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PAT QUINN
Governor

Illinois Department of Financial and Professional Regulation – Division of Banking

BRENT E. ADAMS
Secretary

JORGE A. SOLIS
Director of Banking

The Illinois Mortgage Banking Regulatory Newsletter

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Message from Director Solis



Jorge A. Solis
Division Director

Welcome to the October 2009 issue of *The Illinois Mortgage Banking Regulatory Newsletter*. The Division of Banking is dedicated to keeping the Mortgage Banking Industry informed on current issues. We are proud to announce the first steps in our transition to the **Nationwide Mortgage Licensing System (NMLS)**. In this issue we are covering pro-rated renewal and licensing fees as we proceed to NMLS, updated information relating to Mortgage Banking fees and information pertaining to our NMLS transition. We are also going to talk about proposed RMLA Rules, Public Act 96-0112 (House Bill 4011) and loan modifications.

I want to thank you for taking the time to read our newsletter and making an effort to stay abreast of very important and exciting changes in the industry today.

LETTER FROM DAVID ESPINOZA DIRECTOR FOR MORTGAGE BANKING

I am very excited about our transition to NMLS and want to take a moment and convey our efforts to help guide you through our transition in this issue and future issues of our Newsletter.

We encourage you to take a look at our quarterly newsletter as we continue to keep you informed on the latest changes within the Bureau of Residential Finance, particularly in our Licensing Section. Some of you are already familiar with NMLS and others haven't had the opportunity to participate. Together, we will work through this transition period.

MORTGAGE BANKING LICENSING NEWS

By Karen Harris, Manager of Licensing

The transition to NMLS for the State of Illinois is provoking many new changes in the Licensing Section. Important NMLS information is provided at <http://www.obre.state.il.us/NMLS/default.htm> and will be updated periodically to keep you informed as transition changes occur. First and foremost, our renewal fees will be **pro-rated** beginning **October 1, 2009 through October 31, 2010**. New application license fees beginning **January 1, 2010** will be a combined investigation/new license fee of **\$2,043.00** and new license applications will be facilitated through NMLS.

Pursuant to Public Act 96-0112 (House Bill 4011), effective July 31, 2009, the Department of Financial and Professional Regulation, Division of Banking is changing the renewal date for all residential mortgage licenses as part of its implementation of NMLS. All licenses coming up for renewal will now have an expiration date of **December 31, 2010** and renewal fees are pro-rated from the 12-month renewal fee amount. Please submit your renewal and certified check, cashier's check or money order (personal and company checks will not be accepted) for the amount indicated on the renewal notice that will be mailed to you via U.S. Mail. Full service offices (branches) will be established and/or renewed through NMLS beginning **January 1, 2010** following the NMLS procedures and by submitting the IL State Required documents to IDFPR for each branch located ***within the State of Illinois.***

Pro-Rated Renewal Fees October 2009 through October 2010

Renewal Month	Renewal Fee
October-09	\$2,554.00
November-09	\$2,384.00
December-09	\$2,213.00
January-10	\$2,043.00
February-10	\$1,873.00
March-10	\$1,703.00
April-10	\$1,532.00
May-10	\$1,362.00
June-10	\$1,192.00
July-10	\$1,022.00
August-10	\$851.00
September-10	\$681.00
October-10	\$511.00

MORTGAGE BANKING LICENSING NEWS (Cont.)

If you have licensing questions, please refer to the FAQs found in this newsletter or contact the Agency's Call Center at 312/793-4190. For NMLS questions, please contact the NMLS Call Center at 240/386-4444 or go to the NMLS Resource Center at <http://mortgage.nationwidelicensingsystem.org/Pages>.

Three new proposed license fee policies will be implemented in 2010, 1) a \$50.00 fee will be charged for the Change of Activity Application (found on our website under "forms"), 2) all Mortgage Banking fees submitted will be non-refundable and 3) a \$50.00 NSF penalty fee will be implemented if a check does not clear. Pay close attention to pro-rated renewal fees the month you are renewing your license in 2010. Indicate on the State Required Documents found on NMLS which branches you are renewing.

The Change of Activity Application was newly created in 2008 in order to make the necessary activity changes in our licensing database as they occur. Please make sure your activity percentages reflect the business your company is performing. A new fee of \$50.00 will be implemented in 2010 for this application to be processed in Licensing. It is a requirement to keep the activity percentages up to date to avoid penalty fees or disciplinary action.

Because of our transition to NMLS, there was a 2 week delay in sending out the Mortgage Banking October renewals when the pro-rated renewal fees were implemented. They were mailed on August 14, 2009. November renewals were mailed on August 28, 2009 and December renewals were mailed on September 22, 2009. Surrenders will be facilitated through NMLS beginning January 1, 2010.

As a reminder, effective JUNE 1, 2009 only CERTIFIED CHECKS, CASHIER CHECKS AND MONEY ORDERS are accepted when paying pro-rated renewal fees, examination fees and fines. If you submit a business or personal check, your check will be returned. Please make sure you are submitting fees to our new Springfield office location at 320 West Washington, 6th Floor, Springfield, IL 62786. Mortgage Banking Licensing questions should be directed to the Agency's Call Center at 312/793-4190.

Make a note of it!



OUR SPRINGFIELD OFFICE LOCATION HAS MOVED!!!! Checks should be mailed to the new office location at **IDFPR, Division of Banking, 320 West Washington, 6th Floor, Springfield, IL 62786**. Mail sent to our former address will be returned to you. All other correspondence should be mailed directly to IDFPR, Division of Banking, Mortgage Banking Licensing, 122 South Michigan Avenue, Ste. 1900, Chicago, IL 60603.

LEGAL NEWS

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

Preparations are under way for the implementation of NMLS and Registry in Illinois. The projected start date is January 1, 2010. Be sure to peruse this newsletter for additional information regarding NMLS.

Currently revisions to the Rules of the Residential Mortgage License Act of 1987 are being drafted by the Department to implement Public Act 96-0112 (HB 4011) and the federal SAFE Act as well as to improve upon existing rules provisions. The Department will post a notice that the proposed rules have been filed for First Notice and public comment on the website as soon as they are available.

FREQUENTLY ASKED QUESTIONS

Q. What is Public Act 96-0112?

A. Public Act 96-0112 (House Bill 4011) effective July 31, 2009, authorizes the Illinois Department of Financial and Professional Regulation to implement the Nationwide Mortgage Licensing System (NMLS) as required under the federal SAFE Act.

Q. Who is affected by Public Act 96-0112?

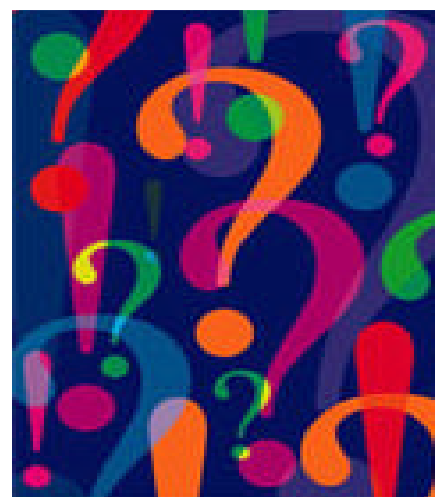
A. All mortgage bankers, mortgage brokers, and loan originators subject to the Residential Mortgage License Act of 1987, both existing licensees/registrants and new applicants.

Q. When will these changes begin to affect me as an IL Residential Mortgage Licensee or Applicant?

A. The transition to NMLS begins with October 2009 license renewals and new license applications approved in October, November and December of 2009. Attached to your license renewal application will be a 'License Renewal Notice' informing you of your pro-rated license renewal fee amount through October 31, 2010. For new license applicants, the Department will provide the pro-rated license fee amount to December 31, 2009 for each applicant after the investigation of the application is approved. For new license applicants beginning January 1, 2010, the investigation fee and new license fee will be combined into one fee of \$2,043.00 due at the time the application is submitted through NMLS.

Q. Is there a way to find out what my pro-rated renewal fee will be when my renewal application is due?

A. Yes. In addition to the License Renewal Notice informing you what your pro-rated renewal fee is when you receive your renewal application package, you can look at the Pro-Rated Renewal Fee table found on our website at <http://www.obre.state.il.us/RESFIN/Forms/rfformsb.htm> under "Guidelines for Licensing Renewal Process."



FREQUENTLY ASKED QUESTIONS (Cont.)

Q. When can I register with the Nationwide Mortgage Licensing System for the State of Illinois?

A. You can establish your company base record and obtain your unique identifier at any time. All mortgage bankers/brokers must have completed their base record on or before March 31, 2010.

Q. When will the Department transition all applications for Mortgage Banking licenses/renewals solely to the Nationwide Mortgage Licensing System?

A. The Department will direct that all applications be made through the NMLS beginning November 1, 2010. Additional information will be provided.

Q. Will I be able to pay all of my Mortgage Banking Licensing fees through NMLS?

A. No, each type of fee has a timeline as to when it will be facilitated solely through NMLS and there will be other fees that will be processed by the Department. They are as follows:

Amendments to the current license (change of address, name, officer, ownership), new branch fees and new license application fees will be facilitated through NMLS beginning January, 2010. Main office Renewal fees will be pro-rated and facilitated through the Department through October 31, 2010 and existing branch renewals will be facilitated through NMLS beginning January, 2010. All activity change fees, license reactivation fees, exam fees and fines will be facilitated through the Department until further notice.

Q. What if I have additional questions regarding Public Act 96-0112?

A. The Department will be posting additional information on the transition to the NMLS for mortgage bankers, mortgage brokers, and loan originators on the Department's website at www.idfpr.com.

Nationwide Mortgage Licensing System Transition News

By Stan Wojciechowski, Senior Counsel

Transition Plan for IL Residential Mortgage Licensees: Illinois Department of Financial and Professional Regulation

Overview:

Illinois is transitioning to the NMLS over a 15 month period from **October 1, 2009 to December 31, 2010**. During this transition period, the process of renewal and new licenses dealing with IL Residential Mortgage Licensees and Loan Originators will be facilitated through this Agency and NMLS. Beginning in **January, 2011**, licensing functions will be facilitated through NMLS only. No application will be facilitated through NMLS prior to **January, 2010**. During this transition, licensees should consult Illinois specific license requirements and checklists. Details are provided below.

Current IL Residential Mortgage Licensees:

TRANSITION to NMLS: Companies currently holding an active **Residential Mortgage License** in Illinois have until **March 31, 2010** to complete and submit through NMLS a Form MU1 for the main office and a Form MU2 for each control person.

Additionally, each company must complete and submit through NMLS, a Form MU3 by **March 31, 2010**, for each of their existing additional full service (branch) offices.

It is important that current licensees have all of their Illinois license numbers available when completing and submitting their Form MU1 and Form MU3(s). By completing these forms, you have transitioned into NMLS, but this action alone does not meet the State specific requirements to renew your license.

MAIN OFFICE RENEWALS: IL Residential Mortgage Licensees who are renewing their license from **October 1, 2009 through December 31, 2009** will renew their license using the traditional Renewal Application provided by Mortgage Banking Licensing via U.S. Mail. Licensees renewing their license from **January 1, 2010 through October 31, 2010** will do so by utilizing the required State specific documents, using the links provided on NMLS, once the licensee has transitioned to NMLS. Licenses renewed during our transition period from **October 1, 2009 through October 31, 2010** will expire on **December 31, 2010**.

MORTGAGE BANKING LICENSING RENEWAL FEES: All Renewal Fees will be prorated from **October 1, 2009 through October 31, 2010**. You will be notified of the appropriate fee by the Mortgage Banking Licensing Section. For all other fees, you can view our "Fee Schedule" found on our website at <http://www.obre.state.il.us/RESFIN/Forms/rfformsb.htm>.

BRANCH OFFICE RENEWALS: Current branch offices renewing their license from **October 1, 2009 through December 31, 2009** will renew with the main office using the traditional Renewal Application provided by Mortgage Banking Licensing via U.S. Mail. Branch offices renewing their license from **January 1, 2010 through October 31, 2010** will do so through NMLS and by utilizing the required State specific documents, using the links provided on NMLS, once the main office has transitioned to NMLS. Licenses renewed during our transition period from **October 1, 2009 through October 31, 2010** will expire on **December 31, 2010**.

LICENSE CHANGES: Amendments to a Mortgage Banking license including, but not limited to, change of address, name, ownership or officer/director, a surrender of a license or any other action must be submitted using the applicable required Illinois State specific documents and checklists that can be obtained on the Illinois website at <http://www.obre.state.il.us/RESFIN/Forms/rfformsb.htm> until **December 31, 2009**. Beginning **January 1, 2010**, all amendments, with the exception of a change of activity, must be made through NMLS and by completing the required State specific documents, using the links provided on NMLS, once the main office has transitioned to NMLS. A change of activity will be facilitated through the Department until further notice.

IMPORTANT NOTE: Licensees must mail the applicable required Illinois specific licensing documents and fees detailed on the appropriate checklist to: IL Department of

Financial and Professional Regulation – Division of Banking, Attn: Mortgage Banking Licensing, 320 West Washington, 6th Floor, Springfield, IL 62786. The Mortgage Banking Licensing Section will notify the licensee of deficiencies upon review of all licensing submissions.

LOAN ORIGINATOR SPONSORSHIP: IL Residential Mortgage licensees who wish to establish or terminate a sponsorship of a mortgage loan officer license will need to submit an application to the **IL Department of Financial and Professional Regulation – Division of Banking, Attn: Loan Originator Section, 320 W. Washington, 6th Floor, Springfield, IL 62786** until all of your Loan Originators are registered in NMLS or until **August 31, 2010**. As of **September 1, 2010**, all mortgage loan originator transfers and/or terminations must be filed through NMLS.

New Mortgage Banking and New Branch Office License Applications:

To become a new IL Residential Mortgage Licensee the “Application for a Residential Mortgage License” can be found on the Illinois website at <http://www.obre.state.il.us/RESFIN/Forms/rfformsb.htm> until **December 31, 2009**. New license applicants from **January 1, 2010** onward will complete the MU1 and MU2 for a **Residential Mortgage License** in Illinois through NMLS and submit the required State specific documents using the links provided on NMLS. A Form MU1 is required for the main office and a Form MU2 is required for each control person. Licenses obtained during our transition period from **October 1, 2009 through October 31, 2010** will expire on **December 31, 2010**.

To establish a branch office, a company must complete the “Application to Establish a Full Service Office” found on the Illinois website at <http://www.obre.state.il.us/RESFIN/Forms/rfformsb.htm> until **December 31, 2009**. To establish an **Additional Full Service Office License** beginning on **January 1, 2010**, a company must complete and submit a Form MU3 through NMLS and submit the required State specific documents using the links provided on NMLS.

Note: If you or your company is currently established in NMLS, it is not necessary to re-register in NMLS. You will only need to apply for the appropriate license in Illinois and complete the additional state requirements.

NOTE: This information is current as of 12/1/09 but is subject to change, if necessary, as we progress through the transition to NMLS.

Illinois Department of Financial and Professional Regulation Transition to NMLS for Loan Originators

Overview:

Illinois is transitioning to the NMLS over a 15 month period from **October 1, 2009 to December 31, 2010**. During this transition period, the process of renewal and new licenses dealing with IL Residential Mortgage Licensees and Loan Originators will be facilitated through

this Agency and NMLS. Beginning in **January, 2011**, licensing functions will be facilitated through NMLS only. No application will be facilitated through NMLS prior to **January, 2010**. During this transition, licensees should consult Illinois specific license requirements and checklists.

(Nota Bene for Attorneys: Illinois licensed attorneys are NOT exempt from the NMLS education requirement.)

Instructions for Illinois Mortgage Loan Originator (MLO) License

ESTABLISHED LOAN ORIGINATORS (Licensed prior to July 31, 2009): The following instructions are for existing mortgage loan originators licensed prior to July 31, 2009 who will be making the transition to NMLS. (If you were licensed prior to July 31, 2009 but failed to renew your license in the 2009 renewal cycle, and restarted the licensing process, you are considered a NEW mortgage loan originator. Please skip to the ESTABLISHED LOAN ORIGINATORS licensed after July 31, 2009 section).

1. Mortgage loan originators in Illinois have until **August 31, 2010** to complete and submit a Form MU4 through the NMLS.
2. All mortgage loan originators, to be able to have their education certified, must have established an NMLS record and obtained a unique ID number by **December 31, 2009**.
3. All individuals acting as a mortgage loan originator must have filed or file an MU4 with NMLS between **April 1, 2010 and December 31, 2010**.
4. Mortgage loan originators who have completed 20 hours of State approved pre-license coursework and/or continuing education by **December 31, 2009**, must have their education certified by an Illinois approved certification source. The two sources are: the **Illinois Association of Mortgage Professionals**, and the **Real Estate Institute**. This certification will meet the State requirement for having fulfilled the pre-license educational requirements.

Real Estate Institute - www.InstituteOnline.com
Phone: 1/800-995-1700

Illinois Association of Mortgage Professionals - www.iamp.biz
Phone: 630/916-7720

5. State-specific background requirement for credit history will continue to be submitted to Applied Measurement Professionals (AMP).
6. State-specific background requirement for fingerprinting will continue to be submitted to AMP. Fingerprinting must be obtained through one of the State approved sources. The list of approved sources may be found at the IDFPR website: <http://www.obre.state.il.us/resfin/LO/LOUpdate.htm> Beginning **January 25, 2010** all fingerprinting must be completed with the NMLS approved vendor (Field Print).
7. Mortgage loan originators who have not completed 20 hours of State approved pre-license coursework and/or continuing education by **December 31, 2009**, will not be certified and will be required to complete the 20 hours of NMLS approved pre-license coursework by **June 30, 2010**.

8. Beginning **March 12, 2010**, mortgage loan originators may begin enrolling and scheduling for the national and state test components through NMLS. The first state test appointments will be available beginning **April 12, 2010**. All mortgage loan originators will be required to pass both examination test components by **October 31, 2010**.
9. Transfers for mortgage loan originators must be completed and submitted using the State specific documents. This document may be found at <http://www.obre.state.il.us/resfin/Forms/LoanOriginatorTransferApp.pdf> and filed with IDFPR up to **August 31, 2010**. Transfers of sponsorship must be filed through NMLS beginning **September 1, 2010**.
10. Address and/or name changes must be completed using State specific documents found at <http://www.obre.state.il.us/resfin/LO/LOReplaceNameChange.pdf> and filed with IDFPR until **August 31, 2010**. All address/name changes must be made through NMLS beginning **September 1, 2010**.

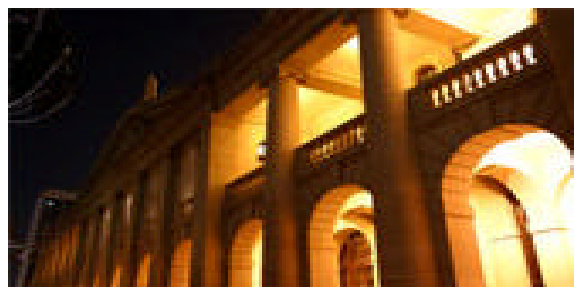
ESTABLISHED LOAN ORIGINATORS (Licensed after July 31, 2009): The following instructions are for existing mortgage loan originators licensed subsequent to July 31, 2009 who will be making the transition to NMLS. This Section includes those individuals who restarted the license procedure after July 31, 2009.

1. Mortgage loan originators in Illinois have until **August 31, 2010** to complete and submit a Form MU4 through the NMLS.
2. All mortgage loan originators, to be able to have their education certified, must have established an NMLS record and obtained a unique ID number by **December 31, 2009**.
3. All individuals acting as a mortgage loan originator must have filed or file an MU4 with NMLS between **April 1, 2010 and December 31, 2010**.
4. Beginning **March 12, 2010**, mortgage loan originators may begin enrolling and scheduling for the national and state test components through NMLS. The first state test appointments will be available beginning **April 12, 2010**. All mortgage loan originators will be required to pass both test components by **October 31, 2010**.
5. All mortgage loan originators who received their license after **July 31, 2009** (including those who were required to restart) will be required to complete the 20 hours of NMLS approved pre-license coursework by **December 31, 2009**.
6. State-specific background requirement for credit history will continue to be submitted to AMP.
7. State-specific background requirement for fingerprinting will continue to be submitted to AMP. Fingerprinting must be obtained through one of the State approved sources. The list of approved sources may be found at the IDFPR website: <http://www.obre.state.il.us/resfin/LO/LOUpdate.htm> Beginning **January 25, 2010** all fingerprinting must be completed with the NMLS approved vendor (Field Print). Transfers for mortgage loan originators must be completed and submitted using the State specific documents. This document may be found at <http://www.obre.state.il.us/resfin/Forms/LoanOriginatorTransferApp.pdf> and filed with IDFPR up to **August 31, 2010**. Transfers of sponsorship must be filed through NMLS beginning **September 1, 2010**.
9. Address and/or name changes must be completed using State specific documents found at <http://www.obre.state.il.us/resfin/LO/LOReplaceNameChange.pdf> and filed with IDFPR until **August 31, 2010**. All address/name changes must be made through NMLS beginning **September 1, 2010**.

NEW LOAN ORIGINATOR: These instructions are for new mortgage loan originators who are contemplating applying for an Illinois mortgage loan originator license. (If you have made application for your MLO to the State of Illinois and have sat for the license exam, please skip to the ESTABLISHED LOAN ORIGINATORS licensed after July 31, 2009 section).

1. Applications for mortgage loan originators must be submitted to AMP up to **March 31, 2010**.
2. Beginning **April 1, 2010**, all new applications for mortgage loan originators must be made by using the MU4 form and filed with the appropriate fees to NMLS.
3. Beginning **March 12, 2010**, mortgage loan originators may begin enrolling and scheduling for the national and state test components through NMLS. The first state test appointments will be available beginning **April 12, 2010**. All mortgage loan originators will be required to pass both test components by **October 31, 2010**.
4. State-specific background requirement for credit history will continue to be submitted to AMP.
5. State-specific background requirement for fingerprinting will continue to be submitted to AMP. Fingerprinting must be obtained through one of the State approved sources. The list of approved sources may be found at the IDFPR website: <http://www.obre.state.il.us/resfin/LO/LOUpdate.htm> Beginning **January 25, 2010** all fingerprinting must be completed with the NMLS approved vendor (Field Print).
6. New applicants who fail to furnish all documentation within 30 days of submittal of an MU4 with NMLS or their initial application to AMP (for those submitted to AMP no later than March 31, 2010) will have their applications cancelled.
7. Be advised that all licensees will be required to sit for the National and State components with Pearson Vue even if an applicant has successfully passed the licensing examinations with AMP. The transition retesting requirement can only be fulfilled with the successful completion of the licensing examinations with Pearson Vue.
8. All new applicants will be required to have completed the required 20 hours of pre-license course work prior to being accepted for the examination.

NOTE: This information is current as of 12/1/09 but is subject to change, if necessary, as we progress through the transition to NMLS.



PREDATORY LENDING NEWS

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

“Loan modifications” is definitely a topic of interest and warrants a place in this issue of our Newsletter. The Mortgage Fraud Act prohibits RMLA (Residential Mortgage Licensing Act) licensees from accepting money up front when doing loan modifications. New legislation

PREDATORY LENDING NEWS (Cont.)

regulating the requirements for processing loan modifications is currently pending. For any questions regarding this, please call Ira Tangy at the Division of Banking at 312/793-4532.

Pertinent information about loan modification scams has been posted on our website. It points out things to look for and provides links for free assistance. Please take a moment to review this information at www.idfpr.com, click the link for Division of Banking and look for "Hot Topics." Under that heading, you'll see a link that states "Beware of Mortgage Loan Modification Scams - Get Free Help."

The loan modification survey that we conducted had a 99% turnout rate. The results reveal that only 130 out of 1,486 (9%) licensees are performing loan modifications.

We conducted a survey of the top 10 loan servicers in Illinois to ascertain how many are performing loan modifications, given the Home Affordable Modification Program (HAMP). We discovered that 3 of the 10 are presently doing HAMP loan modifications and the rest are negotiating terms with Fannie Mae and Freddie Mac in order to do them. Some need to update their internal systems to enable them to do HAMP modifications.

We also polled the top 10 servicers to determine if they are receiving calls and requests from individuals who want to invoke their remedies under the Homeowner Protection Act (SB 2513).

When entering loans into the Anti-Predatory Lending Database, please be aware that borrower income is a required field for ALL loans, including FHA Streamline. The income is not required to be verified, but an accurate figure must be entered. Never enter zero or a nominal figure, such as one dollar, unless that is, in fact, the borrower's actual income. The requirements of the FHA and the APLD are different. The fact that the FHA program does not require income to be entered does not eliminate the requirement to enter income into the APLD.

EXAMINATION NEWS

By Michael Garvin, Manager of Examinations

Greetings, from the Examinations Team! I wanted to bring to your attention certain changes regarding the TILA (Truth-in-Lending) disclosure requirements. While the details of all of the changes are too extensive to address in this newsletter, for your convenience, I have set forth a summary of some of the more basic changes:

- In addition to purchase money loans for primary residences, consumers must be provided the TILA disclosures for refinance transactions, home equity loans, and purchase money loans for non-primary residences.
- Consumers must be provided with the initial TILA disclosures at least seven business days before the closing of a covered loan.
- Consumers must be provided with the corrected TILA disclosure at least three business days before the closing of a covered loan.

EXAMINATION NEWS (Cont.)

- Corrected TILA disclosures are required at any time during the process if the APR increases by more than .125 in a fixed rate transaction or by more than .25 in an ARM or interest only transaction.
- Within 30 days after a mortgage loan is sold, transferred or assigned to a third party, the new creditor must notify the borrower in writing and include the information on how to contact the new creditor.

If you have any questions regarding these changes, I would be happy to address them. I can be contacted by calling 312/793-8736.

SUPERVISION NEWS

By Susan Hines, Manager of Supervision

Supervision Bits: Extension Requests for Supervision Requirements.

You are a Mortgage Banking licensee and you have been contacted by the Supervision Section of the Bureau of Residential Finance and you are wondering – Why? If your last or current compliance examination resulted in a #4 composite rating, your file will automatically be transferred to the Mortgage Banking Supervision Section (referred to as “Supervision”) in order to determine your ability to come into compliance with the Act and Rules. You will likely attend a meeting with me at our Chicago offices to discuss the violations noted in the Report of Examination, and to discuss corrective actions that have taken place or will take place to ensure the violations do not occur again. Response dates will be established for you to provide a written response, corrective documents, revised policies and procedures, or a combination of these items, so that a determination of your company’s compliance may be ascertained.

It is extremely important that the requested information is provided by the established due dates. Failure to fully respond to exam findings or additional requests for information may result in an enforcement action being recommended against the licensee for failure to respond to Agency-requested information. However, the Agency does recognize that circumstances occur that may hinder a licensee’s ability to properly and completely respond by a previously established due date. Licensees in this situation should immediately contact Supervision in writing, by e-mail or facsimile, should an extension of time to provide requested information be needed. The request should be reasonable and for cause. Be advised however, that simply requesting an extension does not guarantee the extension will be granted, or that the duration of the extension will be approved.

I can be contacted at Susan.a.hines@illinois.gov (e-mail) - 312-793-1529 (phone) - 312/ 793-4188 (fax).



LOAN ORIGINATION NEWS

By John Bucari, Manager of Loan Origination

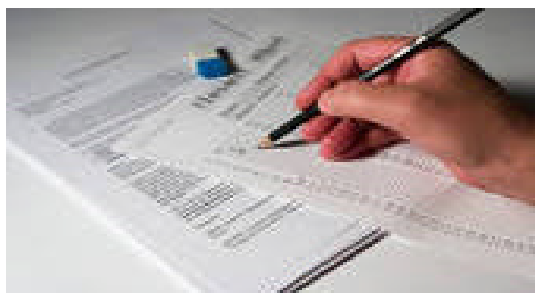
The 2009 RENEWAL cycle has come to a close as of June 30, 2009 with the late renewals having been accepted with a date no later than August 31, 2009. For any loan originator that failed to submit his/her renewal by August 31, 2009, that person will be required to restart the registration process. To obtain information about how to restart, please refer to our webpage:

<http://www.obre.state.il.us/resfin/LO/LORestart.htm>

As for the eventual transition to the NMLS licensing requirements, Illinois is working diligently towards making the transition as smooth as possible for the profession's practitioners. Those who wish to register with the NMLS, may refer to the appropriate website at:

<http://www.stateregulatoryregistry.org/NMLS/AM/Template.cfm?Section=Home3>

All currently ACTIVE Illinois loan originators are encouraged to create a base record and obtain your unique identifier number at your earliest convenience. You may also take the National component of the licensing exam at any time. Once you have created your base record and obtained your unique identifier, you may access the above NMLS Resource Center website to register and pay for the exam. Pearson Vue, the testing service, has approximately 500 testing locations throughout the country. If you just wish to create a base record at this time and not sit for the exam, there is no charge for that. Individuals who are licensed in multiple states can sit for the various state portions of the exams in any approved test center. Example: If you are licensed in Illinois and Wisconsin, you can sit for the state exams for both states in either Illinois or Wisconsin or at any other location in the country. Please be advised Applied Measurement Professionals (AMP) will not be the testing service for loan origination examinations. It is anticipated that the Illinois State examination will be available April 12, 2010. (Please note that AMP will continue to provide testing service for the Real Estate professions.)



Illinois expects to make the transition in the latter portion of 2010. The 2009 renewed licenses, which loan originators recently completed, will expire on June 30, 2010. It is the intention of this agency to then perform a six month renewal from July 2010 through December 2010. Those certificates will expire on December 31, 2010 but the loan originators will be able

LOAN ORIGINATION NEWS (Cont.)

to renew using the NMLS licensing system during the month of December with the new effective date of their renewed license being January 1, 2011.

PLEASE NOTE: New applications for the loan solicitor (032) designation are no longer accepted by this agency. Individuals who are currently registered as loan solicitors will be able to perform their duties up to June 30, 2010 but after that date they will not be allowed to practice loan solicitation.

As more details become available this office will notify loan originators with that pertinent information.

CALL CENTER NEWS

By Michael Zurek, Manager of the Call Center

The call center receives many calls regarding accessing the Illinois Anti Predatory Lending Database, which is required when taking mortgage applications for Cook County Properties. If you have problems with the database there is a toll-free phone number to call for assistance: 888-455-2753. It is important to realize the assistance is provided by two different groups. When calling, follow the prompts closely to get to the group that can help you best. If you have a technical software question and dial the toll free number follow these steps:

- A. Press either 1 for English or 2 for Spanish. The options for English or Spanish are identical.
- B. If you are a Broker or Loan Originator press "1"; Housing Counselors press "2"; Closing Agents press "3"; and all others press "4".
- C. Finally, press "1" for technical assistance.

If you have a policy question, follow the same procedures for "A" and "B" and then press "2" on step "C". If your issue is not technical or policy related, follow the same steps for "A" and "B", but press "4" for option step "C".

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
Illinois Attorney General
Veritec Solutions, LLC (APLD Tech Support)
Illinois Association of Mortgage Professionals
Illinois Mortgage Bankers Association (IMBA)
Applied Measurement Professionals, Inc. (AMP)
US Dept. of Housing and Urban Development
US Treasury
Conference of State Bank Supervisors (CSBS)
American Association of Residential Mortgage
Regulators (AARMR)
National Mortgage Licensing System (NMLS)
Resource Center
Pearson Vue

<http://www.ildpr.com/finlit101/default.asp>
<http://www.illinoisattorneygeneral.gov>
<http://www.veritecs.com/>
www.iamp.biz
www.imba.org
<http://www.goamp.com/>
www.hud.gov
<http://www.ustreas.gov/>
<http://www.csbs.org>

<http://www.aarmr.org/>

<http://www.stateregulatoryregistry.org>
<http://www.vue.com/>



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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