Anti-Predatory Lending Database
Summary Report
November 1, 2009

Governor Pat Quinn
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 program inception, the length of time to complete counseling once the counseling requirement has been triggered is 8 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.
- Data from the APLD has resulted in investigations and disciplinary actions. In addition, the APLD has assisted the Department in discovering unlicensed activity, unregistered loan originators, unreported branch offices, and unreported changes of location by mortgage licensees.
- 1,291 borrowers received required housing counseling. Of these, 1,033 (80%) closed their loans, and 258 (20%) 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
**APLD data since program inception: July 1, 2008 – October 15, 2009**

- **110,373** loans registered with the APLD.
  - 64,730 refinancing primary residence
  - 26,686 purchasing primary residences
    (Numbers do not equal 110,373 due to loans that are still in process or abandoned.)
    - 19,054 purchasers were first-time homebuyers
- **1,291** borrowers received counseling.
  - 1,033 borrowers that received counseling closed on the loan (80%).
- **68,177** loans have been closed in the APLD.
- Number of loans requiring counseling for each of the standards:
  - Interest Only Loans: 913
  - Negative Amortization Loans: 82
  - Loans with Points and Fees Exceeding 5%: 59
  - Loans with Prepayment Penalty: 834
  - Adjustable Rate Loans: 215
- **5,864** loans in which the loan, as originally entered into the APLD, triggered counseling but were modified to avoid counseling.
- **171,081** loans were exempt from the APLD because lender was exempt (e.g., national bank) or the property-type was exempt (e.g., secondary residence).
## APLD Data Comparison of Previous Reporting Periods

<table>
<thead>
<tr>
<th>Required Data Pursuant to Act:</th>
<th>Last Six Months (04/16/09 - 10/15/2009)</th>
<th>Previous Six Months (10/16/08 - 04/15/09)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans Registered with APLD</td>
<td>46,492</td>
<td>47,037</td>
</tr>
<tr>
<td>Refinancing Primary Residence</td>
<td>28,142</td>
<td>32,146</td>
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<tr>
<td>Purchasing Primary Residence</td>
<td>11,798</td>
<td>7,736</td>
</tr>
<tr>
<td>First Time Homebuyers</td>
<td>13,941</td>
<td>5,947</td>
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<tr>
<td>Borrowers Receiving Counseling</td>
<td></td>
<td>615</td>
</tr>
<tr>
<td>Loans Closed in APLD</td>
<td>27,808</td>
<td>30,979</td>
</tr>
<tr>
<td>Number of Loans Requiring Counseling:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Only Loans</td>
<td>410</td>
<td>316</td>
</tr>
<tr>
<td>Negative Amortization Loans</td>
<td>30</td>
<td>31</td>
</tr>
<tr>
<td>Loans with Points and Fees Exceeding 5%</td>
<td>19</td>
<td>24</td>
</tr>
<tr>
<td>Loans with Prepayment Penalty</td>
<td>335</td>
<td>270</td>
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<tr>
<td>Adjustable Rate Loans</td>
<td>103</td>
<td>60</td>
</tr>
<tr>
<td>Loans Modified to Avoid Counseling</td>
<td>1,901</td>
<td>2,611</td>
</tr>
<tr>
<td>Loans Exempt from APLD</td>
<td>69,333</td>
<td>60,607</td>
</tr>
</tbody>
</table>
Types of Loans Triggering the Counseling Requirement (since program inception)

- Adjustable Rate: 10%
- Interest Only: 43%
- Prepayment Penalty: 40%
- Negative Amortization: 4%
- Points and Fees: 3%
APLD User Summary

Number of Individual Loan Originators and Closing Agents Accessing the APLD for Cook County (since program inception)

Originator: 5902
Closer: 4500
The majority of borrowers requiring counseling are refinancing existing properties (since program inception)
Counseling Requirement Postpones Closing by Eight Days on Average (since program inception).

Days to close loan **with** Counseling: 17

Days to close loan **without** Counseling: 25
APLD Exemption Reasons

Certificates of Exemption Printed from the APLD by Reason (since program inception)

- Application taken by agency with
- Commercial property
- Government
- Home Equity Line
- Investment
- Construction
- Residential more than 4 units
- Secondary
- Time of a Renewal
- Vacant land, residential

137,938

80,000
40,000
20,000
11,400
4,507
53
3,792
4,225
1,286
1,245
1,065
5,459
111