



ATTORNEYS'  
TITLE  
GUARANTY  
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INC.

**TO:** Chicago-Area ATG Members and Regional Agents  
**FROM:** August R. Butera, Senior Vice President and General Counsel  
**DATE:** December 30, 2005  
**RE: Public Act 94-280 (House Bill 4050): Predatory Lending Database**

As many of you are aware, the above Public Act, called the Predatory Database Pilot Program (Act), was passed by the Illinois Legislature, and has an effective date of January 1, 2006. This statute is intended to combat predatory lending practices and provides for a pilot program area, which includes all areas within Cook County designated as such by the Department of Financial and Professional Regulation (Department), due to the high rate of foreclosure on residential home mortgages that is primarily the result of predatory lending practices. The Department is to designate a pilot program area within 30 days after the effective date of the statute. At this time, the Department has not designated the pilot program area. Certain loans in the yet to be determined area are subject to reporting requirements by brokers, loan originators, credit counselors, and title companies.

Also, there is to be a predatory lending database established in which all of the information required under the statute to be submitted is to be held. That predatory lending database also does not exist at the present time. The database will generate a certificate of compliance, which must be obtained by the title company before the mortgage is recordable.

ATG, along with other title companies and lenders, has been discussing this issue with the appropriate state authorities for months trying to determine what will happen on January 1, 2006, if the pilot program area and the predatory lending database are not in place. Unfortunately, with only a few days to go before the effective date of the Act, there is still confusion as to what will happen after that date. Many lenders have stated that they will not lend money in Cook County until this is resolved. It is the position of ATG at the present time to close loans as usual with no interruption. However, depending on legislative, administrative, and judicial remedies that we are working on, that may change. We will attempt to keep you updated as often as possible on this issue. If you have any questions on this matter, please contact me.

  
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August R. Butera  
Senior Vice President and General Counsel

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33 North Dearborn ~ Second Floor ~ Chicago, IL 60602-3100  
Telephone 312 372 8361 ~ Facsimile 312 372 9509 ~ Toll Free 800 252 0402

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