



Illinois Department of Financial and Professional Regulation

Division of Financial Institutions

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STATEMENT REGARDING PREDATORY LENDING DATABASE

The Department of Financial and Professional Regulation, Division of Financial Institutions (Department) has received inquiries concerning the responsibilities of licensed title insurance companies, registered title insurance agents and licensed independent escrowees with respect to discharging their statutory obligations to comply with the Predatory Lending Database Act. While the Department neither issues “advisory opinions” nor dispenses legal advice, the public’s interest in this topic merits this Statement from the Department. Persons seeking a legal opinion should consult their own attorney.

The Predatory Lending Database Act is a part of the Residential Real Property Disclosure Act and can be found at 765 ILCS 77/70 through 77/80. It requires that for specified loans in specified counties either a Certificate of Compliance or a Certificate of Exemption must be attached to the executed mortgage before that document is recorded. In fact, if the Certificate is not attached, the statute says the mortgage is not recordable.

A loan originated by an exempt entity must have a Certificate of Exemption. A loan originated by a non-exempt entity (a mortgage licensee) must have a Certificate of Compliance, even if it is ultimately funded by an exempt entity (e.g., a national bank). A loan both originated and funded by an exempt entity requires a Certificate of Exemption. A loan both originated and funded by a non-exempt entity (a mortgage licensee) requires a Certificate of Compliance.

The short rule of thumb is, if the originator has a mortgage license, it is not an exempt entity. Title insurance companies and registered title insurance agents should **always** confirm the status of the originator by visiting:

<http://www.idfpr.com/Banks/AGENCY/licenseinfo.asp>

Questions concerning the Predatory Lending database and its operation may also be directed to the call center at 1-800-532-8785.

Failure to meet the requirements of the Predatory Lending Database Act is a serious matter that may subject licensed title insurance companies and registered title insurance agents to discipline by the Department.