

July 2009

Volume 1, Issue 2



PAT QUINN
Governor

Illinois Department of Financial and Professional Regulation – Division of Banking

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The Illinois Mortgage Banking Regulatory Newsletter

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Message from Director Solis



Jorge A. Solis
Division Director

Welcome to the July 2009 issue of *The Illinois Mortgage Banking Regulatory Newsletter*. The Division of Banking continues to communicate important and relevant issues the industry is facing today. Some of the highlights in this issue are reduced Mortgage Banking licensing fees, the Anti-predatory Lending Database Pin Update Request and information regarding audited financial reports, and how it relates to your examination.

I want to thank you for taking the time to read our newsletter and encourage you to peruse the IDFPD website.

LETTER FROM DAVID ESPINOZA DIRECTOR FOR MORTGAGE BANKING

New and exciting changes are happening within our Bureau. In Springfield, the Division of Banking has been moved to a new location. The new mailing address is now IDFPD, Division of Banking, 320 West Washington, 6th Floor, Springfield, IL 62786. Specific to the Mortgage Banking Section, all Mortgage Banking and Loan Originator applications and checks should be sent to this address. Correspondence that does not include a check or application should be mailed to the Mortgage Banking Section at IDFPD – Division of Banking, 122 South Michigan Avenue, Ste. 1900, Chicago, IL 60603.

We will continue to keep you informed on the latest changes within the Bureau of Residential Finance and hope you take advantage of the information provided in this and future issues.

MORTGAGE BANKING LICENSING NEWS

By Karen Harris, Manager of Licensing

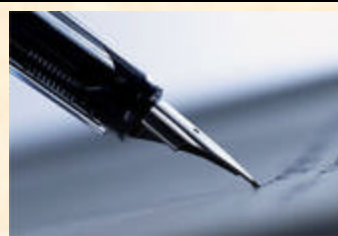
Our new application, new license fee, renewal fee and renewal late fees (assessed by Division staff when applicable) have been reduced. Read about this new legislation under "**Legal News**" for more information.

Mortgage Banking October renewals will go out July 15, 2009. Let me remind you that the renewal application must be returned **45 days** prior to your expiration date in order to allow enough time to run your credit and look for past due amounts, collections, tax liens and judgments. We request that you provide us with a letter of explanation and proof of payment(s) or payment arrangement with your creditors. When filing your renewal application make sure you complete page (7), the "release of audited work papers" section, and list the date of your last audit/compilation.

The Illinois Department of Financial and Professional Regulation (IDFPR) is aware that on April 21, 2009 the Illinois Association of Mortgage Professionals (IAMP) mailed letters informing licensees about a lawsuit that was filed back in July 2003 regarding the overcharge of the licensing fees paid by our licensees. In that letter it talks about becoming a member of the IAMP. IDFPR would like to make it clear, that you do not need to become a member of the IAMP in order to receive a refund. All you have to do to obtain your refund is submit a letter supplying us with your FEIN (Federal Identification Number) so that we may process your refund in a timely manner. You may submit the letter by mail to IDFPR, 122 South Michigan Avenue, Ste. 1900, Chicago, IL 60603.

Effective JUNE 1, 2009 only CERTIFIED CHECKS, CASHIER CHECKS AND MONEY ORDERS are accepted when paying licensing fees, examination fees and fines. If you submit a business or personal check, your check will be returned. Mortgage Banking Licensing questions should be directed to licensing staff by calling 312/793-1409.

Make a note of it!



OUR SPRINGFIELD OFFICE LOCATION HAS MOVED!!!! All applications, invoices and any other correspondence with checks attached should be mailed to the new office location at **IDFPR, Division of Banking, 320 West Washington, 6th Floor, Springfield, IL 62786.** All other correspondence should be mailed directly to IDFPR, Division of Banking, Mortgage Banking Licensing, 122 South Michigan Avenue, Ste. 1900, Chicago, IL 60603.

How many answers can you get right? Be sure to take our quiz on page 6!

LEGAL NEWS

By Alan Anderson, Mortgage Banking Senior Counsel
and Lorelei Botner Abrams, Legal Counsel

REVISED MORTGAGE BANKING FEE SCHEDULE

Governor Pat Quinn signed new legislation (SB 2513) reducing Mortgage Banking licensing fees effective April 5, 2009. The following Mortgage Banking licensing fees, highlighted in green, have been affected:

Change of Name Change of corporate name, adoption of an assumed name, etc.	\$ 50.00
Change of Address Change of office location for corporate <u>or</u> full service office (indicate branch number) location.	\$ 50.00
Change of Officers/Directors Addition or deletion of officer(s) and/or director(s)	\$ 50.00
Change of Ownership/Control Transfer of stock involving 10% or more	\$ 500.00
New License Investigation Fee Paid at the time of initial application	\$1,135.00
New License Fee Paid upon approval of an initial license application	\$908.00
Annual Renewal License Fee	\$2,043.00
Reactivation Fee	\$2,043.00
Additional Full Service Office Each (branch) location in Illinois that is licensed other than the initial corporate location.	\$ 250.00
Duplicate License	\$ 50.00
Fines associated with renewal Fees assessed by the Division for failure to timely renew a Residential Mortgage License.	\$567.50 (first 30 days) \$1,135.00 (each month thereafter)
Fines associated with tardy reports Fees assessed by the Division for failure to submit timely annual audit/compilation reports.	To be determined by Division based on infraction.
Fines associated with enforcement Fees assessed by the Division for disciplinary actions.	To be determined by Division based on infraction.

Renewal late fees are assessed by our Mortgage Banking Section based on the circumstances of the late submission. Please do not pay these fees unless you have been notified they apply to you. If applicable, review the Residential Mortgage License Act and Rules for information concerning fees dealing with disciplinary fines.



FREQUENTLY ASKED QUESTIONS

Q. Is there a charge to use the Anti Predatory Lending Database or do I need to purchase software?

A. No, the database is available on line at www.ilapl.com.

Q. How do I determine if I am exempt from counseling for the Anti Predatory Lending Database program?

A. The FAQ section on the database webpage provides instructions on how to determine if your entity or transaction is exempt – www.ilapl.com. As to exempt entities, the Act references the RMLA. Exempt entities under RMLA are exempt entities under the APLD. There is also a fact sheet posted on www.idfpr.com, DOB, SB1167 Update, which includes information regarding exempt transactions and entities.

Q. If I have clients who need counseling for the Anti Predatory Lending Database, who prints their certificate of completion?

A. There is no such thing as a certificate of completion. There is either a Certificate of Compliance or Certificate of Exemption. Both are issued at closing by the closing agent. No certificate is needed to go to counseling. The file status will be shown as “HC-Ready” (housing counselor ready). The counselor will access the file and perform the required data entry. The file status will then change to “CA-Ready” (closing agent ready). It can then be accessed by the closing agent.

PREDATORY LENDING NEWS

By Ira Tangy, Director of the Residential Real Property Program
and Stan Wojciechowski, Senior Counsel

All licensees doing business in Cook County should be aware of the importance of timely entry of data into the Anti Predatory Lending Database (APLD). The law requires entry within ten days after taking an application. However, it is in everyone’s best interest to enter the data promptly. This way, problems that may arise can be resolved well in advance of the closing. Particular attention should be paid to the property address. Once the PIN has been entered, the database displays the street address associated with that PIN. If the address does not correspond to the address of the subject property, or if any information is missing, a PIN update request should be submitted. This procedure will correct the erroneous information and/or add any missing information. An uneventful closing is ideal, by following these instructions you can avoid unnecessary delay.

Property information on the APLD is referenced to the PIN. Identifying the correct PIN is critical to completing your transaction. Particular attention must be given to newly constructed condominiums where the master PIN has not yet been subdivided. You will know this is the case if the last four digits of the PIN are all zeros. The unit number of the condo is reflected in the last four digits, which will never be four zeros if the individual PIN has been assigned. The PIN entered into the APLD must reflect the specific unit in question and cannot be the master PIN.

In the event the PIN and/or address information for your property is inaccurate for any reason you will need to request a PIN update. For new condo units, a temporary PIN will be assigned which corresponds to the subject unit.

A PIN may be inaccurate for other reasons. The County Recorder or County Assessor records may be out of date or inaccurate. When this occurs, a PIN update can correct the problem for purposes of the APLD. Be sure to include your contact information. The requested change should be entered in the appropriate fields, not the comments. Be prepared to support your update request with documentation. A title commitment in which the PIN and address are stated is usually sufficient.

If your request cannot be verified, it will be denied. You will be notified the reason for denial. Please allow sufficient time to process your request. Do not wait until the day of closing to submit. If you have questions or concerns, you may speak with a customer service representative by calling 888-455-2753. Be sure to have your user name, property address and PIN available.

EXAMINATION NEWS

By Michael Garvin, Manager of Examinations

In this issue I would like to discuss Audited Financial Reports. Licensees should be aware that the examination process includes the production of audited financial reports to the Examiner in Charge. The audited financial reports are necessary for the Examiner in Charge to calculate compliance with the net worth and cash equivalent requirements.

Licensees also must be aware that production of the audited financial reports during an Examination DOES NOT satisfy compliance with Sec. 3-2(g) of the Act. Under Sec. 3-2(g), the audited reports must be filed with the agency's Licensing Department within 90 days after the end of each fiscal year. This ensures that the agency will have the audited financial reports from the licensee on an annual basis, even when the licensee may not be subject to an examination for 2 or 3 year interims.

Note that Rule 1050.430 authorizes the agency to collect a late fee from the licensee if the audited financial reports are not filed with the Licensing Department within 90 days after the end of each fiscal year. The late fee consists of "\$50.00 per calendar day for up to three months."

To file the audited financial reports with the Licensing Department the licensee should simply mail a copy to the IL Department of Financial & Professional Regulation, Division of Banking, Attn: Mortgage Banking Licensing, 122 S. Michigan Ave., 19th Floor, Chicago, IL 60603.

Examination invoices are mailed at the conclusion of an exam. Fees are due within 30 days of the date of the invoice. Submit a copy of your invoice and a CERTIFIED CHECK, MONEY ORDER OR CASHIER'S CHECK to IDFPR, Division of Banking, 320 West Washington Street, 6th Floor, Springfield, IL 62786. Failure to submit payment within 30 days of the date of the invoice will initiate bond claim procedures.

SUPERVISION NEWS

By Susan Hines, Manager of Supervision

Many licensees who received a #4 composite rating are currently in the supervision process in order to determine their ability to come into compliance with the Act and Rules. That #4 rating requires the licensee to have its next compliance examination within 12 months per Section 1050.425 (c) of the Administrative Rules. Therefore, a licensee currently in Supervision as listed above may **also** have another compliance examination scheduled and conducted simultaneously with the supervision of their previous exam results. These issues should be treated separately. Please contact the Mortgage Banking Examination Section regarding questions concerning a compliance examination being conducted or to be conducted, or contact Supervision at (312) 793-1529, if your previous examination findings were transferred to Supervision.

Licensees whose examination results have been transferred to Supervision and are contemplating the surrender of their license should contact Supervision immediately regarding their response to the examination findings and any meetings currently scheduled to discuss the examination findings. Failure to attend a meeting, respond to exam findings, or contact this Office will result in the licensee's file being forwarded to the Mortgage Banking Legal Department, with a recommendation that the license be suspended or revoked for failure to respond to Department-requested information.

TEST YOUR KNOWLEDGE – TAKE OUR QUIZ

1. How many days does the law require a Mortgage Banking licensee doing business in Cook County to enter data into the Anti-Predatory Lending Database after taking an application?
2. Where do I enter changes to the property information for the PIN updates to the Anti-Predatory Lending Database?
3. When does the Licensing Department initiate a late fee for tardy audited financial reports?
4. A Mortgage Banking Examination Fee is due 30 days of the invoice date. True or False.

Answers are found on page 7

LOAN ORIGINATION NEWS

By John Bucari, Manager of Loan Origination

If a loan originator failed to renew by June 30, 2009, s/he may still renew up to August 31, 2009 but a \$50 late fee will be imposed. Any loan originator whose renewal is postmarked after August 31, 2009, the renewal will not be accepted and it will be returned to the sender. The individual will be required to restart the registration process. If you are required to restart the registration process, please follow the steps found on our website: <http://www.obre.state.il.us/resfin/LO/LORestart.htm>

Please remember to inform the Mortgage Banking Section of your change of address. It is your responsibility to ensure that the Section is kept current with your mailing address as well as your personal address. An individual may also go on-line and update the home and/or mailing address. The update is not instantaneous as Division staff must review each address change prior to it being updated in the system.

Transfer requests cannot be performed on-line and must be submitted to the Loan Origination Section using a transfer form along with the \$35 fee. Please remember that personal and business checks are not accepted only certified checks, money orders or cashier's checks will be accepted in payment of licensing fees.



Quiz Answers: **1.** The law requires entry within 10 days after taking an application, it is in your best interest to enter the data promptly. **2.** Choose PIN Update in the application menu. Then choose "Enter PIN Update" "Then click "Update Data." Enter the corrected data in the "Updated Data" field in addition to detailing your request under comments. A phone number and email is useful if there are questions in processing your update. **3.** Rule 1050.430 authorizes the agency to collect a late fee from the Licensee if the audited financial reports are not filed with the Licensing Department within 90 days after the end of each fiscal year. The late fee is \$50.00 per calendar day for up to three months. **4.** True. Failure to submit payment within 30 days will initiate bond claim procedures.

CALL CENTER NEWS

By Michael Zurek, Manager of the Call Center

The Call Center is the primary Unit of the Mortgage Banking Section to receive incoming phone calls. It is important to have your license number and any other documentation or information associated with your inquiry convenient in order for Call Center personnel to refer you to the correct area.

IMPORTANT CONTACT INFORMATION:

Division of Banking Call Center	1-866-266-4120
Mortgage Fraud Hotline	1-800-532-8785
Illinois Anti-Predatory Lending Database Hotline	1-888-455-2753
Homeowner's Hope Hotline	1-888-995-HOPE (4673)
US Department of Treasury	202-622-2000
US Dept. of Housing and Urban Development	202-708-1112
Applied Measurement Professionals, Inc. (AMP)	913-895-4600

IMPORTANT WEBSITE LINKS:

Financial Literacy 101	http://www.ildpr.com/finlit101/default.asp
Illinois Attorney General	http://www.illinoisattorneygeneral.gov
Veritec Solutions, LLC (APLD Tech Support)	http://www.veritecs.com/
Illinois Association of Mortgage Professionals	www.iamp.biz
Illinois Mortgage Bankers Association (IMBA)	www.imba.org
Applied Measurement Professionals, Inc. (AMP)	http://www.goamp.com/
US Dept. of Housing and Urban Development	www.hud.gov
US Treasury	http://www.ustreas.gov/



CONTACT US:

You can find our contact information by visiting our Bureau of Residential Finance Staff Roster webpage at <http://www.obre.state.il.us/resfin/staff/RFRoster.htm>.

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