Anti-Predatory Lending Database
Summary Report
May 1, 2009

Governor Pat Quinn
Acting Secretary Michael T. McRaith
Deputy Secretary Brent E. Adams
Department of Financial and Professional Regulation
Anti-Predatory Lending Database (APLD) Summary

• Loans that trigger the counseling requirement continue to be offered in Cook County, though such loans represent less than 2% of all loans entered into the APLD. Loans that trigger the counseling requirement include interest-only loans, negative amortization loans, loans with points and fees over 5%, loans with prepayment penalties, and adjustable rate loans.

• Based on trends in the types of loans being offered, the Department believes that the counseling requirement has deterred loan originators from offering loans with predatory characteristics.

• Since the November 1, 2008 report, the length of time to complete counseling once the counseling requirement has been triggered has been reduced from 8 days to 5 days.

• The APLD interfaces with the Department’s licensing database, which has assisted with timely license renewals, data clean-up and accuracy, and enforcement of suspensions.

• The APLD has assisted the Department in discovering unlicensed activity, unregistered loan originators, unreported branch offices, and unreported changes of location by mortgage licensees.

• 684 borrowers received required housing counseling. Of these, 501 (73%) closed their loans, and 183 (27%) did not. The fact that a loan did not close may have been the result of the housing counselor’s advice, but the Department does not have specific data on this point.

• The Department has found no evidence that the APLD is impeding the business of mortgage lending in Cook County.

* Data provided by Veritec Solutions, LLC
Required Data Pursuant to Act

APLD data since program inception: July 1, 2008 – April 15, 2009

- **65,373** loans registered with the APLD.
  - 39,588 refinancing primary residence*
  - 14,888 purchasing primary residences*
    - 5,113 purchasers were first-time homebuyers.
- **684** borrowers received counseling.
  - 501 borrowers that received counseling closed on the loan (73%).
- **37,187** loans have been closed in the APLD.
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- Number of loans requiring counseling for each of the standards:
  - Interest Only Loans: 503
  - Negative Amortization Loans: 90
  - Loans with Points and Fees Exceeding 5%: 23
  - Loans with Prepayment Penalty: 429
  - Adjustable Rate Loans: 100
- **3,963** loans in which the loan, as originally entered into the APLD, triggered counseling but was modified to avoid counseling.
- **101,748** loans were exempt from the APLD because lender was exempt (e.g., national bank) or the property-type was exempt (e.g., secondary residence).

**Notes:** *Numbers do not add up to 65,373 due to loans that are still in process.
Types of Loans that Triggered the Counseling Requirement

- Adjustable Rate: 9%
- Interest Only: 43%
- Prepayment Penalty: 41%
- Negative Amortization: 4%
- Points and Fees: 3%
The majority of borrowers requiring counseling are refinancing existing properties.
Counseling Requirement Postpones Closing by only Five Days on Average.

Average Number Days to Close Loan

Days to close loan **with** Counseling 7/1/08-10/15/08

Days to close loan **with** Counseling 10/15/08-04/15/09

Days to close loan **without** Counseling 07/01/08-04/15/09
APLD Exemption Reasons

Certificates of Exemption Printed from the APLD by Reason

Application dated before July 1, 2008: 10933
Application taken by an exempt entity: 76701
Commercial property: 3118
Government property: 22
Home Equity Line of Credit: 2739
Investment, non owner-occupied: 2693
Residential more than four units: 761
Secondary residence: 653
Residential mortgage: 543
Vacant land - residential: 3513
The loan is a Reverse Mortgage: 72
Mixed commercial and residential: 72