

HB3188



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB3188

Introduced 2/26/2007, by Rep. Tom Cross

SYNOPSIS AS INTRODUCED:

205 ILCS 635/1-3

from Ch. 17, par. 2321-3

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

LRB095 06083 MJR 26176 b

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Residential Mortgage License Act of 1987 is
5 amended by changing Section 1-3 as follows:

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

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

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

20 (b) No person, partnership, association, corporation, or
21 other entity except a licensee under this Act or an entity
22 exempt from licensing pursuant to Section 1-4, subsection (d),
23 of this Act shall do any business under any name or title, or

1 circulate or use any advertising or make any representation or
2 give any information to any person, which indicates or
3 reasonably implies activity within the scope of this Act.

4 (c) The Commissioner may, through the Attorney General,
5 request the circuit court of either Cook or Sangamon County to
6 issue an injunction to restrain any person from violating or
7 continuing to violate any of the foregoing provisions of this
8 Section.

9 (d) When the Commissioner has reasonable cause to believe
10 that any entity which has not submitted an application for
11 licensure is conducting any of the activities described in
12 subsection (a) hereof, the Commissioner shall have the power to
13 examine all books and records of the entity and any additional
14 documentation necessary in order to determine whether such
15 entity should become licensed under this Act.

16 (d-1) The Commissioner may issue orders against any person
17 if the Commissioner has reasonable cause to believe that an
18 unsafe, unsound, or unlawful practice has occurred, is
19 occurring, or is about to occur, if any person has violated, is
20 violating, or is about to violate any law, rule, or written
21 agreement with the Commissioner, or for the purposes of
22 administering the provisions of this Act and any rule adopted
23 in accordance with this Act.

24 (e) Any person, partnership, association, corporation or
25 other entity who violates any provision of this Section commits
26 a business offense and shall be fined an amount not to exceed

1 \$25,000.

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

8 (g) Licensees under this Act shall solicit, broker, fund,
9 originate, service and purchase residential mortgage loans
10 only in conformity with the provisions of this Act and such
11 rules and regulations as may be promulgated by the
12 Commissioner.

13 (h) This Act applies to all entities doing business in
14 Illinois as residential mortgage bankers, as defined by "An Act
15 to provide for the regulation of mortgage bankers", approved
16 September 15, 1977, as amended, regardless of whether licensed
17 under that or any prior Act. Any existing residential mortgage
18 lender or residential mortgage broker in Illinois whether or
19 not previously licensed, must operate in accordance with this
20 Act.

21 (i) This Act is a successor Act to and a continuance of the
22 regulation of residential mortgage bankers provided in, "An Act
23 to provide for the regulation of mortgage bankers", approved
24 September 15, 1977, as amended.

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

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