

Statement Regarding Changes to Residential Mortgage Licensing Act (RMLA) &
Application to the Illinois Anti-Predatory Lending Database,
Effective January 1, 2011

Please be advised that the provisions of Public Act 96-1216 (SB 3781) have removed a limited exception in the RMLA that allowed persons or entities not in the mortgage business to conduct up to two (2) residential mortgage loan transactions in a calendar year without possessing an Illinois residential mortgage (company) license. Effective January 1, 2011, every person or entity receiving compensation for brokering, funding, originating, servicing or purchasing Illinois residential mortgage loans, including through provisions within the loans for payment of interest, are required to apply for and maintain an Illinois residential mortgage (company) license. Please note that persons qualifying for a RMLA exemption from individual mortgage loan originator licensing, such as between immediate family members, are not automatically exempt from a company or sole proprietor license and the Division of Banking will need to determine if the transactions are compensated and for owner-occupied residential properties, or non-compensated or for commercial properties/purposes.

In order to issue a private mortgage certificate of exemption pursuant to the Illinois Anti-Predatory Lending Database (APLD) program, it must be determined that the lender or the loan is exempt under RMLA and the APLD. Commercial loans, loans on investor properties, and loans secured by residential properties of five (5) units or more are exempt and the Division will issue certificates of exemption for these loans, assuming the lender is a private person or entity not generally engaged in the business of mortgage lending. Residential mortgage loans originated by a private person or entity not generally engaged in the business of mortgage lending in which no interest or other compensation or gain is received by the lender will also qualify for private mortgage certificates of exemption. The Division does not issue certificates of exemption for loans originated by financial institutions, such as banks and credit unions, as they are not private mortgages. These institutions may obtain their own password or close through a title agency.

To request a private mortgage certificate of exemption, fax a copy of the fully executed mortgage to 217-557-8481, attention PLEC. If the mortgage is secured by a 1-4 unit, owner occupied residential property, a copy of the fully executed note and list of any fees charged to the borrower must also be included. Indicate how the certificate should be sent – by email, fax, regular mail, or in-person pickup. Please allow at least four business days for processing.