot on which he parks a

1 mobile home for an agreed upon consideration.

2 (f) "Rent" means any money or other consideration given for
3 the right of use, possession and occupancy of property, be it a
4 lot, a mobile home, or both.

5 (g) "Master antenna television service" means any and all
6 services provided by or through the facilities of any closed
7 circuit coaxial cable communication system, or any microwave or
8 similar transmission services other than a community antenna
9 television system as defined in Section 11-42-11 of the
10 Illinois Municipal Code.

11 (Source: P.A. 96-1477, eff. 1-1-11.)

12 Section 10-95. The Mortgage Act is amended by adding
13 Section 13.1 as follows:

14 (765 ILCS 905/13.1 new)

15 Sec. 13.1. Real estate; real property. As used in this Act,
16 "real estate" and "real property" include a manufactured home
17 as defined in subdivision (53) of Section 9-102 of the Uniform
18 Commercial Code that is real property as defined in the
19 Conveyance and Encumbrance of Manufactured Homes as Real
20 Property and Severance Act.

21 Section 10-100. The Joint Tenancy Act is amended by adding
22 Section 5 as follows:

1 (765 ILCS 1005/5 new)

2 Sec. 5. Real estate; real property. As used in this Act,
3 "real estate" and "real property" include a manufactured home
4 as defined in subdivision (53) of Section 9-102 of the Uniform
5 Commercial Code that is real property as defined in the
6 Conveyance and Encumbrance of Manufactured Homes as Real
7 Property and Severance Act.

8 Section 10-105. The Uniform Commercial Code is amended by
9 changing Section 9-102 as follows:

10 (810 ILCS 5/9-102) (from Ch. 26, par. 9-102)

11 (Text of Section before amendment by P.A. 97-1034)

12 Sec. 9-102. Definitions and index of definitions.

13 (a) Article 9 definitions. In this Article:

14 (1) "Accession" means goods that are physically united
15 with other goods in such a manner that the identity of the
16 original goods is not lost.

17 (2) "Account", except as used in "account for", means a
18 right to payment of a monetary obligation, whether or not
19 earned by performance, (i) for property that has been or is
20 to be sold, leased, licensed, assigned, or otherwise
21 disposed of, (ii) for services rendered or to be rendered,
22 (iii) for a policy of insurance issued or to be issued,
23 (iv) for a secondary obligation incurred or to be incurred,
24 (v) for energy provided or to be provided, (vi) for the use

1 or hire of a vessel under a charter or other contract,
2 (vii) arising out of the use of a credit or charge card or
3 information contained on or for use with the card, or
4 (viii) as winnings in a lottery or other game of chance
5 operated or sponsored by a State, governmental unit of a
6 State, or person licensed or authorized to operate the game
7 by a State or governmental unit of a State. The term
8 includes health-care-insurance receivables. The term does
9 not include (i) rights to payment evidenced by chattel
10 paper or an instrument, (ii) commercial tort claims, (iii)
11 deposit accounts, (iv) investment property, (v)
12 letter-of-credit rights or letters of credit, or (vi)
13 rights to payment for money or funds advanced or sold,
14 other than rights arising out of the use of a credit or
15 charge card or information contained on or for use with the
16 card.

17 (3) "Account debtor" means a person obligated on an
18 account, chattel paper, or general intangible. The term
19 does not include persons obligated to pay a negotiable
20 instrument, even if the instrument constitutes part of
21 chattel paper.

22 (4) "Accounting", except as used in "accounting for",
23 means a record:

24 (A) authenticated by a secured party;

25 (B) indicating the aggregate unpaid secured
26 obligations as of a date not more than 35 days earlier

1 or 35 days later than the date of the record; and

2 (C) identifying the components of the obligations
3 in reasonable detail.

4 (5) "Agricultural lien" means an interest, other than a
5 security interest, in farm products:

6 (A) which secures payment or performance of an
7 obligation for goods or services furnished in
8 connection with a debtor's farming operation;

9 (B) which is created by statute in favor of a
10 person that in the ordinary course of its business
11 furnished goods or services to a debtor in connection
12 with a debtor's farming operation; and

13 (C) whose effectiveness does not depend on the
14 person's possession of the personal property.

15 (6) "As-extracted collateral" means:

16 (A) oil, gas, or other minerals that are subject to
17 a security interest that:

18 (i) is created by a debtor having an interest
19 in the minerals before extraction; and

20 (ii) attaches to the minerals as extracted; or

21 (B) accounts arising out of the sale at the
22 wellhead or minehead of oil, gas, or other minerals in
23 which the debtor had an interest before extraction.

24 (7) "Authenticate" means:

25 (A) to sign; or

26 (B) to execute or otherwise adopt a symbol, or

1 encrypt or similarly process a record in whole or in
2 part, with the present intent of the authenticating
3 person to identify the person and adopt or accept a
4 record.

5 (8) "Bank" means an organization that is engaged in the
6 business of banking. The term includes savings banks,
7 savings and loan associations, credit unions, and trust
8 companies.

9 (9) "Cash proceeds" means proceeds that are money,
10 checks, deposit accounts, or the like.

11 (10) "Certificate of title" means a certificate of
12 title with respect to which a statute provides for the
13 security interest in question to be indicated on the
14 certificate as a condition or result of the security
15 interest's obtaining priority over the rights of a lien
16 creditor with respect to the collateral.

17 (11) "Chattel paper" means a record or records that
18 evidence both a monetary obligation and a security interest
19 in specific goods, a security interest in specific goods
20 and software used in the goods, a security interest in
21 specific goods and license of software used in the goods, a
22 lease of specific goods, or a lease of specified goods and
23 a license of software used in the goods. In this paragraph,
24 "monetary obligation" means a monetary obligation secured
25 by the goods or owed under a lease of the goods and
26 includes a monetary obligation with respect to software

1 used in the goods. The term does not include (i) charters
2 or other contracts involving the use or hire of a vessel or
3 (ii) records that evidence a right to payment arising out
4 of the use of a credit or charge card or information
5 contained on or for use with the card. If a transaction is
6 evidenced by records that include an instrument or series
7 of instruments, the group of records taken together
8 constitutes chattel paper.

9 (12) "Collateral" means the property subject to a
10 security interest or agricultural lien. The term includes:

11 (A) proceeds to which a security interest
12 attaches;

13 (B) accounts, chattel paper, payment intangibles,
14 and promissory notes that have been sold; and

15 (C) goods that are the subject of a consignment.

16 (13) "Commercial tort claim" means a claim arising in
17 tort with respect to which:

18 (A) the claimant is an organization; or

19 (B) the claimant is an individual and the claim:

20 (i) arose in the course of the claimant's
21 business or profession; and

22 (ii) does not include damages arising out of
23 personal injury to or the death of an individual.

24 (14) "Commodity account" means an account maintained
25 by a commodity intermediary in which a commodity contract
26 is carried for a commodity customer.

1 (15) "Commodity contract" means a commodity futures
2 contract, an option on a commodity futures contract, a
3 commodity option, or another contract if the contract or
4 option is:

5 (A) traded on or subject to the rules of a board of
6 trade that has been designated as a contract market for
7 such a contract pursuant to federal commodities laws;
8 or

9 (B) traded on a foreign commodity board of trade,
10 exchange, or market, and is carried on the books of a
11 commodity intermediary for a commodity customer.

12 (16) "Commodity customer" means a person for which a
13 commodity intermediary carries a commodity contract on its
14 books.

15 (17) "Commodity intermediary" means a person that:

16 (A) is registered as a futures commission merchant
17 under federal commodities law; or

18 (B) in the ordinary course of its business provides
19 clearance or settlement services for a board of trade
20 that has been designated as a contract market pursuant
21 to federal commodities law.

22 (18) "Communicate" means:

23 (A) to send a written or other tangible record;

24 (B) to transmit a record by any means agreed upon
25 by the persons sending and receiving the record; or

26 (C) in the case of transmission of a record to or

1 by a filing office, to transmit a record by any means
2 prescribed by filing-office rule.

3 (19) "Consignee" means a merchant to which goods are
4 delivered in a consignment.

5 (20) "Consignment" means a transaction, regardless of
6 its form, in which a person delivers goods to a merchant
7 for the purpose of sale and:

8 (A) the merchant:

9 (i) deals in goods of that kind under a name
10 other than the name of the person making delivery;

11 (ii) is not an auctioneer; and

12 (iii) is not generally known by its creditors
13 to be substantially engaged in selling the goods of
14 others;

15 (B) with respect to each delivery, the aggregate
16 value of the goods is \$1,000 or more at the time of
17 delivery;

18 (C) the goods are not consumer goods immediately
19 before delivery; and

20 (D) the transaction does not create a security
21 interest that secures an obligation.

22 (21) "Consignor" means a person that delivers goods to
23 a consignee in a consignment.

24 (22) "Consumer debtor" means a debtor in a consumer
25 transaction.

26 (23) "Consumer goods" means goods that are used or

1 bought for use primarily for personal, family, or household
2 purposes.

3 (24) "Consumer-goods transaction" means a consumer
4 transaction in which:

5 (A) an individual incurs an obligation primarily
6 for personal, family, or household purposes; and

7 (B) a security interest in consumer goods secures
8 the obligation.

9 (25) "Consumer obligor" means an obligor who is an
10 individual and who incurred the obligation as part of a
11 transaction entered into primarily for personal, family,
12 or household purposes.

13 (26) "Consumer transaction" means a transaction in
14 which (i) an individual incurs an obligation primarily for
15 personal, family, or household purposes, (ii) a security
16 interest secures the obligation, and (iii) the collateral
17 is held or acquired primarily for personal, family, or
18 household purposes. The term includes consumer-goods
19 transactions.

20 (27) "Continuation statement" means an amendment of a
21 financing statement which:

22 (A) identifies, by its file number, the initial
23 financing statement to which it relates; and

24 (B) indicates that it is a continuation statement
25 for, or that it is filed to continue the effectiveness
26 of, the identified financing statement.

1 (28) "Debtor" means:

2 (A) a person having an interest, other than a
3 security interest or other lien, in the collateral,
4 whether or not the person is an obligor;

5 (B) a seller of accounts, chattel paper, payment
6 intangibles, or promissory notes; or

7 (C) a consignee.

8 (29) "Deposit account" means a demand, time, savings,
9 passbook, nonnegotiable certificates of deposit,
10 uncertificated certificates of deposit, nontransferrable
11 certificates of deposit, or similar account maintained
12 with a bank. The term does not include investment property
13 or accounts evidenced by an instrument.

14 (30) "Document" means a document of title or a receipt
15 of the type described in Section 7-201(b).

16 (31) "Electronic chattel paper" means chattel paper
17 evidenced by a record or records consisting of information
18 stored in an electronic medium.

19 (32) "Encumbrance" means a right, other than an
20 ownership interest, in real property. The term includes
21 mortgages and other liens on real property.

22 (33) "Equipment" means goods other than inventory,
23 farm products, or consumer goods.

24 (34) "Farm products" means goods, other than standing
25 timber, with respect to which the debtor is engaged in a
26 farming operation and which are:

1 (A) crops grown, growing, or to be grown,
2 including:

3 (i) crops produced on trees, vines, and
4 bushes; and

5 (ii) aquatic goods produced in aquacultural
6 operations;

7 (B) livestock, born or unborn, including aquatic
8 goods produced in aquacultural operations;

9 (C) supplies used or produced in a farming
10 operation; or

11 (D) products of crops or livestock in their
12 unmanufactured states.

13 (35) "Farming operation" means raising, cultivating,
14 propagating, fattening, grazing, or any other farming,
15 livestock, or aquacultural operation.

16 (36) "File number" means the number assigned to an
17 initial financing statement pursuant to Section 9-519(a).

18 (37) "Filing office" means an office designated in
19 Section 9-501 as the place to file a financing statement.

20 (38) "Filing-office rule" means a rule adopted
21 pursuant to Section 9-526.

22 (39) "Financing statement" means a record or records
23 composed of an initial financing statement and any filed
24 record relating to the initial financing statement.

25 (40) "Fixture filing" means the filing of a financing
26 statement covering goods that are or are to become fixtures

1 and satisfying Section 9-502(a) and (b). The term includes
2 the filing of a financing statement covering goods of a
3 transmitting utility which are or are to become fixtures.

4 (41) "Fixtures" means goods that have become so related
5 to particular real property that an interest in them arises
6 under real property law.

7 (42) "General intangible" means any personal property,
8 including things in action, other than accounts, chattel
9 paper, commercial tort claims, deposit accounts,
10 documents, goods, instruments, investment property,
11 letter-of-credit rights, letters of credit, money, and
12 oil, gas, or other minerals before extraction. The term
13 includes payment intangibles and software.

14 (43) "Good faith" means honesty in fact and the
15 observance of reasonable commercial standards of fair
16 dealing.

17 (44) "Goods" means all things that are movable when a
18 security interest attaches. The term includes (i)
19 fixtures, (ii) standing timber that is to be cut and
20 removed under a conveyance or contract for sale, (iii) the
21 unborn young of animals, (iv) crops grown, growing, or to
22 be grown, even if the crops are produced on trees, vines,
23 or bushes, and (v) manufactured homes. The term also
24 includes a computer program embedded in goods and any
25 supporting information provided in connection with a
26 transaction relating to the program if (i) the program is

1 associated with the goods in such a manner that it
2 customarily is considered part of the goods, or (ii) by
3 becoming the owner of the goods, a person acquires a right
4 to use the program in connection with the goods. The term
5 does not include a computer program embedded in goods that
6 consist solely of the medium in which the program is
7 embedded. The term also does not include accounts, chattel
8 paper, commercial tort claims, deposit accounts,
9 documents, general intangibles, instruments, investment
10 property, letter-of-credit rights, letters of credit,
11 money, or oil, gas, or other minerals before extraction.

12 (45) "Governmental unit" means a subdivision, agency,
13 department, county, parish, municipality, or other unit of
14 the government of the United States, a State, or a foreign
15 country. The term includes an organization having a
16 separate corporate existence if the organization is
17 eligible to issue debt on which interest is exempt from
18 income taxation under the laws of the United States.

19 (46) "Health-care-insurance receivable" means an
20 interest in or claim under a policy of insurance which is a
21 right to payment of a monetary obligation for health-care
22 goods or services provided.

23 (47) "Instrument" means a negotiable instrument or any
24 other writing that evidences a right to the payment of a
25 monetary obligation, is not itself a security agreement or
26 lease, and is of a type that in ordinary course of business

1 is transferred by delivery with any necessary indorsement
2 or assignment. The term does not include (i) investment
3 property, (ii) letters of credit, (iii) nonnegotiable
4 certificates of deposit, (iv) uncertificated certificates
5 of deposit, (v) nontransferrable certificates of deposit,
6 or (vi) writings that evidence a right to payment arising
7 out of the use of a credit or charge card or information
8 contained on or for use with the card.

9 (48) "Inventory" means goods, other than farm
10 products, which:

11 (A) are leased by a person as lessor;

12 (B) are held by a person for sale or lease or to be
13 furnished under a contract of service;

14 (C) are furnished by a person under a contract of
15 service; or

16 (D) consist of raw materials, work in process, or
17 materials used or consumed in a business.

18 (49) "Investment property" means a security, whether
19 certificated or uncertificated, security entitlement,
20 securities account, commodity contract, or commodity
21 account.

22 (50) "Jurisdiction of organization", with respect to a
23 registered organization, means the jurisdiction under
24 whose law the organization is organized.

25 (51) "Letter-of-credit right" means a right to payment
26 or performance under a letter of credit, whether or not the

1 beneficiary has demanded or is at the time entitled to
2 demand payment or performance. The term does not include
3 the right of a beneficiary to demand payment or performance
4 under a letter of credit.

5 (52) "Lien creditor" means:

6 (A) a creditor that has acquired a lien on the
7 property involved by attachment, levy, or the like;

8 (B) an assignee for benefit of creditors from the
9 time of assignment;

10 (C) a trustee in bankruptcy from the date of the
11 filing of the petition; or

12 (D) a receiver in equity from the time of
13 appointment.

14 (53) "Manufactured home" means a structure,
15 transportable in one or more sections, which, in the
16 traveling mode, is eight body feet or more in width or 40
17 body feet or more in length, or, when erected on site, is
18 320 or more square feet, and which is built on a permanent
19 chassis and designed to be used as a dwelling with or
20 without a permanent foundation when connected to the
21 required utilities, and includes the plumbing, heating,
22 air-conditioning, and electrical systems contained
23 therein. The term includes any structure that meets all of
24 the requirements of this paragraph except the size
25 requirements and with respect to which the manufacturer
26 voluntarily files a certification required by the United

1 States Secretary of Housing and Urban Development and
2 complies with the standards established under Title 42 of
3 the United States Code ~~factory assembled, completely~~
4 ~~integrated structure designed for permanent habitation,~~
5 ~~with a permanent chassis, and so constructed as to permit~~
6 ~~its transport, on wheels temporarily or permanently~~
7 ~~attached to its frame, and is a movable or portable unit~~
8 ~~that is (i) 8 body feet or more in width, (ii) 40 body feet~~
9 ~~or more in length, and (iii) 320 or more square feet,~~
10 ~~constructed to be towed on its own chassis (comprised of~~
11 ~~frame and wheels) from the place of its construction to the~~
12 ~~location, or subsequent locations, at which it is installed~~
13 ~~and set up according to the manufacturer's instructions and~~
14 ~~connected to utilities for year round occupancy for use as~~
15 ~~a permanent habitation, and designed and situated so as to~~
16 ~~permit its occupancy as a dwelling place for one or more~~
17 ~~persons. The term shall include units containing parts that~~
18 ~~may be folded, collapsed, or telescoped when being towed~~
19 ~~and that may be expected to provide additional cubic~~
20 ~~capacity, and that are designed to be joined into one~~
21 ~~integral unit capable of being separated again into the~~
22 ~~components for repeated towing. The term shall exclude~~
23 ~~campers and recreational vehicles.~~

24 (54) "Manufactured-home transaction" means a secured
25 transaction:

26 (A) that creates a purchase-money security

1 interest in a manufactured home, other than a
2 manufactured home held as inventory; or

3 (B) in which a manufactured home, other than a
4 manufactured home held as inventory, is the primary
5 collateral.

6 (55) "Mortgage" means a consensual interest in real
7 property, including fixtures, which secures payment or
8 performance of an obligation.

9 (56) "New debtor" means a person that becomes bound as
10 debtor under Section 9-203(d) by a security agreement
11 previously entered into by another person.

12 (57) "New value" means (i) money, (ii) money's worth in
13 property, services, or new credit, or (iii) release by a
14 transferee of an interest in property previously
15 transferred to the transferee. The term does not include an
16 obligation substituted for another obligation.

17 (58) "Noncash proceeds" means proceeds other than cash
18 proceeds.

19 (59) "Obligor" means a person that, with respect to an
20 obligation secured by a security interest in or an
21 agricultural lien on the collateral, (i) owes payment or
22 other performance of the obligation, (ii) has provided
23 property other than the collateral to secure payment or
24 other performance of the obligation, or (iii) is otherwise
25 accountable in whole or in part for payment or other
26 performance of the obligation. The term does not include

1 issuers or nominated persons under a letter of credit.

2 (60) "Original debtor", except as used in Section
3 9-310(c), means a person that, as debtor, entered into a
4 security agreement to which a new debtor has become bound
5 under Section 9-203(d).

6 (61) "Payment intangible" means a general intangible
7 under which the account debtor's principal obligation is a
8 monetary obligation.

9 (62) "Person related to", with respect to an
10 individual, means:

11 (A) the spouse of the individual;

12 (B) a brother, brother-in-law, sister, or
13 sister-in-law of the individual;

14 (C) an ancestor or lineal descendant of the
15 individual or the individual's spouse; or

16 (D) any other relative, by blood or marriage, of
17 the individual or the individual's spouse who shares
18 the same home with the individual.

19 (63) "Person related to", with respect to an
20 organization, means:

21 (A) a person directly or indirectly controlling,
22 controlled by, or under common control with the
23 organization;

24 (B) an officer or director of, or a person
25 performing similar functions with respect to, the
26 organization;

1 (C) an officer or director of, or a person
2 performing similar functions with respect to, a person
3 described in subparagraph (A);

4 (D) the spouse of an individual described in
5 subparagraph (A), (B), or (C); or

6 (E) an individual who is related by blood or
7 marriage to an individual described in subparagraph
8 (A), (B), (C), or (D) and shares the same home with the
9 individual.

10 (64) "Proceeds", except as used in Section 9-609(b),
11 means the following property:

12 (A) whatever is acquired upon the sale, lease,
13 license, exchange, or other disposition of collateral;

14 (B) whatever is collected on, or distributed on
15 account of, collateral;

16 (C) rights arising out of collateral;

17 (D) to the extent of the value of collateral,
18 claims arising out of the loss, nonconformity, or
19 interference with the use of, defects or infringement
20 of rights in, or damage to, the collateral; or

21 (E) to the extent of the value of collateral and to
22 the extent payable to the debtor or the secured party,
23 insurance payable by reason of the loss or
24 nonconformity of, defects or infringement of rights
25 in, or damage to, the collateral.

26 (65) "Promissory note" means an instrument that

1 evidences a promise to pay a monetary obligation, does not
2 evidence an order to pay, and does not contain an
3 acknowledgment by a bank that the bank has received for
4 deposit a sum of money or funds.

5 (66) "Proposal" means a record authenticated by a
6 secured party which includes the terms on which the secured
7 party is willing to accept collateral in full or partial
8 satisfaction of the obligation it secures pursuant to
9 Sections 9-620, 9-621, and 9-622.

10 (67) "Public-finance transaction" means a secured
11 transaction in connection with which:

12 (A) debt securities are issued;

13 (B) all or a portion of the securities issued have
14 an initial stated maturity of at least 20 years; and

15 (C) the debtor, obligor, secured party, account
16 debtor or other person obligated on collateral,
17 assignor or assignee of a secured obligation, or
18 assignor or assignee of a security interest is a State
19 or a governmental unit of a State.

20 (68) "Pursuant to commitment", with respect to an
21 advance made or other value given by a secured party, means
22 pursuant to the secured party's obligation, whether or not
23 a subsequent event of default or other event not within the
24 secured party's control has relieved or may relieve the
25 secured party from its obligation.

26 (69) "Record", except as used in "for record", "of

1 record", "record or legal title", and "record owner", means
2 information that is inscribed on a tangible medium or which
3 is stored in an electronic or other medium and is
4 retrievable in perceivable form.

5 (70) "Registered organization" means an organization
6 organized solely under the law of a single State or the
7 United States and as to which the State or the United
8 States must maintain a public record showing the
9 organization to have been organized.

10 (71) "Secondary obligor" means an obligor to the extent
11 that:

12 (A) the obligor's obligation is secondary; or

13 (B) the obligor has a right of recourse with
14 respect to an obligation secured by collateral against
15 the debtor, another obligor, or property of either.

16 (72) "Secured party" means:

17 (A) a person in whose favor a security interest is
18 created or provided for under a security agreement,
19 whether or not any obligation to be secured is
20 outstanding;

21 (B) a person that holds an agricultural lien;

22 (C) a consignor;

23 (D) a person to which accounts, chattel paper,
24 payment intangibles, or promissory notes have been
25 sold;

26 (E) a trustee, indenture trustee, agent,

1 collateral agent, or other representative in whose
2 favor a security interest or agricultural lien is
3 created or provided for; or

4 (F) a person that holds a security interest arising
5 under Section 2-401, 2-505, 2-711(3), 2A-508(5),
6 4-210, or 5-118.

7 (73) "Security agreement" means an agreement that
8 creates or provides for a security interest.

9 (74) "Send", in connection with a record or
10 notification, means:

11 (A) to deposit in the mail, deliver for
12 transmission, or transmit by any other usual means of
13 communication, with postage or cost of transmission
14 provided for, addressed to any address reasonable
15 under the circumstances; or

16 (B) to cause the record or notification to be
17 received within the time that it would have been
18 received if properly sent under subparagraph (A).

19 (75) "Software" means a computer program and any
20 supporting information provided in connection with a
21 transaction relating to the program. The term does not
22 include a computer program that is included in the
23 definition of goods.

24 (76) "State" means a State of the United States, the
25 District of Columbia, Puerto Rico, the United States Virgin
26 Islands, or any territory or insular possession subject to

1 the jurisdiction of the United States.

2 (77) "Supporting obligation" means a letter-of-credit
3 right or secondary obligation that supports the payment or
4 performance of an account, chattel paper, a document, a
5 general intangible, an instrument, or investment property.

6 (78) "Tangible chattel paper" means chattel paper
7 evidenced by a record or records consisting of information
8 that is inscribed on a tangible medium.

9 (79) "Termination statement" means an amendment of a
10 financing statement which:

11 (A) identifies, by its file number, the initial
12 financing statement to which it relates; and

13 (B) indicates either that it is a termination
14 statement or that the identified financing statement
15 is no longer effective.

16 (80) "Transmitting utility" means a person primarily
17 engaged in the business of:

18 (A) operating a railroad, subway, street railway,
19 or trolley bus;

20 (B) transmitting communications electrically,
21 electromagnetically, or by light;

22 (C) transmitting goods by pipeline or sewer; or

23 (D) transmitting or producing and transmitting
24 electricity, steam, gas, or water.

25 (b) Definitions in other Articles. "Control" as provided in
26 Section 7-106 and the following definitions in other Articles

1 apply to this Article:

2 "Applicant". Section 5-102.

3 "Beneficiary". Section 5-102.

4 "Broker". Section 8-102.

5 "Certificated security". Section 8-102.

6 "Check". Section 3-104.

7 "Clearing corporation". Section 8-102.

8 "Contract for sale". Section 2-106.

9 "Customer". Section 4-104.

10 "Entitlement holder". Section 8-102.

11 "Financial asset". Section 8-102.

12 "Holder in due course". Section 3-302.

13 "Issuer" (with respect to a letter of credit or
14 letter-of-credit right). Section 5-102.

15 "Issuer" (with respect to a security). Section 8-201.

16 "Issuer" (with respect to documents of title). Section
17 7-102.

18 "Lease". Section 2A-103.

19 "Lease agreement". Section 2A-103.

20 "Lease contract". Section 2A-103.

21 "Leasehold interest". Section 2A-103.

22 "Lessee". Section 2A-103.

23 "Lessee in ordinary course of business". Section 2A-103.

24 "Lessor". Section 2A-103.

25 "Lessor's residual interest". Section 2A-103.

26 "Letter of credit". Section 5-102.

1 "Merchant". Section 2-104.
2 "Negotiable instrument". Section 3-104.
3 "Nominated person". Section 5-102.
4 "Note". Section 3-104.
5 "Proceeds of a letter of credit". Section 5-114.
6 "Prove". Section 3-103.
7 "Sale". Section 2-106.
8 "Securities account". Section 8-501.
9 "Securities intermediary". Section 8-102.
10 "Security". Section 8-102.
11 "Security certificate". Section 8-102.
12 "Security entitlement". Section 8-102.
13 "Uncertificated security". Section 8-102.

14 (c) Article 1 definitions and principles. Article 1
15 contains general definitions and principles of construction
16 and interpretation applicable throughout this Article.

17 (Source: P.A. 95-895, eff. 1-1-09; 96-1477, eff. 1-1-11.)

18 (Text of Section after amendment by P.A. 97-1034)

19 Sec. 9-102. Definitions and index of definitions.

20 (a) Article 9 definitions. In this Article:

21 (1) "Accession" means goods that are physically united
22 with other goods in such a manner that the identity of the
23 original goods is not lost.

24 (2) "Account", except as used in "account for", means a
25 right to payment of a monetary obligation, whether or not

1 earned by performance, (i) for property that has been or is
2 to be sold, leased, licensed, assigned, or otherwise
3 disposed of, (ii) for services rendered or to be rendered,
4 (iii) for a policy of insurance issued or to be issued,
5 (iv) for a secondary obligation incurred or to be incurred,
6 (v) for energy provided or to be provided, (vi) for the use
7 or hire of a vessel under a charter or other contract,
8 (vii) arising out of the use of a credit or charge card or
9 information contained on or for use with the card, or
10 (viii) as winnings in a lottery or other game of chance
11 operated or sponsored by a State, governmental unit of a
12 State, or person licensed or authorized to operate the game
13 by a State or governmental unit of a State. The term
14 includes health-care-insurance receivables. The term does
15 not include (i) rights to payment evidenced by chattel
16 paper or an instrument, (ii) commercial tort claims, (iii)
17 deposit accounts, (iv) investment property, (v)
18 letter-of-credit rights or letters of credit, or (vi)
19 rights to payment for money or funds advanced or sold,
20 other than rights arising out of the use of a credit or
21 charge card or information contained on or for use with the
22 card.

23 (3) "Account debtor" means a person obligated on an
24 account, chattel paper, or general intangible. The term
25 does not include persons obligated to pay a negotiable
26 instrument, even if the instrument constitutes part of

1 chattel paper.

2 (4) "Accounting", except as used in "accounting for",
3 means a record:

4 (A) authenticated by a secured party;

5 (B) indicating the aggregate unpaid secured
6 obligations as of a date not more than 35 days earlier
7 or 35 days later than the date of the record; and

8 (C) identifying the components of the obligations
9 in reasonable detail.

10 (5) "Agricultural lien" means an interest, other than a
11 security interest, in farm products:

12 (A) which secures payment or performance of an
13 obligation for goods or services furnished in
14 connection with a debtor's farming operation;

15 (B) which is created by statute in favor of a
16 person that in the ordinary course of its business
17 furnished goods or services to a debtor in connection
18 with a debtor's farming operation; and

19 (C) whose effectiveness does not depend on the
20 person's possession of the personal property.

21 (6) "As-extracted collateral" means:

22 (A) oil, gas, or other minerals that are subject to
23 a security interest that:

24 (i) is created by a debtor having an interest
25 in the minerals before extraction; and

26 (ii) attaches to the minerals as extracted; or

1 (B) accounts arising out of the sale at the
2 wellhead or minehead of oil, gas, or other minerals in
3 which the debtor had an interest before extraction.

4 (7) "Authenticate" means:

5 (A) to sign; or

6 (B) with present intent to adopt or accept a
7 record, to attach to or logically associate with the
8 record an electronic sound, symbol, or process.

9 (8) "Bank" means an organization that is engaged in the
10 business of banking. The term includes savings banks,
11 savings and loan associations, credit unions, and trust
12 companies.

13 (9) "Cash proceeds" means proceeds that are money,
14 checks, deposit accounts, or the like.

15 (10) "Certificate of title" means a certificate of
16 title with respect to which a statute provides for the
17 security interest in question to be indicated on the
18 certificate as a condition or result of the security
19 interest's obtaining priority over the rights of a lien
20 creditor with respect to the collateral. The term includes
21 another record maintained as an alternative to a
22 certificate of title by the governmental unit that issues
23 certificates of title if a statute permits the security
24 interest in question to be indicated on the record as a
25 condition or result of the security interest's obtaining
26 priority over the rights of a lien creditor with respect to

1 the collateral.

2 (11) "Chattel paper" means a record or records that
3 evidence both a monetary obligation and a security interest
4 in specific goods, a security interest in specific goods
5 and software used in the goods, a security interest in
6 specific goods and license of software used in the goods, a
7 lease of specific goods, or a lease of specified goods and
8 a license of software used in the goods. In this paragraph,
9 "monetary obligation" means a monetary obligation secured
10 by the goods or owed under a lease of the goods and
11 includes a monetary obligation with respect to software
12 used in the goods. The term does not include (i) charters
13 or other contracts involving the use or hire of a vessel or
14 (ii) records that evidence a right to payment arising out
15 of the use of a credit or charge card or information
16 contained on or for use with the card. If a transaction is
17 evidenced by records that include an instrument or series
18 of instruments, the group of records taken together
19 constitutes chattel paper.

20 (12) "Collateral" means the property subject to a
21 security interest or agricultural lien. The term includes:

22 (A) proceeds to which a security interest
23 attaches;

24 (B) accounts, chattel paper, payment intangibles,
25 and promissory notes that have been sold; and

26 (C) goods that are the subject of a consignment.

1 (13) "Commercial tort claim" means a claim arising in
2 tort with respect to which:

3 (A) the claimant is an organization; or

4 (B) the claimant is an individual and the claim:

5 (i) arose in the course of the claimant's
6 business or profession; and

7 (ii) does not include damages arising out of
8 personal injury to or the death of an individual.

9 (14) "Commodity account" means an account maintained
10 by a commodity intermediary in which a commodity contract
11 is carried for a commodity customer.

12 (15) "Commodity contract" means a commodity futures
13 contract, an option on a commodity futures contract, a
14 commodity option, or another contract if the contract or
15 option is:

16 (A) traded on or subject to the rules of a board of
17 trade that has been designated as a contract market for
18 such a contract pursuant to federal commodities laws;
19 or

20 (B) traded on a foreign commodity board of trade,
21 exchange, or market, and is carried on the books of a
22 commodity intermediary for a commodity customer.

23 (16) "Commodity customer" means a person for which a
24 commodity intermediary carries a commodity contract on its
25 books.

26 (17) "Commodity intermediary" means a person that:

1 (A) is registered as a futures commission merchant
2 under federal commodities law; or

3 (B) in the ordinary course of its business provides
4 clearance or settlement services for a board of trade
5 that has been designated as a contract market pursuant
6 to federal commodities law.

7 (18) "Communicate" means:

8 (A) to send a written or other tangible record;

9 (B) to transmit a record by any means agreed upon
10 by the persons sending and receiving the record; or

11 (C) in the case of transmission of a record to or
12 by a filing office, to transmit a record by any means
13 prescribed by filing-office rule.

14 (19) "Consignee" means a merchant to which goods are
15 delivered in a consignment.

16 (20) "Consignment" means a transaction, regardless of
17 its form, in which a person delivers goods to a merchant
18 for the purpose of sale and:

19 (A) the merchant:

20 (i) deals in goods of that kind under a name
21 other than the name of the person making delivery;

22 (ii) is not an auctioneer; and

23 (iii) is not generally known by its creditors
24 to be substantially engaged in selling the goods of
25 others;

26 (B) with respect to each delivery, the aggregate

1 value of the goods is \$1,000 or more at the time of
2 delivery;

3 (C) the goods are not consumer goods immediately
4 before delivery; and

5 (D) the transaction does not create a security
6 interest that secures an obligation.

7 (21) "Consignor" means a person that delivers goods to
8 a consignee in a consignment.

9 (22) "Consumer debtor" means a debtor in a consumer
10 transaction.

11 (23) "Consumer goods" means goods that are used or
12 bought for use primarily for personal, family, or household
13 purposes.

14 (24) "Consumer-goods transaction" means a consumer
15 transaction in which:

16 (A) an individual incurs an obligation primarily
17 for personal, family, or household purposes; and

18 (B) a security interest in consumer goods secures
19 the obligation.

20 (25) "Consumer obligor" means an obligor who is an
21 individual and who incurred the obligation as part of a
22 transaction entered into primarily for personal, family,
23 or household purposes.

24 (26) "Consumer transaction" means a transaction in
25 which (i) an individual incurs an obligation primarily for
26 personal, family, or household purposes, (ii) a security

1 interest secures the obligation, and (iii) the collateral
2 is held or acquired primarily for personal, family, or
3 household purposes. The term includes consumer-goods
4 transactions.

5 (27) "Continuation statement" means an amendment of a
6 financing statement which:

7 (A) identifies, by its file number, the initial
8 financing statement to which it relates; and

9 (B) indicates that it is a continuation statement
10 for, or that it is filed to continue the effectiveness
11 of, the identified financing statement.

12 (28) "Debtor" means:

13 (A) a person having an interest, other than a
14 security interest or other lien, in the collateral,
15 whether or not the person is an obligor;

16 (B) a seller of accounts, chattel paper, payment
17 intangibles, or promissory notes; or

18 (C) a consignee.

19 (29) "Deposit account" means a demand, time, savings,
20 passbook, nonnegotiable certificates of deposit,
21 uncertificated certificates of deposit, nontransferrable
22 certificates of deposit, or similar account maintained
23 with a bank. The term does not include investment property
24 or accounts evidenced by an instrument.

25 (30) "Document" means a document of title or a receipt
26 of the type described in Section 7-201(b).

1 (31) "Electronic chattel paper" means chattel paper
2 evidenced by a record or records consisting of information
3 stored in an electronic medium.

4 (32) "Encumbrance" means a right, other than an
5 ownership interest, in real property. The term includes
6 mortgages and other liens on real property.

7 (33) "Equipment" means goods other than inventory,
8 farm products, or consumer goods.

9 (34) "Farm products" means goods, other than standing
10 timber, with respect to which the debtor is engaged in a
11 farming operation and which are:

12 (A) crops grown, growing, or to be grown,
13 including:

14 (i) crops produced on trees, vines, and
15 bushes; and

16 (ii) aquatic goods produced in aquacultural
17 operations;

18 (B) livestock, born or unborn, including aquatic
19 goods produced in aquacultural operations;

20 (C) supplies used or produced in a farming
21 operation; or

22 (D) products of crops or livestock in their
23 unmanufactured states.

24 (35) "Farming operation" means raising, cultivating,
25 propagating, fattening, grazing, or any other farming,
26 livestock, or aquacultural operation.

1 (36) "File number" means the number assigned to an
2 initial financing statement pursuant to Section 9-519(a).

3 (37) "Filing office" means an office designated in
4 Section 9-501 as the place to file a financing statement.

5 (38) "Filing-office rule" means a rule adopted
6 pursuant to Section 9-526.

7 (39) "Financing statement" means a record or records
8 composed of an initial financing statement and any filed
9 record relating to the initial financing statement.

10 (40) "Fixture filing" means the filing of a financing
11 statement covering goods that are or are to become fixtures
12 and satisfying Section 9-502(a) and (b). The term includes
13 the filing of a financing statement covering goods of a
14 transmitting utility which are or are to become fixtures.

15 (41) "Fixtures" means goods that have become so related
16 to particular real property that an interest in them arises
17 under real property law.

18 (42) "General intangible" means any personal property,
19 including things in action, other than accounts, chattel
20 paper, commercial tort claims, deposit accounts,
21 documents, goods, instruments, investment property,
22 letter-of-credit rights, letters of credit, money, and
23 oil, gas, or other minerals before extraction. The term
24 includes payment intangibles and software.

25 (43) "Good faith" means honesty in fact and the
26 observance of reasonable commercial standards of fair

1 dealing.

2 (44) "Goods" means all things that are movable when a
3 security interest attaches. The term includes (i)
4 fixtures, (ii) standing timber that is to be cut and
5 removed under a conveyance or contract for sale, (iii) the
6 unborn young of animals, (iv) crops grown, growing, or to
7 be grown, even if the crops are produced on trees, vines,
8 or bushes, and (v) manufactured homes. The term also
9 includes a computer program embedded in goods and any
10 supporting information provided in connection with a
11 transaction relating to the program if (i) the program is
12 associated with the goods in such a manner that it
13 customarily is considered part of the goods, or (ii) by
14 becoming the owner of the goods, a person acquires a right
15 to use the program in connection with the goods. The term
16 does not include a computer program embedded in goods that
17 consist solely of the medium in which the program is
18 embedded. The term also does not include accounts, chattel
19 paper, commercial tort claims, deposit accounts,
20 documents, general intangibles, instruments, investment
21 property, letter-of-credit rights, letters of credit,
22 money, or oil, gas, or other minerals before extraction.

23 (45) "Governmental unit" means a subdivision, agency,
24 department, county, parish, municipality, or other unit of
25 the government of the United States, a State, or a foreign
26 country. The term includes an organization having a

1 separate corporate existence if the organization is
2 eligible to issue debt on which interest is exempt from
3 income taxation under the laws of the United States.

4 (46) "Health-care-insurance receivable" means an
5 interest in or claim under a policy of insurance which is a
6 right to payment of a monetary obligation for health-care
7 goods or services provided.

8 (47) "Instrument" means a negotiable instrument or any
9 other writing that evidences a right to the payment of a
10 monetary obligation, is not itself a security agreement or
11 lease, and is of a type that in ordinary course of business
12 is transferred by delivery with any necessary indorsement
13 or assignment. The term does not include (i) investment
14 property, (ii) letters of credit, (iii) nonnegotiable
15 certificates of deposit, (iv) uncertificated certificates
16 of deposit, (v) nontransferrable certificates of deposit,
17 or (vi) writings that evidence a right to payment arising
18 out of the use of a credit or charge card or information
19 contained on or for use with the card.

20 (48) "Inventory" means goods, other than farm
21 products, which:

22 (A) are leased by a person as lessor;

23 (B) are held by a person for sale or lease or to be
24 furnished under a contract of service;

25 (C) are furnished by a person under a contract of
26 service; or

1 (D) consist of raw materials, work in process, or
2 materials used or consumed in a business.

3 (49) "Investment property" means a security, whether
4 certificated or uncertificated, security entitlement,
5 securities account, commodity contract, or commodity
6 account.

7 (50) "Jurisdiction of organization", with respect to a
8 registered organization, means the jurisdiction under
9 whose law the organization is formed or organized.

10 (51) "Letter-of-credit right" means a right to payment
11 or performance under a letter of credit, whether or not the
12 beneficiary has demanded or is at the time entitled to
13 demand payment or performance. The term does not include
14 the right of a beneficiary to demand payment or performance
15 under a letter of credit.

16 (52) "Lien creditor" means:

17 (A) a creditor that has acquired a lien on the
18 property involved by attachment, levy, or the like;

19 (B) an assignee for benefit of creditors from the
20 time of assignment;

21 (C) a trustee in bankruptcy from the date of the
22 filing of the petition; or

23 (D) a receiver in equity from the time of
24 appointment.

25 (53) "Manufactured home" means a structure,
26 transportable in one or more sections, which, in the

1 traveling mode, is eight body feet or more in width or 40
2 body feet or more in length, or, when erected on site, is
3 320 or more square feet, and which is built on a permanent
4 chassis and designed to be used as a dwelling with or
5 without a permanent foundation when connected to the
6 required utilities, and includes the plumbing, heating,
7 air-conditioning, and electrical systems contained
8 therein. The term includes any structure that meets all of
9 the requirements of this paragraph except the size
10 requirements and with respect to which the manufacturer
11 voluntarily files a certification required by the United
12 States Secretary of Housing and Urban Development and
13 complies with the standards established under Title 42 of
14 the United States Code ~~factory assembled, completely~~
15 ~~integrated structure designed for permanent habitation,~~
16 ~~with a permanent chassis, and so constructed as to permit~~
17 ~~its transport, on wheels temporarily or permanently~~
18 ~~attached to its frame, and is a movable or portable unit~~
19 ~~that is (i) 8 body feet or more in width, (ii) 40 body feet~~
20 ~~or more in length, and (iii) 320 or more square feet,~~
21 ~~constructed to be towed on its own chassis (comprised of~~
22 ~~frame and wheels) from the place of its construction to the~~
23 ~~location, or subsequent locations, at which it is installed~~
24 ~~and set up according to the manufacturer's instructions and~~
25 ~~connected to utilities for year round occupancy for use as~~
26 ~~a permanent habitation, and designed and situated so as to~~

1 ~~permit its occupancy as a dwelling place for one or more~~
2 ~~persons. The term shall include units containing parts that~~
3 ~~may be folded, collapsed, or telescoped when being towed~~
4 ~~and that may be expected to provide additional cubic~~
5 ~~capacity, and that are designed to be joined into one~~
6 ~~integral unit capable of being separated again into the~~
7 ~~components for repeated towing. The term shall exclude~~
8 ~~campers and recreational vehicles.~~

9 (54) "Manufactured-home transaction" means a secured
10 transaction:

11 (A) that creates a purchase-money security
12 interest in a manufactured home, other than a
13 manufactured home held as inventory; or

14 (B) in which a manufactured home, other than a
15 manufactured home held as inventory, is the primary
16 collateral.

17 (55) "Mortgage" means a consensual interest in real
18 property, including fixtures, which secures payment or
19 performance of an obligation.

20 (56) "New debtor" means a person that becomes bound as
21 debtor under Section 9-203(d) by a security agreement
22 previously entered into by another person.

23 (57) "New value" means (i) money, (ii) money's worth in
24 property, services, or new credit, or (iii) release by a
25 transferee of an interest in property previously
26 transferred to the transferee. The term does not include an

1 obligation substituted for another obligation.

2 (58) "Noncash proceeds" means proceeds other than cash
3 proceeds.

4 (59) "Obligor" means a person that, with respect to an
5 obligation secured by a security interest in or an
6 agricultural lien on the collateral, (i) owes payment or
7 other performance of the obligation, (ii) has provided
8 property other than the collateral to secure payment or
9 other performance of the obligation, or (iii) is otherwise
10 accountable in whole or in part for payment or other
11 performance of the obligation. The term does not include
12 issuers or nominated persons under a letter of credit.

13 (60) "Original debtor", except as used in Section
14 9-310(c), means a person that, as debtor, entered into a
15 security agreement to which a new debtor has become bound
16 under Section 9-203(d).

17 (61) "Payment intangible" means a general intangible
18 under which the account debtor's principal obligation is a
19 monetary obligation.

20 (62) "Person related to", with respect to an
21 individual, means:

22 (A) the spouse of the individual;

23 (B) a brother, brother-in-law, sister, or
24 sister-in-law of the individual;

25 (C) an ancestor or lineal descendant of the
26 individual or the individual's spouse; or

1 (D) any other relative, by blood or marriage, of
2 the individual or the individual's spouse who shares
3 the same home with the individual.

4 (63) "Person related to", with respect to an
5 organization, means:

6 (A) a person directly or indirectly controlling,
7 controlled by, or under common control with the
8 organization;

9 (B) an officer or director of, or a person
10 performing similar functions with respect to, the
11 organization;

12 (C) an officer or director of, or a person
13 performing similar functions with respect to, a person
14 described in subparagraph (A);

15 (D) the spouse of an individual described in
16 subparagraph (A), (B), or (C); or

17 (E) an individual who is related by blood or
18 marriage to an individual described in subparagraph
19 (A), (B), (C), or (D) and shares the same home with the
20 individual.

21 (64) "Proceeds", except as used in Section 9-609(b),
22 means the following property:

23 (A) whatever is acquired upon the sale, lease,
24 license, exchange, or other disposition of collateral;

25 (B) whatever is collected on, or distributed on
26 account of, collateral;

1 (C) rights arising out of collateral;

2 (D) to the extent of the value of collateral,
3 claims arising out of the loss, nonconformity, or
4 interference with the use of, defects or infringement
5 of rights in, or damage to, the collateral; or

6 (E) to the extent of the value of collateral and to
7 the extent payable to the debtor or the secured party,
8 insurance payable by reason of the loss or
9 nonconformity of, defects or infringement of rights
10 in, or damage to, the collateral.

11 (65) "Promissory note" means an instrument that
12 evidences a promise to pay a monetary obligation, does not
13 evidence an order to pay, and does not contain an
14 acknowledgment by a bank that the bank has received for
15 deposit a sum of money or funds.

16 (66) "Proposal" means a record authenticated by a
17 secured party which includes the terms on which the secured
18 party is willing to accept collateral in full or partial
19 satisfaction of the obligation it secures pursuant to
20 Sections 9-620, 9-621, and 9-622.

21 (67) "Public-finance transaction" means a secured
22 transaction in connection with which:

23 (A) debt securities are issued;

24 (B) all or a portion of the securities issued have
25 an initial stated maturity of at least 20 years; and

26 (C) the debtor, obligor, secured party, account

1 debtor or other person obligated on collateral,
2 assignor or assignee of a secured obligation, or
3 assignor or assignee of a security interest is a State
4 or a governmental unit of a State.

5 (68) "Public organic record" means a record that is
6 available to the public for inspection and is:

7 (A) a record consisting of the record initially
8 filed with or issued by a State or the United States to
9 form or organize an organization and any record filed
10 with or issued by the State or the United States which
11 amends or restates the initial record;

12 (B) an organic record of a business trust
13 consisting of the record initially filed with a State
14 and any record filed with the State which amends or
15 restates the initial record, if a statute of the State
16 governing business trusts requires that the record be
17 filed with the State; or

18 (C) a record consisting of legislation enacted by
19 the legislature of a State or the Congress of the
20 United States which forms or organizes an
21 organization, any record amending the legislation, and
22 any record filed with or issued by the State or the
23 United States which amends or restates the name of the
24 organization.

25 (69) "Pursuant to commitment", with respect to an
26 advance made or other value given by a secured party, means

1 pursuant to the secured party's obligation, whether or not
2 a subsequent event of default or other event not within the
3 secured party's control has relieved or may relieve the
4 secured party from its obligation.

5 (70) "Record", except as used in "for record", "of
6 record", "record or legal title", and "record owner", means
7 information that is inscribed on a tangible medium or which
8 is stored in an electronic or other medium and is
9 retrievable in perceivable form.

10 (71) "Registered organization" means an organization
11 formed or organized solely under the law of a single State
12 or the United States by the filing of a public organic
13 record with, the issuance of a public organic record by, or
14 the enactment of legislation by the State or the United
15 States. The term includes a business trust that is formed
16 or organized under the law of a single State if a statute
17 of the State governing business trusts requires that the
18 business trust's organic record be filed with the State.

19 (72) "Secondary obligor" means an obligor to the extent
20 that:

21 (A) the obligor's obligation is secondary; or

22 (B) the obligor has a right of recourse with
23 respect to an obligation secured by collateral against
24 the debtor, another obligor, or property of either.

25 (73) "Secured party" means:

26 (A) a person in whose favor a security interest is

1 created or provided for under a security agreement,
2 whether or not any obligation to be secured is
3 outstanding;

4 (B) a person that holds an agricultural lien;

5 (C) a consignor;

6 (D) a person to which accounts, chattel paper,
7 payment intangibles, or promissory notes have been
8 sold;

9 (E) a trustee, indenture trustee, agent,
10 collateral agent, or other representative in whose
11 favor a security interest or agricultural lien is
12 created or provided for; or

13 (F) a person that holds a security interest arising
14 under Section 2-401, 2-505, 2-711(3), 2A-508(5),
15 4-210, or 5-118.

16 (74) "Security agreement" means an agreement that
17 creates or provides for a security interest.

18 (75) "Send", in connection with a record or
19 notification, means:

20 (A) to deposit in the mail, deliver for
21 transmission, or transmit by any other usual means of
22 communication, with postage or cost of transmission
23 provided for, addressed to any address reasonable
24 under the circumstances; or

25 (B) to cause the record or notification to be
26 received within the time that it would have been

1 received if properly sent under subparagraph (A).

2 (76) "Software" means a computer program and any
3 supporting information provided in connection with a
4 transaction relating to the program. The term does not
5 include a computer program that is included in the
6 definition of goods.

7 (77) "State" means a State of the United States, the
8 District of Columbia, Puerto Rico, the United States Virgin
9 Islands, or any territory or insular possession subject to
10 the jurisdiction of the United States.

11 (78) "Supporting obligation" means a letter-of-credit
12 right or secondary obligation that supports the payment or
13 performance of an account, chattel paper, a document, a
14 general intangible, an instrument, or investment property.

15 (79) "Tangible chattel paper" means chattel paper
16 evidenced by a record or records consisting of information
17 that is inscribed on a tangible medium.

18 (80) "Termination statement" means an amendment of a
19 financing statement which:

20 (A) identifies, by its file number, the initial
21 financing statement to which it relates; and

22 (B) indicates either that it is a termination
23 statement or that the identified financing statement
24 is no longer effective.

25 (81) "Transmitting utility" means a person primarily
26 engaged in the business of:

1 (A) operating a railroad, subway, street railway,
2 or trolley bus;

3 (B) transmitting communications electrically,
4 electromagnetically, or by light;

5 (C) transmitting goods by pipeline or sewer; or

6 (D) transmitting or producing and transmitting
7 electricity, steam, gas, or water.

8 (b) Definitions in other Articles. "Control" as provided in
9 Section 7-106 and the following definitions in other Articles
10 apply to this Article:

11 "Applicant". Section 5-102.

12 "Beneficiary". Section 5-102.

13 "Broker". Section 8-102.

14 "Certificated security". Section 8-102.

15 "Check". Section 3-104.

16 "Clearing corporation". Section 8-102.

17 "Contract for sale". Section 2-106.

18 "Customer". Section 4-104.

19 "Entitlement holder". Section 8-102.

20 "Financial asset". Section 8-102.

21 "Holder in due course". Section 3-302.

22 "Issuer" (with respect to a letter of credit or
23 letter-of-credit right). Section 5-102.

24 "Issuer" (with respect to a security). Section 8-201.

25 "Issuer" (with respect to documents of title). Section
26 7-102.

1 "Lease". Section 2A-103.
2 "Lease agreement". Section 2A-103.
3 "Lease contract". Section 2A-103.
4 "Leasehold interest". Section 2A-103.
5 "Lessee". Section 2A-103.
6 "Lessee in ordinary course of business". Section 2A-103.
7 "Lessor". Section 2A-103.
8 "Lessor's residual interest". Section 2A-103.
9 "Letter of credit". Section 5-102.
10 "Merchant". Section 2-104.
11 "Negotiable instrument". Section 3-104.
12 "Nominated person". Section 5-102.
13 "Note". Section 3-104.
14 "Proceeds of a letter of credit". Section 5-114.
15 "Prove". Section 3-103.
16 "Sale". Section 2-106.
17 "Securities account". Section 8-501.
18 "Securities intermediary". Section 8-102.
19 "Security". Section 8-102.
20 "Security certificate". Section 8-102.
21 "Security entitlement". Section 8-102.
22 "Uncertificated security". Section 8-102.

23 (c) Article 1 definitions and principles. Article 1
24 contains general definitions and principles of construction
25 and interpretation applicable throughout this Article.

26 (Source: P.A. 96-1477, eff. 1-1-11; 97-1034, eff. 7-1-13.)

1 Section 10-110. The Interest Act is amended by changing
2 Sections 4, 4.2, and 4a as follows:

3 (815 ILCS 205/4) (from Ch. 17, par. 6404)

4 Sec. 4. General interest rate.

5 (1) Except as otherwise provided in Section 4.05, in all
6 written contracts it shall be lawful for the parties to
7 stipulate or agree that 9% per annum, or any less sum of
8 interest, shall be taken and paid upon every \$100 of money
9 loaned or in any manner due and owing from any person to any
10 other person or corporation in this state, and after that rate
11 for a greater or less sum, or for a longer or shorter time,
12 except as herein provided.

13 The maximum rate of interest that may lawfully be
14 contracted for is determined by the law applicable thereto at
15 the time the contract is made. Any provision in any contract,
16 whether made before or after July 1, 1969, which provides for
17 or purports to authorize, contingent upon a change in the
18 Illinois law after the contract is made, any rate of interest
19 greater than the maximum lawful rate at the time the contract
20 is made, is void.

21 It is lawful for a state bank or a branch of an
22 out-of-state bank, as those terms are defined in Section 2 of
23 the Illinois Banking Act, to receive or to contract to receive
24 and collect interest and charges at any rate or rates agreed

1 upon by the bank or branch and the borrower. It is lawful for a
2 savings bank chartered under the Savings Bank Act or a savings
3 association chartered under the Illinois Savings and Loan Act
4 of 1985 to receive or contract to receive and collect interest
5 and charges at any rate agreed upon by the savings bank or
6 savings association and the borrower.

7 It is lawful to receive or to contract to receive and
8 collect interest and charges as authorized by this Act and as
9 authorized by the Consumer Installment Loan Act and by the
10 "Consumer Finance Act", approved July 10, 1935, as now or
11 hereafter amended, or by the Payday Loan Reform Act. It is
12 lawful to charge, contract for, and receive any rate or amount
13 of interest or compensation with respect to the following
14 transactions:

15 (a) Any loan made to a corporation;

16 (b) Advances of money, repayable on demand, to an
17 amount not less than \$5,000, which are made upon warehouse
18 receipts, bills of lading, certificates of stock,
19 certificates of deposit, bills of exchange, bonds or other
20 negotiable instruments pledged as collateral security for
21 such repayment, if evidenced by a writing;

22 (c) Any credit transaction between a merchandise
23 wholesaler and retailer; any business loan to a business
24 association or copartnership or to a person owning and
25 operating a business as sole proprietor or to any persons
26 owning and operating a business as joint venturers, joint

1 tenants or tenants in common, or to any limited
2 partnership, or to any trustee owning and operating a
3 business or whose beneficiaries own and operate a business,
4 except that any loan which is secured (1) by an assignment
5 of an individual obligor's salary, wages, commissions or
6 other compensation for services, or (2) by his household
7 furniture or other goods used for his personal, family or
8 household purposes shall be deemed not to be a loan within
9 the meaning of this subsection; and provided further that a
10 loan which otherwise qualifies as a business loan within
11 the meaning of this subsection shall not be deemed as not
12 so qualifying because of the inclusion, with other security
13 consisting of business assets of any such obligor, of real
14 estate occupied by an individual obligor solely as his
15 residence. The term "business" shall be deemed to mean a
16 commercial, agricultural or industrial enterprise which is
17 carried on for the purpose of investment or profit, but
18 shall not be deemed to mean the ownership or maintenance of
19 real estate occupied by an individual obligor solely as his
20 residence;

21 (d) Any loan made in accordance with the provisions of
22 Subchapter I of Chapter 13 of Title 12 of the United States
23 Code, which is designated as "Housing Renovation and
24 Modernization";

25 (e) Any mortgage loan insured or upon which a
26 commitment to insure has been issued under the provisions

1 of the National Housing Act, Chapter 13 of Title 12 of the
2 United States Code;

3 (f) Any mortgage loan guaranteed or upon which a
4 commitment to guaranty has been issued under the provisions
5 of the Veterans' Benefits Act, Subchapter II of Chapter 37
6 of Title 38 of the United States Code;

7 (g) Interest charged by a broker or dealer registered
8 under the Securities Exchange Act of 1934, as amended, or
9 registered under the Illinois Securities Law of 1953,
10 approved July 13, 1953, as now or hereafter amended, on a
11 debit balance in an account for a customer if such debit
12 balance is payable at will without penalty and is secured
13 by securities as defined in Uniform Commercial
14 Code-Investment Securities;

15 (h) Any loan made by a participating bank as part of
16 any loan guarantee program which provides for loans and for
17 the refinancing of such loans to medical students, interns
18 and residents and which are guaranteed by the American
19 Medical Association Education and Research Foundation;

20 (i) Any loan made, guaranteed, or insured in accordance
21 with the provisions of the Housing Act of 1949, Subchapter
22 III of Chapter 8A of Title 42 of the United States Code and
23 the Consolidated Farm and Rural Development Act,
24 Subchapters I, II, and III of Chapter 50 of Title 7 of the
25 United States Code;

26 (j) Any loan by an employee pension benefit plan, as

1 defined in Section 3 (2) of the Employee Retirement Income
2 Security Act of 1974 (29 U.S.C.A. Sec. 1002), to an
3 individual participating in such plan, provided that such
4 loan satisfies the prohibited transaction exemption
5 requirements of Section 408 (b) (1) (29 U.S.C.A. Sec. 1108
6 (b) (1)) or Section 2003 (a) (26 U.S.C.A. Sec. 4975 (d)
7 (1)) of the Employee Retirement Income Security Act of
8 1974;

9 (k) Written contracts, agreements or bonds for deed
10 providing for installment purchase of real estate,l
11 including a manufactured home as defined in subdivision
12 (53) of Section 9-102 of the Uniform Commercial Code that
13 is real property as defined in the Conveyance and
14 Encumbrance of Manufactured Homes as Real Property and
15 Severance Act;

16 (1) Loans secured by a mortgage on real estate,l
17 including a manufactured home as defined in subdivision
18 (53) of Section 9-102 of the Uniform Commercial Code that
19 is real property as defined in the Conveyance and
20 Encumbrance of Manufactured Homes as Real Property and
21 Severance Act;

22 (m) Loans made by a sole proprietorship, partnership,
23 or corporation to an employee or to a person who has been
24 offered employment by such sole proprietorship,
25 partnership, or corporation made for the sole purpose of
26 transferring an employee or person who has been offered

1 employment to another office maintained and operated by the
2 same sole proprietorship, partnership, or corporation;

3 (n) Loans to or for the benefit of students made by an
4 institution of higher education.

5 (2) Except for loans described in subparagraph (a), (c),
6 (d), (e), (f) or (i) of subsection (1) of this Section, and
7 except to the extent permitted by the applicable statute for
8 loans made pursuant to Section 4a or pursuant to the Consumer
9 Installment Loan Act:

10 (a) Whenever the rate of interest exceeds 8% per annum
11 on any written contract, agreement or bond for deed
12 providing for the installment purchase of residential real
13 estate, or on any loan secured by a mortgage on residential
14 real estate, it shall be unlawful to provide for a
15 prepayment penalty or other charge for prepayment.

16 (b) No agreement, note or other instrument evidencing a
17 loan secured by a mortgage on residential real estate, or
18 written contract, agreement or bond for deed providing for
19 the installment purchase of residential real estate, may
20 provide for any change in the contract rate of interest
21 during the term thereof. However, if the Congress of the
22 United States or any federal agency authorizes any class of
23 lender to enter, within limitations, into mortgage
24 contracts or written contracts, agreements or bonds for
25 deed in which the rate of interest may be changed during
26 the term of the contract, any person, firm, corporation or

1 other entity not otherwise prohibited from entering into
2 mortgage contracts or written contracts, agreements or
3 bonds for deed in Illinois may enter into mortgage
4 contracts or written contracts, agreements or bonds for
5 deed in which the rate of interest may be changed during
6 the term of the contract, within the same limitations.

7 (3) In any contract or loan which is secured by a mortgage,
8 deed of trust, or conveyance in the nature of a mortgage, on
9 residential real estate, the interest which is computed,
10 calculated, charged, or collected pursuant to such contract or
11 loan, or pursuant to any regulation or rule promulgated
12 pursuant to this Act, may not be computed, calculated, charged
13 or collected for any period of time occurring after the date on
14 which the total indebtedness, with the exception of late
15 payment penalties, is paid in full.

16 (4) For purposes of this Section, a prepayment shall mean
17 the payment of the total indebtedness, with the exception of
18 late payment penalties if incurred or charged, on any date
19 before the date specified in the contract or loan agreement on
20 which the total indebtedness shall be paid in full, or before
21 the date on which all payments, if timely made, shall have been
22 made. In the event of a prepayment of the indebtedness which is
23 made on a date after the date on which interest on the
24 indebtedness was last computed, calculated, charged, or
25 collected but before the next date on which interest on the
26 indebtedness was to be calculated, computed, charged, or

1 collected, the lender may calculate, charge and collect
2 interest on the indebtedness for the period which elapsed
3 between the date on which the prepayment is made and the date
4 on which interest on the indebtedness was last computed,
5 calculated, charged or collected at a rate equal to 1/360 of
6 the annual rate for each day which so elapsed, which rate shall
7 be applied to the indebtedness outstanding as of the date of
8 prepayment. The lender shall refund to the borrower any
9 interest charged or collected which exceeds that which the
10 lender may charge or collect pursuant to the preceding
11 sentence. The provisions of this amendatory Act of 1985 shall
12 apply only to contracts or loans entered into on or after the
13 effective date of this amendatory Act, but shall not apply to
14 contracts or loans entered into on or after that date that are
15 subject to Section 4a of this Act, the Consumer Installment
16 Loan Act, the Payday Loan Reform Act, or the Retail Installment
17 Sales Act, or that provide for the refund of precomputed
18 interest on prepayment in the manner provided by such Act.

19 (5) For purposes of items (a) and (c) of subsection (1) of
20 this Section, a rate or amount of interest may be lawfully
21 computed when applying the ratio of the annual interest rate
22 over a year based on 360 days. The provisions of this
23 amendatory Act of the 96th General Assembly are declarative of
24 existing law.

25 (6) For purposes of this Section, "real estate" and "real
26 property" include a manufactured home, as defined in

1 subdivision (53) of Section 9-102 of the Uniform Commercial
2 Code that is real property as defined in the Conveyance and
3 Encumbrance of Manufactured Homes as Real Property and
4 Severance Act.

5 (Source: P.A. 95-331, eff. 8-21-07; 96-1421, eff. 8-3-10.)

6 (815 ILCS 205/4.2) (from Ch. 17, par. 6407)

7 Sec. 4.2. Revolving credit; billing statements;
8 disclosures. On a revolving credit which complies with
9 subparagraphs (a), (b), (c), (d) and (e) of this Section 4.2,
10 it is lawful for any bank that has its main office or, after
11 May 31, 1997, a branch in this State, a state or federal
12 savings and loan association with its main office in this
13 State, a state or federal credit union with its main office in
14 this State, or a lender licensed under the Consumer Finance
15 Act, the Consumer Installment Loan Act or the Sales Finance
16 Agency Act, as such Acts are now and hereafter amended, to
17 receive or contract to receive and collect interest in any
18 amount or at any rate agreed upon by the parties to the
19 revolving credit arrangement. It is lawful for any other lender
20 to receive or contract to receive and collect interest in an
21 amount not in excess of 1 1/2% per month of either the average
22 daily unpaid balance of the principal of the debt during the
23 billing cycle, or of the unpaid balance of the debt on
24 approximately the same day of the billing cycle. If a lender
25 under a revolving credit arrangement notifies the debtor at

1 least 30 days in advance of any lawful increase in the amount
2 or rate of interest to be charged under the revolving credit
3 arrangement, and the debtor, after the effective date of such
4 notice, incurs new debt pursuant to the revolving credit
5 arrangement, the increased interest amount or rate may be
6 applied only to any such new debt incurred under the revolving
7 credit arrangement. For purposes of determining the balances to
8 which the increased interest rate applies, all payments and
9 other credits may be deemed to be applied to the balance
10 existing prior to the change in rate until that balance is paid
11 in full. The face amount of the drafts, items, orders for the
12 payment of money, evidences of debt, or similar written
13 instruments received by the lender in connection with the
14 revolving credit, less the amounts applicable to principal from
15 time to time paid thereon by the debtor, are the unpaid balance
16 of the debt upon which the interest is computed. If the billing
17 cycle is not monthly, the maximum interest rate for the billing
18 cycle is the percentage which bears the same relation to the
19 monthly percentage provided for in the preceding sentence as
20 the number of days in the billing cycle bears to 30. For the
21 purposes of the foregoing computation, a "month" is deemed to
22 be any time of 30 consecutive days. In addition to the interest
23 charge provided for, it is lawful to receive, contract for or
24 collect a charge not exceeding 25 cents for each transaction in
25 which a loan or advance is made under the revolving credit or
26 in lieu of this additional charge an annual fee for the

1 privilege of receiving and using the revolving credit in an
2 amount not exceeding \$20. In addition, with respect to
3 revolving credit secured by an interest in real estate,
4 including a manufactured home as defined in subdivision (53) of
5 Section 9-102 of the Uniform Commercial Code that is real
6 property as defined in the Conveyance and Encumbrance of
7 Manufactured Homes as Real Property and Severance Act, it is
8 also lawful to receive, contract for or collect fees lawfully
9 paid to any public officer or agency to record, file or release
10 the security, and costs and disbursements actually incurred for
11 any title insurance, title examination, abstract of title,
12 survey, appraisal, escrow fees, and fees paid to a trustee in
13 connection with a trust deed.

14 (a) At or before the date a bill or statement is first
15 rendered to the debtor under a revolving credit arrangement,
16 the lender must mail or deliver to the debtor a written
17 description of the conditions under which a charge for interest
18 may be made and the method, including the rate, of computing
19 these interest charges. The rate of interest must be expressed
20 as an annual percentage rate.

21 (b) If during any billing cycle any debit or credit entry
22 is made to a debtor's revolving credit account, and if at the
23 end of that billing cycle there is an unpaid balance owing to
24 the lender from the debtor, the lender must give to the debtor
25 the following information within a reasonable time after the
26 end of the billing cycle:

1 (i) the unpaid balance at the beginning of the billing
2 cycle;

3 (ii) the date and amount of all loans or advances made
4 during the billing cycle, which information may be supplied
5 by enclosing a copy of the drafts, items, orders for the
6 payment of money, evidences of debt or similar written
7 instruments presented to the lender during the billing
8 cycle;

9 (iii) the payments by the debtor to the lender and any
10 other credits to the debtor during the billing cycle;

11 (iv) the amount of interest and other charges, if any,
12 charged to the debtor's account during the billing cycle;

13 (v) the amount which must be currently paid by the
14 debtor and the date on which that amount must be paid in
15 order to avoid delinquency;

16 (vi) the total amount remaining unpaid at the end of
17 the billing cycle and the right of the debtor to prepay
18 that amount in full without penalty; and

19 (vii) information required by (iv), (v) and (vi) must
20 be set forth in type of equal size and equal
21 conspicuousness.

22 (c) The revolving credit arrangement may provide for the
23 payment by the debtor and receipt by the lender of all costs
24 and disbursements, including reasonable attorney's fees,
25 incurred by the lender in legal proceedings to collect or
26 enforce the debt in the event of delinquency by the debtor or

1 in the event of a breach of any obligation of the debtor under
2 the arrangement.

3 (d) The lender under a revolving credit arrangement may
4 provide credit life insurance or credit accident and health
5 insurance, or both, with respect to the debtor and may charge
6 the debtor therefor. Credit life insurance and credit accident
7 and health insurance, and any charge therefor made to the
8 debtor, shall comply with Article IX 1/2 of the Illinois
9 Insurance Code, as now or hereafter amended, and all lawful
10 requirements of the Director of Insurance related thereto. This
11 insurance is in force with respect to each loan or advance made
12 under a revolving credit arrangement as soon as the loan or
13 advance is made. The purchase of this insurance from an agent,
14 broker or insurer specified by the lender may not be a
15 condition precedent to the revolving credit arrangement or to
16 the making of any loan or advance thereunder.

17 (e) Whenever interest is contracted for or received under
18 this Section, no amount in addition to the charges authorized
19 by this Act may be directly or indirectly charged, contracted
20 for or received whether as interest, service charges, costs of
21 investigations or enforcements or otherwise.

22 (f) The lender under a revolving credit arrangement must
23 compute at year end the total amount charged to the debtor's
24 account during the year, including service charges, finance
25 charges, late charges and any other charges authorized by this
26 Act, and upon request must furnish such information to the

1 debtor within 30 days after the end of the year, or if the
2 account has been terminated during such year, may give such
3 requested information within 30 days after such termination.
4 The lender shall annually inform the debtor of his right to
5 obtain such information.

6 (g) A lender who complies with the federal Truth in Lending
7 Act, amendments thereto, and any regulations issued or which
8 may be issued thereunder, shall be deemed to be in compliance
9 with the provisions of subparagraphs (a) and (b) of this
10 Section.

11 (h) Anything in this Section 4.2 to the contrary
12 notwithstanding, if the Congress of the United States or any
13 federal agency authorizes any class of lenders to enter, within
14 limitations, into a revolving credit arrangement secured by a
15 mortgage or deed of trust on residential real property, any
16 person, firm, corporation or other entity, not otherwise
17 prohibited by the Congress of the United States or any federal
18 agency from entering into revolving credit arrangements
19 secured by a mortgage or deed of trust on residential real
20 property, may enter into such arrangements within the same
21 limitations.

22 (Source: P.A. 89-208, eff. 9-29-95.)

23 (815 ILCS 205/4a) (from Ch. 17, par. 6410)

24 Sec. 4a. Installment loan rate.

25 (a) On money loaned to or in any manner owing from any

1 person, whether secured or unsecured, except where the money
2 loaned or in any manner owing is directly or indirectly for the
3 purchase price of real estate or an interest therein and is
4 secured by a lien on or retention of title to that real estate
5 or interest therein, to an amount not more than \$25,000
6 (excluding interest) which is evidenced by a written instrument
7 providing for the payment thereof in 2 or more periodic
8 installments over a period of not more than 181 months from the
9 date of the execution of the written instrument, it is lawful
10 to receive or to contract to receive and collect either:

11 (i) interest in an amount equivalent to interest
12 computed at a rate not exceeding 9% per year on the entire
13 principal amount of the money loaned or in any manner owing
14 for the period from the date of the making of the loan or
15 the incurring of the obligation for the amount owing
16 evidenced by the written instrument until the date of the
17 maturity of the last installment thereof, and to add that
18 amount to the principal, except that there shall be no
19 limit on the rate of interest which may be received or
20 contracted to be received and collected by (1) any bank
21 that has its main office or, after May 31, 1997, a branch
22 in this State; (2) a savings and loan association chartered
23 under the Illinois Savings and Loan Act of 1985, a savings
24 bank chartered under the Savings Bank Act, or a federal
25 savings and loan association established under the laws of
26 the United States and having its main office in this State;

1 or (3) any lender licensed under either the Consumer
2 Finance Act or the Consumer Installment Loan Act, but in
3 any case in which interest is received, contracted for or
4 collected on the basis of this clause (i), the debtor may
5 satisfy in full at any time before maturity the debt
6 evidenced by the written instrument, and in so satisfying
7 must receive a refund credit against the total amount of
8 interest added to the principal computed in the manner
9 provided under Section 15(f)(3) of the Consumer
10 Installment Loan Act for refunds or credits of applicable
11 interest on payment in full of precomputed loans before the
12 final installment due date; or

13 (ii) interest accrued on the principal balance from
14 time to time remaining unpaid, from the date of making of
15 the loan or the incurring of the obligation to the date of
16 the payment of the debt in full, at a rate not exceeding
17 the annual percentage rate equivalent of the rate permitted
18 to be charged under clause (i) above, but in any such case
19 the debtor may, provided that the debtor shall have paid in
20 full all interest and other charges accrued to the date of
21 such prepayment, prepay the principal balance in full or in
22 part at any time, and interest shall, upon any such
23 prepayment, cease to accrue on the principal amount which
24 has been prepaid.

25 (b) Whenever the principal amount of an installment loan is
26 \$300 or more and the repayment period is 6 months or more, a

1 minimum charge of \$15 may be collected instead of interest, but
2 only one minimum charge may be collected from the same person
3 during one year. When the principal amount of the loan
4 (excluding interest) is \$800 or less, the lender or creditor
5 may contract for and receive a service charge not to exceed \$5
6 in addition to interest; and that service charge may be
7 collected when the loan is made, but only one service charge
8 may be contracted for, received, or collected from the same
9 person during one year.

10 (c) Credit life insurance and credit accident and health
11 insurance, and any charge therefor which is deducted from the
12 loan or paid by the obligor, must comply with Article IX 1/2 of
13 the Illinois Insurance Code and all lawful requirements of the
14 Director of Insurance related thereto. When there are 2 or more
15 obligors on the loan contract, only one charge for credit life
16 insurance and credit accident and health insurance may be made
17 and only one of the obligors may be required to be insured.
18 Insurance obtained from, by or through the lender or creditor
19 must be in effect when the loan is transacted. The purchase of
20 that insurance from an agent, broker or insurer specified by
21 the lender or creditor may not be a condition precedent to the
22 granting of the loan.

23 (d) The lender or creditor may require the obligor to
24 provide property insurance on security other than household
25 goods, furniture and personal effects. The amount and term of
26 the insurance must be reasonable in relation to the amount and

1 term of the loan contract and the type and value of the
2 security, and the insurance must be procured in accordance with
3 the insurance laws of this State. The purchase of that
4 insurance from an agent, broker or insurer specified by the
5 lender or creditor may not be a condition precedent to the
6 granting of the loan.

7 (e) The lender or creditor may, if the contract provides,
8 collect a delinquency and collection charge on each installment
9 in default for a period of not less than 10 days in an amount
10 not exceeding 5% of the installment on installments in excess
11 of \$200 or \$10 on installments of \$200 or less, but only one
12 delinquency and collection charge may be collected on any
13 installment regardless of the period during which it remains in
14 default. In addition, the contract may provide for the payment
15 by the borrower or debtor of attorney's fees incurred by the
16 lender or creditor. The lender or creditor may enforce such a
17 provision to the extent of the reasonable attorney's fees
18 incurred by him in the collection or enforcement of the
19 contract or obligation. Whenever interest is contracted for or
20 received under this Section, no amount in addition to the
21 charges authorized by this Section may be directly or
22 indirectly charged, contracted for or received, except lawful
23 fees paid to a public officer or agency to record, file or
24 release security, and except costs and disbursements including
25 reasonable attorney's fees, incurred in legal proceedings to
26 collect a loan or to realize on a security after default. This

1 Section does not prohibit the receipt of any commission,
2 dividend or other benefit by the creditor or an employee,
3 affiliate or associate of the creditor from the insurance
4 authorized by this Section.

5 (f) When interest is contracted for or received under this
6 Section, the lender must disclose the following items to the
7 obligor in a written statement before the loan is consummated:

8 (1) the amount and date of the loan contract;

9 (2) the amount of loan credit using the term "amount
10 financed";

11 (3) every deduction from the amount financed or payment
12 made by the obligor for insurance and the type of insurance
13 for which each deduction or payment was made;

14 (4) every other deduction from the loan or payment made
15 by the obligor in connection with obtaining the loan;

16 (5) the date on which the finance charge begins to
17 accrue if different from the date of the transaction;

18 (6) the total amount of the loan charge for the
19 scheduled term of the loan contract with a description of
20 each amount included using the term "finance charge";

21 (7) the finance charge expressed as an annual
22 percentage rate using the term "annual percentage rate".
23 "Annual percentage rate" means the nominal annual
24 percentage rate of finance charge determined in accordance
25 with the actuarial method of computation with an accuracy
26 at least to the nearest 1/4 of 1%; or at the option of the

1 lender by application of the United States rule so that it
2 may be disclosed with an accuracy at least to the nearest
3 1/4 of 1%;

4 (8) the number, amount and due dates or periods of
5 payments scheduled to repay the loan and the sum of such
6 payments using the term "total of payments";

7 (9) the amount, or method of computing the amount of
8 any default, delinquency or similar charges payable in the
9 event of late payments;

10 (10) the right of the obligor to prepay the loan and
11 the fact that such prepayment will reduce the charge for
12 the loan;

13 (11) a description or identification of the type of any
14 security interest held or to be retained or acquired by the
15 lender in connection with the loan and a clear
16 identification of the property to which the security
17 interest relates. If after-acquired property will be
18 subject to the security interest, or if other or future
19 indebtedness is or may be secured by any such property,
20 this fact shall be clearly set forth in conjunction with
21 the description or identification of the type of security
22 interest held, retained or acquired;

23 (12) a description of any penalty charge that may be
24 imposed by the lender for prepayment of the principal of
25 the obligation with an explanation of the method of
26 computation of such penalty and the conditions under which

1 it may be imposed;

2 (13) unless the contract provides for the accrual and
3 payment of the finance charge on the balance of the amount
4 financed from time to time remaining unpaid, an
5 identification of the method of computing any unearned
6 portion of the finance charge in the event of prepayment of
7 the loan.

8 The terms "finance charge" and "annual percentage rate"
9 shall be printed more conspicuously than other terminology
10 required by this Section.

11 (g) At the time disclosures are made, the lender shall
12 deliver to the obligor a duplicate of the instrument or
13 statement by which the required disclosures are made and on
14 which the lender and obligor are identified and their addresses
15 stated. All of the disclosures shall be made clearly,
16 conspicuously and in meaningful sequence and made together on
17 either:

18 (i) the note or other instrument evidencing the
19 obligation on the same side of the page and above or
20 adjacent to the place for the obligor's signature; however,
21 where a creditor elects to combine disclosures with the
22 contract, security agreement, and evidence of a
23 transaction in a single document, the disclosures required
24 under this Section shall be made on the face of the
25 document, on the reverse side, or on both sides, provided
26 that the amount of the finance charge and the annual

1 percentage rate shall appear on the face of the document,
2 and, if the reverse side is used, the printing on both
3 sides of the document shall be equally clear and
4 conspicuous, both sides shall contain the statement,
5 "NOTICE: See other side for important information", and the
6 place for the customer's signature shall be provided
7 following the full content of the document; or

8 (ii) one side of a separate statement which identifies
9 the transaction.

10 The amount of the finance charge shall be determined as the
11 sum of all charges, payable directly or indirectly by the
12 obligor and imposed directly or indirectly by the lender as an
13 incident to or as a condition to the extension of credit,
14 whether paid or payable by the obligor, any other person on
15 behalf of the obligor, to the lender or to a third party,
16 including any of the following types of charges:

17 (1) Interest, time price differential, and any amount
18 payable under a discount or other system of additional
19 charges.

20 (2) Service, transaction, activity, or carrying
21 charge.

22 (3) Loan fee, points, finder's fee, or similar charge.

23 (4) Fee for an appraisal, investigation, or credit
24 report.

25 (5) Charges or premiums for credit life, accident,
26 health, or loss of income insurance, written in connection

1 with any credit transaction unless (a) the insurance
2 coverage is not required by the lender and this fact is
3 clearly and conspicuously disclosed in writing to the
4 obligor; and (b) any obligor desiring such insurance
5 coverage gives specific dated and separately signed
6 affirmative written indication of such desire after
7 receiving written disclosure to him of the cost of such
8 insurance.

9 (6) Charges or premiums for insurance, written in
10 connection with any credit transaction, against loss of or
11 damage to property or against liability arising out of the
12 ownership or use of property, unless a clear, conspicuous,
13 and specific statement in writing is furnished by the
14 lender to the obligor setting forth the cost of the
15 insurance if obtained from or through the lender and
16 stating that the obligor may choose the person through
17 which the insurance is to be obtained.

18 (7) Premium or other charges for any other guarantee or
19 insurance protecting the lender against the obligor's
20 default or other credit loss.

21 (8) Any charge imposed by a lender upon another lender
22 for purchasing or accepting an obligation of an obligor if
23 the obligor is required to pay any part of that charge in
24 cash, as an addition to the obligation, or as a deduction
25 from the proceeds of the obligation.

26 A late payment, delinquency, default, reinstatement or

1 other such charge is not a finance charge if imposed for actual
2 unanticipated late payment, delinquency, default or other
3 occurrence.

4 (h) Advertising for loans transacted under this Section may
5 not be false, misleading, or deceptive. That advertising, if it
6 states a rate or amount of interest, must state that rate as an
7 annual percentage rate of interest charged. In addition, if
8 charges other than for interest are made in connection with
9 those loans, those charges must be separately stated. No
10 advertising may indicate or imply that the rates or charges for
11 loans are in any way "recommended", "approved", "set" or
12 "established" by the State government or by this Act.

13 (i) A lender or creditor who complies with the federal
14 Truth in Lending Act, amendments thereto, and any regulations
15 issued or which may be issued thereunder, shall be deemed to be
16 in compliance with the provisions of subsections (f), (g) and
17 (h) of this Section.

18 (j) For purposes of this Section, "real estate" and "real
19 property" include a manufactured home as defined in subdivision
20 (53) of Section 9-102 of the Uniform Commercial Code that is
21 real property as defined in the Conveyance and Encumbrance of
22 Manufactured Homes as Real Property and Severance Act.

23 (Source: P.A. 92-483, eff. 8-23-01.)

24 Section 10-115. The Motor Vehicle Retail Installment Sales
25 Act is amended by changing Section 2.1 as follows:

1 (815 ILCS 375/2.1) (from Ch. 121 1/2, par. 562.1)

2 Sec. 2.1.

3 "Motor vehicle" means a motor vehicle as defined in The
4 Illinois Vehicle Code but does not include bicycles,
5 motorcycles, motor scooters, snowmobiles, trailers, ~~and~~ farm
6 equipment, and manufactured homes as defined in subdivision
7 (53) of Section 9-102 of the Uniform Commercial Code.

8 (Source: P.A. 77-1167.)

9 Section 10-120. The Retail Installment Sales Act is amended
10 by changing Section 2.1 as follows:

11 (815 ILCS 405/2.1) (from Ch. 121 1/2, par. 502.1)

12 Sec. 2.1. "Goods" means all goods used or purchased
13 primarily for personal, family, or household purposes. "Goods"
14 includes goods purchased primarily for agricultural purposes
15 only for the purposes of the credit disclosure requirements of
16 this Act. "Goods" includes merchandise certificates or coupons
17 issued by a retail seller to be used in their face amount in
18 the purchase of goods or services sold by such a seller but
19 does not include money or other things in action. It also
20 includes goods which are furnished or used, at the time of sale
21 or subsequently, in the modernization, rehabilitation, repair,
22 alteration, improvement, or construction of real estate so as
23 to become a part of that real estate whether or not severable

1 therefrom. "Goods" includes a manufactured home as defined in
2 subdivision (53) of Section 9-102 of the Uniform Commercial
3 Code that is not real property as defined in the Conveyance and
4 Encumbrance of Manufactured Homes as Real Property and
5 Severance Act. "Goods" does not include a motor vehicle as
6 defined in The Illinois Vehicle Code, but does include
7 bicycles, motorcycles, motor scooters, snowmobiles and
8 trailers when purchased primarily for personal, family or
9 household purposes. "Goods" does not include goods used or
10 purchased primarily for business or commercial purposes.

11 (Source: P.A. 77-1166.)

12 ARTICLE 95. NONACCELERATION

13 Section 95-995. No acceleration or delay. Where this Act
14 makes changes in a statute that is represented in this Act by
15 text that is not yet or no longer in effect (for example, a
16 Section represented by multiple versions), the use of that text
17 does not accelerate or delay the taking effect of (i) the
18 changes made by this Act or (ii) provisions derived from any
19 other Public Act.

20 ARTICLE 99. EFFECTIVE DATE

21 Section 99-999. Effective date. This Act takes effect upon
22 becoming law."