STATE HIGH COST/PREDATORY LENDING REGULATIONS
Updated February 25, 2015

State: Illinois (See “Special Notes” for properties in the city of Chicago and Cook County)

Law: Illinois High Risk Home Loan Act

Cite: 815 ILCS 137

Public Link:

http://www.ilga.gov/legislation/97/SB/09700SB1692enr.htm

Loan Covered:  _X_ Conventional  _X_ FHA  _X_ VA

Loan Amount Covered:  No limit

Loan Purposes Covered:  _X_ Purchase  _X_ Construction/Perm (refinance of construction loan)

_ X_ Construction*  _ X_ Refinance  _ X_ Home Equity/closed end

_ X_ HELOC  _ X_ Bridge Loan

_ X_ Purchase Plus  _ X_ Refinance Plus  _ X_ Home Improvement

_ X_ One time with modification  _ X_ Reverse  _ X_ One-time Closing

Construction loans may be covered in law if not including permanent financing (815 ILXA 137/10 Section 10)

Borrower(s) Covered:  Natural person or trust

Property Covered:  owner occupied principal residence

Total Loan Amount (TLA) is:  _X_ SAME AS SECTION 32/HIGH-COST MORTGAGE LOAN

_____ NOTE AMOUNT

APR Test:  1st Lien  > 6% above APOR

Subordinate Lien  > 8% above APOR

Fee Test:  5% of TLA for loan amounts over $20,000;

Lesser of 8% of TLA for loan amounts under $20,000 or $1020 (dollar amount changes each January 1)

Fees to Include:  SAME AS SECTION 32/HIGH-COST MORTGAGE LOAN

Legal Disclaimer: This is a good faith summary of the state’s high cost/predatory lending laws. This is not legal advice. It is not a substitute for legal advice. See the referenced link to the actual law for further details and clarification.
**Special Notes:**
All broker fees included (YSP is unclear but best to include to be safe)
Broker loans closed and table funded included

**NOTICE: CHICAGO AND COOK COUNTY PROPERTIES**
There are special rules for these two areas which are same as above but include all open and closed loans on all 1-4 family property up to $250,000. Cook County has even more rules and we advise the lender to check the state website http://www.dfp.state.il.us/

the total “points and fees” payable in connection with the transaction, other than bona fide third-party charges not retained by the mortgage originator, creditor, or an affiliate of either, will exceed (1) the greater of 5% of the total loan amount in the case of a transaction for $20,000 or more, or (2) the lesser of 8% of the total loan amount or $1,000 (or such other dollar amount as prescribed by regulation pursuant to Dodd-Frank Act) in the case of a transaction for less than $20,000, except that, with respect to all transactions, bona fide loan discount points may be excluded as provided for in 815 ILCS 137/35. Please refer to the High Risk Home Loan Act exclusions and the definition of “points and fees”.

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