

## STATE HIGH COST/PREDATORY LENDING REGULATIONS

**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%A0ILCS%A0137%2F&ChapterID=67&ChapterName=BUSINESS+TRANSACTIONS&ActName=High+Risk+Home+Loan+Act&Print=True>

**Loan Covered:**  Conventional  FHA  VA

**Loan Amount Covered:** No limit

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

Construction\*  Refinance  Home Equity/closed end

HELOC  Bridge Loan (refinance)  Bridge Loan (purchase)

Purchase Plus  Refinance Plus  Home Improvement

One time with modification  Reverse  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 HOEPA/SECTION 32

NOTE AMOUNT

**APR Test:** 1st Lien > 6%

Subordinate Lien > 8%

**Fee Test:** greater of 5% of TLA or \$800 (dollar amount changes each January 1)

**Fees to Include or Exclude:** (See link to law for exact list)

“Points and fees” means all items required to be disclosed as points and fees under 12 CFR 226.32 (2000, no subsequent amendments or editions included); the premium of any single premium credit life, credit disability, credit unemployment, or any other life or health insurance that is financed directly or indirectly into the loan; and compensation paid directly or indirectly to a mortgage broker, including a broker that originates a loan in its own name in a table funded transaction, not otherwise included in 12 CFR 226.4.

“Reasonable” means fair, proper, just, or prudent under the circumstances.

**Special Notes:**

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.

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/>

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