

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/ilcs/ilcs3.asp?ActID=2499&ChapAct=815%20ILCS%20137%2F&ChapterID=67&ChapterName=BUSINESS+TRANSACTIONS&ActName=High+Risk+Home+Loan+Act&Print=True>

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

Loan Covered: Conventional FHA VA

Loan Amount Covered: No limit

Loan Purposes Covered:

<input checked="" type="checkbox"/> Purchase	<input checked="" type="checkbox"/> Construction/Perm (refinance of construction loan)
<input checked="" type="checkbox"/> Construction*	<input checked="" type="checkbox"/> Refinance
<input checked="" type="checkbox"/> HELOC	<input checked="" type="checkbox"/> Home Equity/closed end
<input checked="" type="checkbox"/> Purchase Plus	<input checked="" type="checkbox"/> Bridge Loan
<input checked="" type="checkbox"/> Refinance Plus	<input checked="" type="checkbox"/> Home Improvement
<input checked="" type="checkbox"/> One time with modification	<input type="checkbox"/> Reverse
<input type="checkbox"/> 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: 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

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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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