



Sen. Kwame Raoul

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09600HB4011sam001

LRB096 05294 MJR 26204 a

1 AMENDMENT TO HOUSE BILL 4011

2 AMENDMENT NO. _____. Amend House Bill 4011 on page 1, line
3 6, by replacing "4-8.3, and" with "4-8.3, 7-1, and"; and

4 on page 6, by replacing lines 1 through 3 with the following:

5 "(1.5) Any employee of a person or entity mentioned in
6 item (1) of this subsection, when acting for such person or
7 entity, or any registered mortgage loan originator when
8 acting for an entity described in subsection (tt) of this
9 Section."; and

10 on page 19, immediately below line 18, by inserting the
11 following:

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

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

1 by replacing line 9 on page 60 through line 22 on page 62 with
2 the following:

3 "(205 ILCS 635/7-1)

4 Sec. 7-1. Registration required; rules and regulations.
5 Beginning 6 months after the effective date of this amendatory
6 Act of the 93rd General Assembly, it is unlawful for any
7 natural person to act or assume to act as a loan originator, as
8 defined in subsection (hh) of Section 1-4, without being
9 registered with the Commissioner unless the natural person is
10 exempt under items (1) and (1.5) of subsection (d) of Section
11 1-4 of this Act. The Commissioner shall promulgate rules
12 prescribing the criteria for the registration and regulation of
13 loan originators, including but not limited to,
14 qualifications, fees, examination, education, supervision, and
15 enforcement. This Section shall not be effective on or after
16 (1) the operability date of January 1, 2011 or (2) the
17 operability date selected pursuant to Section 7-1A of this Act
18 for a mortgage loan originator license; provided, however, that
19 a violation of this Section committed before the operability
20 date remains subject to penalties authorized by this Act.

21 (Source: P.A. 93-561, eff. 1-1-04.)

22 (205 ILCS 635/7-1A new)

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

24 (a) It is unlawful for any individual to act or assume to

1 act as a mortgage loan originator, as defined in subsection
2 (jj) of Section 1-4 of this Act, without obtaining a license
3 from the Director, unless the individual is exempt under
4 subsection (c) of this Section. Each licensed mortgage loan
5 originator must register with and maintain a valid unique
6 identifier issued by the Nationwide Mortgage Licensing System
7 and Registry.

8 (b) In order to facilitate an orderly transition to
9 licensing and minimize disruption in the mortgage marketplace,
10 the operability date for subsection (a) of this Section shall
11 be July 31, 2010, or any later date approved by the Secretary
12 of the U.S. Department of Housing and Urban Development,
13 pursuant to the authority granted under federal Public Law
14 110-289, Section 1508(a), provided that for all individuals who
15 are loss mitigation specialists employed by servicers, the
16 operability date shall be July 31, 2011, or any later date
17 approved by the Secretary of the U.S. Department of Housing and
18 Urban Development pursuant to authority granted under Public
19 Law 110-289, Section 1508(a).

20 (c) The following, when engaged in the following
21 activities, are exempt from this Act:

22 (1) Registered mortgage loan originators, when acting
23 for an entity described in subsection (tt) of Section 1-4.

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

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

4 (4) A licensed attorney who negotiates the terms of a
5 residential mortgage loan on behalf of a client as an
6 ancillary matter to the attorney's representation of the
7 client, unless the attorney is compensated by a lender, a
8 mortgage broker, or other mortgage loan originator or by
9 any agent of a lender, mortgage broker, or other mortgage
10 loan originator.

11 (d) A loan processor or underwriter who is an independent
12 contractor may not engage in the activities of a loan processor
13 or underwriter unless he or she obtains and maintains a license
14 under subsection (a) of this Section. Each independent
15 contractor loan processor or underwriter licensed as a mortgage
16 loan originator must have and maintain a valid unique
17 identifier issued by the Nationwide Mortgage Licensing System
18 and Registry.

19 (e) For the purposes of implementing an orderly and
20 efficient licensing process, the Director may establish
21 licensing rules or regulations and interim procedures for
22 licensing and acceptance of applications. For previously
23 registered or licensed individuals, the Director may establish
24 expedited review and licensing procedures."