**Section 1050.1176 Record Retention**

a) Record Retention. Pursuant to Section 2-4(c) of the Act, each licensee shall retain all records prepared or received in the course of its residential mortgage business for 36 months.

1) For records pertaining to the activities of loan brokering or originating, the 36 month period shall begin on the date of the loan closing or other termination date of the loan process.

2) For records pertaining to buying/selling loans on the secondary market, the 36 month period shall begin on the date the loan was sold.

3) For records pertaining to the servicing of loans, the 36 month period shall begin on the date the loan was paid off or on the date the servicing rights were sold.

b) Format of Retention. Records pertaining to the activities of loan brokering, loan originating, or buying/selling loans on the secondary market may be retained for the 36 month period:

1) In hard copy or paper-based form; or

2) In electronic or digital form. The electronic or digital form must be capable of legible hard copy reproduction and the licensee must accurately and authentically preserve any alterations, erasures or similar indications of changes on the documents. The licensee must also retain documentation that explains the process used to convert hard copy or paper-based documents to electronic or digital formats and specifies the date of conversion, the method of conversion, and the disposition of the original hard copy or paper-based document.

(Source: Amended at 41 Ill. Reg. 12405, effective October 6, 2017)