



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB4028

Introduced 2/26/2009, by Rep. Daniel J. Burke

#### SYNOPSIS AS INTRODUCED:

See Index

Creates the Conveyance and Encumbrance of Manufactured Homes Act and amends the Mobile Home Local Services Tax Act, the Illinois Banking Act, the Illinois Savings and Loan Act of 1985, the Savings Bank Act, the Illinois Credit Union Act, the Residential Mortgage License Act of 1987, the Abandoned Mobile Home Act, the Illinois Vehicle Code, the Code of Civil Procedure, the Conveyances Act, the Residential Real Property Disclosure Act, the Mortgage Act, the Joint Tenancy Act, the Interest Act, the Motor Vehicle Retail Installment Sales Act, and the Retail Installment Sales Act. Establishes a statutory procedure for converting to real property manufactured homes that are affixed to real property and for the severance of manufactured homes from real property. Contains provisions regarding the definition of the term "manufactured home"; conditions that must be met to convey or voluntarily encumber a manufactured home as real property; filing and recording requirements for an affidavit of affixation and affidavit of severance; the effect of affixation and record notice on a perfected security interest in or lien on a manufactured home; notice requirements to the Secretary of State; the applicability of the Conveyance and Encumbrance of Manufactured Homes Act; filing requirements for the Secretary of State as to certificates of title and affidavits of affixation or severance; statutory requirements to properly surrender title to a manufactured home, surrender a Manufacture's Statement of Origin to a manufactured home, and to confirm conversion of a manufactured home as real property; and other matters. Effective July 1, 2010.

LRB096 04879 KTG 21758 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Conveyance and Encumbrance of Manufactured Homes Act.

6 Section 5. Findings and purpose.

7 (a) The General Assembly finds that there is a need to  
8 clarify the legal status of manufactured homes affixed or to be  
9 affixed to real property in the state.

10 (b) The purpose of this Act is to establish a clear  
11 statutory procedure for converting to real property  
12 manufactured homes that are affixed to such real property and  
13 for the severance of manufactured homes from real property.

14 Section 10. Manufactured home; permanently affixed to real  
15 property. For the purposes of this Act, "manufactured home"  
16 means a manufactured home as defined in subdivision (53) of  
17 Section 9-102 of the Uniform Commercial Code. For purposes of  
18 this Act, a manufactured home is "permanently affixed" if it is  
19 anchored to real property by attachment to a permanent  
20 foundation; constructed pursuant to applicable state and local  
21 building codes and manufacturer specifications as provided in  
22 24 C.F.R. Part 3285; and connected to residential utilities

1 (such as water, gas, electricity, or sewer or septic service).  
2 Notwithstanding the foregoing, for the purposes of 11 USC  
3 1322(b)(2), a manufactured home shall be deemed to be real  
4 property.

5 Section 15. Record Notice. To convey or voluntarily  
6 encumber a manufactured home as real property, the following  
7 conditions shall be met:

8 (1) the manufactured home shall be permanently affixed to  
9 real property;

10 (2) the ownership interests in the manufactured home and  
11 the real property to which the manufactured home is or shall be  
12 permanently affixed shall be identical, provided, however,  
13 that the owner of the manufactured home, if not the owner of  
14 the real property, is in possession of the real property  
15 pursuant to the terms of a lease in recordable form that has a  
16 term that continues for at least 20 years after the date of  
17 execution, and has the consent of the lessor of the real  
18 property;

19 (3) the person or persons having an ownership interest in  
20 the manufactured home shall execute and record with the  
21 recording officer of the county in which the real property is  
22 located, an affidavit of affixation as provided in Section 20  
23 of this Act, and satisfy any other applicable requirements of  
24 this Act; and

25 (4) upon receipt of a certified copy of the affidavit of

1 affixation pursuant to Section 30 of this Act, any person  
2 designated therein for filing with the Secretary of State shall  
3 file the certified copy of affidavit of affixation with the  
4 Secretary of State. Except that:

5 (A) in a case described in subsection (a)(4)(A)(i) of  
6 Section 20 of this Act, a certified copy of the affidavit  
7 of affixation and the original Manufacturer's Statement of  
8 Origin, each as recorded in the county in which the real  
9 property is located, shall be filed with the Secretary of  
10 State pursuant to Section 3-116.1 of the Illinois Vehicle  
11 Code;

12 (B) in a case described in subsection (a)(4)(B)(i) of  
13 Section 20 of this Act, a certified copy of the affidavit  
14 of affixation as recorded in the county in which the real  
15 property is located, and the original certificate of title  
16 shall be filed with the Secretary of State pursuant to  
17 Section 3-116.2 of the Illinois Vehicle Code; and

18 (C) in a case described in subsections (a)(4)(A)(ii),  
19 (a)(4)(B)(ii), or (a)(6) of Section 20 of this Act, a  
20 certified copy of the affidavit of affixation and an  
21 application for confirmation of conversion shall be filed  
22 with the Secretary of State pursuant to Section 3-116.3 of  
23 the Illinois Vehicle Code.

24 Section 20. Affidavit of affixation.

25 (a) An affidavit of affixation shall contain or be

1 accompanied by:

2 (1) the name of the manufacturer, the make, the model  
3 name, the model year, the dimensions, the vehicle  
4 identification number or numbers of the manufactured home,  
5 and whether the manufactured home is new or used;

6 (2) (A) a statement that the party executing the  
7 affidavit is the owner of the real property described  
8 therein; or, (B) if not the owner of the real property, (i)  
9 a statement that the party executing the affidavit is in  
10 possession of the real property pursuant to the terms of a  
11 lease in recordable form that has a term that continues for  
12 at least 20 years after the date of execution of the  
13 affidavit, and (ii) the consent of the lessor of the real  
14 property endorsed upon or attached to the affidavit and  
15 acknowledged or proved in the manner as to entitle a  
16 conveyance to be recorded;

17 (3) the street address and the legal description of the  
18 real property to which the manufactured home is or shall be  
19 permanently affixed;

20 (4) as applicable:

21 (A) if the manufactured home is not covered by a  
22 certificate of title, a statement by the owner to that  
23 effect, and either:

24 (i) a statement by the owner of the  
25 manufactured home that the manufactured home is  
26 covered by a Manufacturer's Statement of Origin,

1 the date the Manufacturer's Statement of Origin  
2 was issued, the vehicle identification number or  
3 numbers of the manufactured home, and a statement  
4 that annexed to the affidavit of affixation is the  
5 original Manufacturer's Statement of Origin for  
6 the manufactured home, duly endorsed to the owner  
7 of the manufactured home, and that the owner of the  
8 manufactured home shall surrender the  
9 Manufacturer's Statement of Origin; or

10 (ii) a statement that the owner of the  
11 manufactured home, after diligent search and  
12 inquiry, is unable to produce the original  
13 Manufacturer's Statement of Origin for the  
14 manufactured home and that the owner of the  
15 manufactured home shall apply to the Secretary of  
16 State for a confirmation of conversion of the  
17 manufactured home;

18 (B) if the manufactured home is covered by a  
19 certificate of title, either:

20 (i) a statement by the owner of the  
21 manufactured home that the manufactured home is  
22 covered by a certificate of title, the date the  
23 title was issued, the title number, and that the  
24 owner of the manufactured home shall surrender the  
25 title; or

26 (ii) a statement by the owner of the

1 manufactured home that the manufactured home is  
2 covered by a certificate of title, but after  
3 diligent search and inquiry the owner is unable to  
4 produce the certificate of title for the  
5 manufactured home, and that the owner of the  
6 manufactured home shall apply to the Secretary of  
7 State for a confirmation of conversion of the  
8 manufactured home;

9 (5) a statement whether or not the manufactured home is  
10 subject to one or more security interests or liens, and:

11 (A) if the manufactured home is subject to one or  
12 more security interests or liens, the name and address  
13 of each party holding a security interest in or lien on  
14 the manufactured home, including but not limited to,  
15 each holder shown on any certificate of title issued by  
16 the Secretary of State, if any; the original principal  
17 amount secured by each security interest or lien; and a  
18 statement that the security interest or lien shall be  
19 released; or

20 (B) a statement that each security interest in or  
21 lien on the manufactured home, if any, has been  
22 released, together with due proof of each such release;

23 (6) if the manufactured home is covered by neither a  
24 Manufacturer's Statement of Origin nor a certificate of  
25 title, a statement by the owner of the manufactured home to  
26 that effect, and that the owner of the manufactured home

1 shall apply to the Secretary of State for a confirmation of  
2 conversion of the manufactured home;

3 (7) a statement that the manufactured home is or shall  
4 be permanently affixed to the real property; and

5 (8) the name and address of a person designated for  
6 filing the certified copy of the affidavit of affixation  
7 with the Secretary of State, to whom the recording officer  
8 shall return the certified copy of the affidavit of  
9 affixation after it has been duly recorded in the real  
10 property records, as provided in Section 30 of this Act.

11 (b) An affidavit of affixation shall be in the form set  
12 forth in subsection (c) of this Section, duly acknowledged or  
13 proved in like manner as to entitle a conveyance to be  
14 recorded, and when so acknowledged or proved and upon payment  
15 of the lawful fees therefor, the recording officer shall  
16 immediately cause the affidavit of affixation and any  
17 attachments thereto to be duly recorded and indexed in the  
18 record of deeds.

19 (c) An affidavit of affixation shall be in the form set  
20 forth below:

21 The fee for recording and issuing a certified copy of  
22 an affidavit of affixation shall be \$ \_\_\_\_\_.

23 Section 25. Disposition of liens. Neither the act of  
24 permanently affixing a manufactured home to real property, nor  
25 the recording of the affidavit of affixation shall impair the

1 rights of any holder of a security interest in or lien on a  
2 manufactured home that was perfected as provided in Section  
3 3-202 of the Illinois Vehicle Code, unless and until an  
4 application to (i) surrender the title, as provided in Section  
5 3-116.2 of the Illinois Vehicle Code, and (ii) release the  
6 security interest or lien, as provided in Section 3-205 of the  
7 Illinois Vehicle Code, has been duly filed with and accepted by  
8 the Secretary of State. Upon the filing of the release, such  
9 perfected security interest or lien is terminated. The  
10 recording of an affidavit of affixation does not change the  
11 character of any security interest or lien noted on a  
12 certificate of title, and no recording tax shall be imposed at  
13 the time an affidavit of affixation is recorded upon any  
14 security interest in or lien on a manufactured home perfected  
15 under Section 3-202 of the Illinois Vehicle Code.

16 Section 30. Notice to Secretary of State. Upon payment of  
17 the fees provided by law and recordation of the affidavit of  
18 affixation, the recording officer shall endorse the affidavit  
19 as "recorded in land records", setting forth thereon the  
20 indexing information for the affidavit of affixation; and the  
21 recording officer shall forthwith forward a certified copy of  
22 the affidavit of affixation and all attachments thereto to the  
23 person designated therein for filing with the Secretary of  
24 State. Upon receipt of a certified copy of the affidavit of  
25 affixation by the person designated therein for filing with the

1 Secretary of State, that person shall forthwith deliver for  
2 filing to the Secretary of State the certified copy of the  
3 affidavit of affixation and other documents as provided in  
4 subsection (4) of Section 15 of this Act.

5 Section 35. Effect of recorded affidavit of affixation. A  
6 manufactured home shall be deemed to be real property when all  
7 of the following events have occurred:

8 (a) the manufactured home is permanently affixed to land as  
9 provided in Section 10 of this Act;

10 (b) an affidavit of affixation conforming to the  
11 requirements of Section 20 of this Act has been recorded;

12 (c) a certified copy of the affidavit of affixation has  
13 been delivered for filing to the Secretary of State as provided  
14 in Section 30 of this Act; and

15 (d) the requirements of Section 3-116.1, 3-116.2, or  
16 3-116.3 of the Illinois Vehicle Code, as applicable, have been  
17 satisfied.

18 Section 40. Conveyance and encumbrance as real property.  
19 Upon the satisfaction of the requirements of Section 35 of this  
20 Act and, as applicable, the requirements of Section 3-116.1,  
21 3-116.2, or 3-116.3 of the Illinois Vehicle Code, the  
22 manufactured home shall be deemed to be real property; any  
23 mortgage, deed of trust, lien or security interest which can  
24 attach to land and buildings erected thereon or fixtures

1 affixed thereto shall attach as of the date of its recording in  
2 the same manner as if the manufactured home were built from  
3 ordinary building materials on site; title to the manufactured  
4 home shall be transferred by deed or other form of conveyance  
5 that is effective to transfer an interest in real property,  
6 together with the land to which the structure has been affixed;  
7 and the manufactured home shall be deemed to be real property  
8 and shall be governed by the laws applicable to real property.

9 Section 45. Manufactured home that remains personal  
10 property or a fixture. Except as provided in Sections 20, 30,  
11 35, and 40 of this Act, an affidavit of affixation is not  
12 necessary or effective to convey or encumber a manufactured  
13 home or to change the character of a manufactured home to real  
14 property. Every conveyance of land upon which is located a  
15 manufactured home for which no affidavit of affixation has been  
16 recorded or for which an affidavit of severance has been  
17 recorded, shall contain a recital that such conveyance does not  
18 affect the title to the manufactured home and that the transfer  
19 or encumbrance thereof can only be made pursuant to the  
20 provisions of the Illinois Vehicle Code. Any agreement by any  
21 party to the transaction whereby the requirements of this  
22 Section are waived shall be void as contrary to public policy.

23 Section 50. Applicability. Nothing in this Act shall impair  
24 any rights existing under the law prior to the effective date

1 of this Act of any one claiming an interest in a manufactured  
2 home.

3 Section 55. Affidavit of severance.

4 (a) If and when a manufactured home for which an affidavit  
5 of affixation has been recorded is detached or severed from the  
6 real property to which it is affixed, the person or persons  
7 having an interest in the real property shall record an  
8 affidavit of severance in the land records of the county where  
9 the affidavit of affixation for the manufactured home is  
10 recorded. The affidavit of severance shall contain or be  
11 accompanied by:

12 (1) the name, residence, and mailing address of the  
13 owner of the manufactured home;

14 (2) a description of the manufactured home including  
15 the name of the manufacturer, the make, the model name, the  
16 model year, the dimensions, the vehicle identification  
17 number or numbers of the manufactured home, and whether it  
18 is new or used;

19 (3) the book number, page number, and date of  
20 recordation of the affidavit of affixation;

21 (4) a statement of either (A) any facts or information  
22 known to the party executing the affidavit that could  
23 reasonably affect the validity of the title of the  
24 manufactured home or the existence or non-existence of a  
25 security interest in or lien on it, or (B) that no such

1 facts or information are known to such party;

2 (5) a sworn declaration by an attorney at law duly  
3 admitted to practice in the courts of the State of  
4 Illinois, or an agent of a title insurance company duly  
5 licensed to issue policies of title insurance in the State  
6 of Illinois, that the manufactured home is free and clear  
7 of all security interests, liens, and encumbrances; and (i)  
8 any facts or information known to him or her that could  
9 reasonably affect the validity of the title of the  
10 manufactured home or the existence or non-existence of a  
11 security interest in or lien on it, or (ii) that no such  
12 facts or information are known to him or her; and

13 (6) the name and address of the person designated for  
14 filing the certified copy of the affidavit of severance  
15 with the Secretary of State, to whom the recording officer  
16 shall return the certified copy of the affidavit of  
17 severance after it has been duly recorded in the real  
18 property records, as provided in subsection (d) of this  
19 Section.

20 (b) The affidavit of severance shall be in the form set  
21 forth in subsection (c) of this Section, duly acknowledged or  
22 proved in like manner as to entitle a conveyance to be  
23 recorded, and when so acknowledged or proved and upon payment  
24 of the lawful fees therefor, such recording officer shall  
25 immediately cause the affidavit and any attachments thereto to  
26 be duly recorded and indexed in the record of deeds.

1 (c) An affidavit of severance shall be in the form set  
2 forth below:

3 Recording Fee. The fee for recording an affidavit of  
4 severance shall be \$ \_\_\_\_\_.

5 (d) Upon payment of the fees provided by law and  
6 recordation of the affidavit of severance, the recording  
7 officer shall endorse the affidavit as "recorded in land  
8 records," setting forth thereon the indexing information for  
9 the affidavit of severance, and the recording officer shall  
10 forthwith forward a certified copy of the affidavit of  
11 severance to the person designated therein for filing with the  
12 Secretary of State. Upon receipt of a certified copy of the  
13 affidavit of severance by the person designated therein for  
14 filing with the Secretary of State, that person shall deliver  
15 for filing to the Secretary of State the certified copy of the  
16 affidavit of severance and the other documents provided in  
17 subsection (a) of this Section.

18 Section 60. Documents in trust.

19 (a) Manufacturer's statement of origin. The holder of a  
20 Manufacturer's Statement of Origin to a manufactured home may  
21 deliver it to any person to facilitate conveying or encumbering  
22 the home. Any person receiving the Manufacturer's Statement of  
23 Origin, so delivered, holds it in trust for the person  
24 delivering it.

25 (b) Lien release. The holder of a security interest in a

1 manufactured home may deliver lien release documents to any  
2 person to facilitate conveying or encumbering the home. Any  
3 person receiving the lien release documents, so delivered,  
4 holds the documents in trust for the lienholder.

5 Section 65. The Mobile Home Local Services Tax Act is  
6 amended by changing Section 1 as follows:

7 (35 ILCS 515/1) (from Ch. 120, par. 1201)

8 Sec. 1. As used in this Act, "mobile home" means a factory  
9 assembled structure designed for permanent habitation and so  
10 constructed as to permit its transport on wheels, temporarily  
11 or permanently attached to its frame, from the place of its  
12 construction to the location, or subsequent locations, and  
13 placement on a temporary foundation, at which it is intended to  
14 be a permanent habitation, and situated so as to permit the  
15 occupancy thereof as a dwelling place for one or more persons,  
16 and includes a manufactured home as defined in paragraph (53)  
17 of Section 9-102 of the Uniform Commercial Code, provided that  
18 any such structure resting in whole on a permanent foundation,  
19 with wheels, tongue and hitch removed at the time of  
20 registration provided for in Section 4 of this Act, shall not  
21 be construed as a "mobile home", but shall be assessed and  
22 taxed as real property as defined by Section 1-130 of the  
23 Property Tax Code. A manufactured home as defined in paragraph  
24 (53) of Section 9-102 of the Uniform Commercial Code that is

1 real property as defined in Section 40 of the Conveyance and  
2 Encumbrance of Manufactured Homes Act, shall not be construed  
3 as a "mobile home", but shall be assessed and taxed as real  
4 property as defined by Section 1-130 of the Property Tax Code.

5 Mobile homes owned by a corporation or partnership and on which  
6 personal property taxes are paid as required under the Revenue  
7 Act of 1939 shall not be subject to this tax. Mobile homes  
8 located on a dealer's lot for resale purposes or as an office  
9 shall not be subject to this tax.

10 (Source: P.A. 88-670, eff. 12-2-94.)

11 Section 70. The Illinois Banking Act is amended by changing  
12 Sections 3, 5a, 5d, and 6.1 as follows:

13 (205 ILCS 5/3) (from Ch. 17, par. 309)

14 Sec. 3. Formation and primary powers. It shall be lawful to  
15 form banks, as herein provided, for the purpose of discount and  
16 deposit, buying and selling exchange and doing a general  
17 banking business, excepting the issuing of bills to circulate  
18 as money; and such banks shall have the power to loan money on  
19 personal and real estate security, and to accept and execute  
20 trusts upon obtaining a certificate of authority pursuant to  
21 the "Corporate Fiduciary Act", and shall be subject to all of  
22 the provisions of this Act. For purposes of this Section, "real  
23 estate" includes a manufactured home as defined in paragraph  
24 (53) of Section 9-102 of the Uniform Commercial Code that is

1 real property as defined in Section 40 of the Conveyance and  
2 Encumbrance of Manufactured Homes Act.

3 (Source: P.A. 85-1402.)

4 (205 ILCS 5/5a) (from Ch. 17, par. 312)

5 Sec. 5a. Reverse mortgage loans. Notwithstanding any other  
6 provision of this Act, a bank may engage in making "reverse  
7 mortgage" loans.

8 For purposes of this Section, a "reverse mortgage" loan  
9 shall be a loan extended on the basis of existing equity in  
10 homestead property. A bank, in making a "reverse mortgage"  
11 loan, may add deferred interest to principal or otherwise  
12 provide for the charging of interest or premium on the deferred  
13 interest.

14 The loans shall be repaid upon sale of the property or upon  
15 the death of the owner or, if the property is in joint tenancy,  
16 upon the death of the last surviving joint tenant who had an  
17 interest in the property at the time the loan was initiated.

18 "Homestead" property, for purposes of this Section, means  
19 the domicile and contiguous real estate owned and occupied by  
20 the mortgagor, and includes a manufactured home as defined in  
21 paragraph (53) of Section 9-102 of the Uniform Commercial Code  
22 that is used as the domicile and is real property as defined in  
23 Section 40 of the Conveyance and Encumbrance of Manufactured  
24 Homes Act.

25 The Commissioner of Banks and Real Estate shall prescribe

1 rules governing this Section and Section 1-6a of the Illinois  
2 Savings and Loan Act of 1985.

3 (Source: P.A. 88-643, eff. 1-1-95; 89-508, eff. 7-3-96.)

4 (205 ILCS 5/5d) (from Ch. 17, par. 312.3)

5 Sec. 5d. Notwithstanding any other provision of this Act, a  
6 bank may engage in making revolving credit loans secured by  
7 mortgages or deeds of trust on real property or by security  
8 assignments of beneficial interests in land trusts.

9 For purposes of this Section, "revolving credit", has the  
10 meaning defined in Section 4.1 of "An Act in relation to the  
11 rate of interest and other charges in connection with sales on  
12 credit and the lending of money", approved May 24, 1879, as  
13 amended.

14 Any mortgage or deed of trust given to secure a revolving  
15 credit loan may, and when so expressed therein shall, secure  
16 not only the existing indebtedness, but also such future  
17 advances, whether such advances are obligatory or to be made at  
18 the option of the lender, or otherwise, as are made within  
19 twenty years from the date thereof, to the same extent as if  
20 such future advances were made on the date of the execution of  
21 such mortgage or deed of trust, although there may be no  
22 advance made at the time of execution of such mortgage or other  
23 instrument, and although there may be no indebtedness  
24 outstanding at the time any advance is made. The lien of such  
25 mortgage or deed of trust, as to third persons without actual

1 notice thereof, shall be valid as to all such indebtedness and  
2 future advances from the time said mortgage or deed of trust is  
3 filed for record in the office of the Recorder of Deeds or the  
4 Registrar of Titles of the county where the real property  
5 described therein is located. The total amount of indebtedness  
6 that may be so secured may increase or decrease from time to  
7 time, but the total unpaid balance so secured at any one time  
8 shall not exceed a maximum principal amount which must be  
9 specified in such mortgage or deed of trust, plus interest  
10 thereon, and any disbursements made for the payment of taxes,  
11 special assessments, or insurance on said real property, with  
12 interest on such disbursements.

13 Any such mortgage or deed of trust shall be valid and have  
14 priority over all subsequent liens and encumbrances, including  
15 statutory liens, except taxes and assessments levied on said  
16 real property.

17 For purposes of this Section, "real property" includes a  
18 manufactured home as defined in paragraph (53) of Section 9-102  
19 of the Uniform Commercial Code that is real property as defined  
20 in Section 40 of the Conveyance and Encumbrance of Manufactured  
21 Homes Act.

22 (Source: P.A. 83-1539; 83-1380.)

23 (205 ILCS 5/6.1) (from Ch. 17, par. 313.1)

24 Sec. 6.1. Non-recourse reverse mortgage loans.

25 (a) It is the intent of this amendatory Act of 1991 that

1 homeowners at least 62 years of age be permitted to meet their  
2 financial needs by accessing the equity in their homes through  
3 a reverse mortgage. The General Assembly recognizes that many  
4 restrictions and requirements that exist to govern traditional  
5 mortgage transactions are inapplicable in the context of  
6 reverse mortgages. In order to foster reverse mortgage  
7 transactions and better serve the citizens of this State, this  
8 Section authorizes the making of reverse mortgages, and  
9 expressly relieves reverse mortgage lenders and borrowers from  
10 compliance with inappropriate requirements.

11 As used in this Section, "borrower" means any homeowner who  
12 is, or whose spouse is, at least 62 years of age.

13 As used in this Section, "real property" includes a  
14 manufactured home as defined in paragraph (53) of Section 9-102  
15 of the Uniform Commercial Code that is real property as defined  
16 in Section 40 of the Conveyance and Encumbrance of Manufactured  
17 Homes Act.

18 As used in this Section, "reverse mortgage" means a  
19 non-recourse loan, secured by real property, that complies with  
20 all of the following:

21 (1) Provides cash advances to a borrower based on the  
22 equity in a borrower's owner-occupied principal residence,  
23 provided that it is a residence designed to be occupied by  
24 not more than 4 families.

25 (2) Requires no payment of principal or interest until  
26 the entire loan becomes due and payable.

1 (b) Reverse mortgage loans shall be subject only to all of  
2 the following provisions:

3 (1) Payment, in whole or in part, shall be permitted  
4 without penalty at any time during the term of the  
5 mortgage.

6 (2) A reverse mortgage may provide for an interest rate  
7 that is fixed or adjustable and may provide for interest  
8 that is contingent on appreciation in the value of the  
9 property.

10 (3) If a reverse mortgage provides for periodic  
11 advances to a borrower, the advances may not be reduced in  
12 amount or number based on any adjustment in the interest  
13 rate.

14 (4) A reverse mortgage may be subject to any additional  
15 terms and conditions imposed by a lender that are required  
16 under the provisions of the federal Housing and Community  
17 Development Act of 1987 to enable the lender to obtain  
18 federal government insurance on the mortgage if the loans  
19 are to be insured under that Act.

20 (c) The repayment obligation under a reverse mortgage is  
21 subject to all of the following:

22 (1) Temporary absences from the home not exceeding 60  
23 consecutive days shall not cause the mortgage to become due  
24 and payable.

25 (2) Temporary absences from the home exceeding 60 days,  
26 but not exceeding one year shall not cause the mortgage to

1           become due and payable, provided that the borrower has  
2           taken action that secures the home in a manner satisfactory  
3           to the lender.

4           (3) The lender must disclose any interest or other fees  
5           to be charged during the period that commences on the date  
6           the mortgage becomes due and payable and ends when  
7           repayment in full is made in accordance with applicable  
8           State and federal laws, rules, and regulations.

9           (d) A reverse mortgage shall become due and payable upon  
10          the occurrence of any of the following events:

11           (1) The real property securing the loan is sold.

12           (2) All borrowers cease to occupy the home as a  
13          principal residence.

14           (3) A fixed maturity date agreed to by the lender and  
15          the borrower is reached.

16           (4) An event that is specified in the loan documents  
17          and that jeopardizes the lender's security occurs.

18          (e) No reverse mortgage commitment may be made by a lender  
19          unless the loan applicant attests, in writing, that the  
20          applicant has received from the lender, at the time of initial  
21          inquiry, a statement prepared by the Department on Aging  
22          regarding the advisability and availability of independent  
23          information and counseling services on reverse mortgages.

24          (Source: P.A. 87-488.)

25          Section 75. The Illinois Savings and Loan Act of 1985 is

1 amended by changing Sections 1-10.30 and 5-2 as follows:

2 (205 ILCS 105/1-10.30) (from Ch. 17, par. 3301-10.30)

3 Sec. 1-10.30. "Real property": the interests, benefits,  
4 and rights inherent in the ownership of the physical real  
5 estate. It is the rights with which the ownership of real  
6 estate is endowed. Real property includes a manufactured home  
7 as defined in paragraph (53) of Section 9-102 of the Uniform  
8 Commercial Code that is real property as defined in Section 40  
9 of the Conveyance and Encumbrance of Manufactured Homes Act.  
10 For purposes of this Act, the term "Real Estate" is synonymous  
11 with "Real Property".

12 (Source: P.A. 84-543.)

13 (205 ILCS 105/5-2) (from Ch. 17, par. 3305-2)

14 Sec. 5-2. Investment in loans. An association may loan  
15 funds to members as follows:

16 (a) On the security of withdrawable capital accounts, but  
17 no such loan shall exceed the withdrawal value of the pledged  
18 account;

19 (b) On the security of real estate:

20 (1) Of a value, determined in accordance with Section 5-12  
21 of this Act, sufficient to provide good and ample security for  
22 the loan;

23 (2) With a fee simple title or a leasehold title of not  
24 less duration than 10 years beyond the maturity of the loan;

1           (3) With the title established by such evidence of title as  
2 is consistent with sound lending practices in the locality;

3           (4) With the security interest in such real estate  
4 evidenced by an appropriate written instrument and the loan  
5 evidenced by a note, bond or similar written instrument. A loan  
6 on the security of the whole of the beneficial interest in a  
7 land trust satisfies the requirements of this paragraph if the  
8 title to the land is held by a corporate trustee and if the  
9 real estate held in the land trust meets the other requirements  
10 of this subsection; and

11           (5) With a mortgage loan not to exceed 40 years;

12           (c) For the purpose of repair, improvement,  
13 rehabilitation, furnishing or equipment of real estate or any  
14 other purpose;

15           (d) For the purpose of financing or refinancing an existing  
16 ownership interest in certificates of stock, certificates of  
17 beneficial interest or other evidence of an ownership interest  
18 in, and a proprietary lease from, a corporation, trust or  
19 partnership formed for the purpose of the cooperative ownership  
20 of real estate, secured by the assignment or transfer of such  
21 certificates or other evidence of ownership of the borrower;

22           (e) Through the purchase of loans which at the time of  
23 purchase the association could make in accordance with this  
24 Section and the by-laws;

25           (f) Through the purchase of installment contracts for the  
26 sale of real estate, and title thereto which is subject to such

1 contracts, but in each instance only if the association at the  
2 time of purchase could make a mortgage loan of the same amount  
3 and for the same length of time on the security of such real  
4 estate;

5 (g) Through loans guaranteed or insured, wholly or in part  
6 by the United States or any of its instrumentalities, and  
7 without regard to the limits in amount and terms otherwise  
8 imposed by this Article;

9 (h) Through secured or unsecured loans for business,  
10 corporate, personal, family, or household purposes, or for  
11 secured or unsecured loans for agricultural or commercial  
12 purposes to the same extent that such agricultural or  
13 commercial loans are authorized by federal law for any savings  
14 and loan association organized under federal law and authorized  
15 to do business in this State, except that loans to service  
16 corporations shall not be subject to the limitations of this  
17 paragraph;

18 (i) For the purpose of financing a manufactured home ~~mobile~~  
19 ~~home financing~~ subject, however, to the regulation of the  
20 Commissioner. As used in this Section, "manufactured home"  
21 means a manufactured home as defined in paragraph (53) of  
22 Section 9-102 of the Uniform Commercial Code;

23 (j) Through loans to its members secured by the cash  
24 surrender value of any life insurance policy or any collateral  
25 which would be a legal investment if made by such association  
26 pursuant to the terms of this Act; and

1           (k) Any provision of this Act to the contrary  
2 notwithstanding, any association may make any loan to its  
3 members or investment which such association could make if it  
4 were incorporated and operating as an association organized  
5 under the laws of the United States.

6           (Source: P.A. 86-137.)

7           Section 80. The Savings Bank Act is amended by changing  
8 Sections 6002 and 6008 as follows:

9           (205 ILCS 205/6002) (from Ch. 17, par. 7306-2)

10          Sec. 6002. Investment in loans.

11          (a) Subject to the regulations of the Commissioner, a  
12 savings bank may loan funds as follows:

13               (1) On the security of deposit accounts, but no such  
14 loan shall exceed the withdrawal value of the pledged  
15 account.

16               (2) On the security of real estate:

17                       (A) of a value, determined in accordance with this  
18 Act, sufficient to provide good and ample security for  
19 the loan;

20                       (B) with a fee simple title or a leasehold title;

21                       (C) with the title established by evidence of title  
22 as is consistent with sound lending practices in the  
23 locality;

24                       (D) with the security interest in the real estate

1           evidenced by an appropriate written instrument and the  
2           loan evidenced by a note, bond, or similar written  
3           instrument; a loan on the security of the whole of the  
4           beneficial interest in a land trust satisfies the  
5           requirements of this paragraph if the title to the land  
6           is held by a corporate trustee and if the real estate  
7           held in the land trust meets the other requirements of  
8           this subsection;

9                   (E) with a mortgage loan not to exceed 40 years.

10           (3) For the purpose of repair, improvement,  
11           rehabilitation, furnishing, or equipment of real estate.

12           (4) For the purpose of financing or refinancing an  
13           existing ownership interest in certificates of stock,  
14           certificates of beneficial interest, other evidence of an  
15           ownership interest in, or a proprietary lease from a  
16           corporation, trust, or partnership formed for the purpose  
17           of the cooperative ownership of real estate, secured by the  
18           assignment or transfer of certificates or other evidence of  
19           ownership of the borrower.

20           (5) Through the purchase of loans that, at the time of  
21           purchase, the savings bank could make in accordance with  
22           this Section and the bylaws.

23           (6) Through the purchase of installment contracts for  
24           the sale of real estate and title thereto that is subject  
25           to the contracts, but in each instance only if the savings  
26           bank, at the time of purchase, could make a mortgage loan

1 of the same amount and for the same length of time on the  
2 security of the real estate.

3 (7) Through loans guaranteed or insured, wholly or in  
4 part, by the United States or any of its instrumentalities.

5 (8) Subject to regulations adopted by the  
6 Commissioner, through secured or unsecured loans for  
7 business, corporate, commercial, or agricultural purposes;  
8 provided that the total of all loans granted under this  
9 paragraph shall not exceed 15% of the savings bank's total  
10 assets unless a greater amount is authorized in writing by  
11 the Commissioner.

12 (9) For the purpose of financing a manufactured home  
13 ~~mobile home financing~~ subject, however, to the regulation  
14 of the Commissioner. As used in this Section, "manufactured  
15 home" means a manufactured home as defined in paragraph  
16 (53) of Section 9-102 of the Uniform Commercial Code.

17 (10) Through loans secured by the cash surrender value  
18 of any life insurance policy or any collateral that would  
19 be a legal investment under the terms of this Act if made  
20 by the savings bank.

21 (11) Any provision of this Act or any other law, except  
22 for paragraph (18) of Section 6003, to the contrary  
23 notwithstanding, but subject to the Financial Institutions  
24 Insurance Sales Law and subject to the Commissioner's  
25 regulations, any savings bank may make any loan or  
26 investment or engage in any activity that it could make or

1 engage in if it were organized under State law as a savings  
2 and loan association or under federal law as a federal  
3 savings and loan association or federal savings bank.

4 (12) A savings bank may issue letters of credit or  
5 other similar arrangements only as provided for by  
6 regulation of the Commissioner with regard to aggregate  
7 amounts permitted, take out commitments for stand-by  
8 letters of credit, underlying documentation and  
9 underwriting, legal limitations on loans of the savings  
10 bank, control and subsidiary records, and other procedures  
11 deemed necessary by the Commissioner.

12 (13) For the purpose of automobile financing, subject  
13 to the regulation of the Commissioner.

14 (14) For the purpose of financing primary, secondary,  
15 undergraduate, or postgraduate education.

16 (15) Through revolving lines of credit on the security  
17 of a first or junior lien on the borrower's personal  
18 residence, based primarily on the borrower's equity, the  
19 proceeds of which may be used for any purpose; those loans  
20 being commonly referred to as home equity loans.

21 (16) As secured or unsecured credit to cover the  
22 payment of checks, drafts, or other funds transfer orders  
23 in excess of the available balance of an account on which  
24 they are drawn, subject to the regulations of the  
25 Commissioner.

26 (b) For purposes of this Section, "real estate" includes a

1 manufactured home as defined in paragraph (53) of Section 9-102  
2 of the Uniform Commercial Code that is real property as defined  
3 in Section 40 of the Conveyance and Encumbrance of Manufactured  
4 Homes Act.

5 (Source: P.A. 90-301, eff. 8-1-97; 91-97, eff. 7-9-99.)

6 (205 ILCS 205/6008) (from Ch. 17, par. 7306-8)

7 Sec. 6008. Purchase of real estate at forced sale. A  
8 savings bank may purchase at any sheriff's or other judicial  
9 sale, either public or private, any real estate upon which the  
10 savings bank has any mortgage, lien or other encumbrance, or in  
11 which the savings bank has any other interest. The savings bank  
12 thereafter may repair, insure, improve, sell, convey, lease,  
13 preserve, mortgage, exchange, or otherwise dispose of real  
14 estate so acquired in the best interests of the savings bank.  
15 For purposes of this Section, "real estate" includes a  
16 manufactured home as defined in paragraph (53) of Section 9-102  
17 of the Uniform Commercial Code that is real property as defined  
18 in Section 40 of the Conveyance and Encumbrance of Manufactured  
19 Homes Act.

20 (Source: P.A. 86-1213.)

21 Section 85. The Illinois Credit Union Act is amended by  
22 changing Sections 46 and 46.1 as follows:

23 (205 ILCS 305/46) (from Ch. 17, par. 4447)

1           Sec. 46. Loans and interest rate.

2           (1) A credit union may make loans to its members for such  
3 purpose and upon such security and terms, including rates of  
4 interest, as the Credit Committee, credit manager, or loan  
5 officer approves. Notwithstanding the provisions of any other  
6 law in connection with extensions of credit, a credit union may  
7 elect to contract for and receive interest and fees and other  
8 charges for extensions of credit subject only to the provisions  
9 of this Act and rules promulgated under this Act, except that  
10 extensions of credit secured by residential real estate shall  
11 be subject to the laws applicable thereto. The rates of  
12 interest to be charged on loans to members shall be set by the  
13 Board of Directors of each individual credit union in  
14 accordance with Section 30 of this Act and such rates may be  
15 less than, but may not exceed, the maximum rate set forth in  
16 this Section. A borrower may repay his loan prior to maturity,  
17 in whole or in part, without penalty. The credit contract may  
18 provide for the payment by the member and receipt by the credit  
19 union of all costs and disbursements, including reasonable  
20 attorney's fees and collection agency charges, incurred by the  
21 credit union to collect or enforce the debt in the event of a  
22 delinquency by the member, or in the event of a breach of any  
23 obligation of the member under the credit contract. A  
24 contingency or hourly arrangement established under an  
25 agreement entered into by a credit union with an attorney or  
26 collection agency to collect a loan of a member in default

1 shall be presumed prima facie reasonable.

2 (2) Credit unions may make loans based upon the security of  
3 any interest or equity in real estate, subject to rules and  
4 regulations promulgated by the Director. In any contract or  
5 loan which is secured by a mortgage, deed of trust, or  
6 conveyance in the nature of a mortgage, on residential real  
7 estate, the interest which is computed, calculated, charged, or  
8 collected pursuant to such contract or loan, or pursuant to any  
9 regulation or rule promulgated pursuant to this Act, may not be  
10 computed, calculated, charged or collected for any period of  
11 time occurring after the date on which the total indebtedness,  
12 with the exception of late payment penalties, is paid in full.

13 For purposes of this subsection (2) of this Section 46, a  
14 prepayment shall mean the payment of the total indebtedness,  
15 with the exception of late payment penalties if incurred or  
16 charged, on any date before the date specified in the contract  
17 or loan agreement on which the total indebtedness shall be paid  
18 in full, or before the date on which all payments, if timely  
19 made, shall have been made. In the event of a prepayment of the  
20 indebtedness which is made on a date after the date on which  
21 interest on the indebtedness was last computed, calculated,  
22 charged, or collected but before the next date on which  
23 interest on the indebtedness was to be calculated, computed,  
24 charged, or collected, the lender may calculate, charge and  
25 collect interest on the indebtedness for the period which  
26 elapsed between the date on which the prepayment is made and

1 the date on which interest on the indebtedness was last  
2 computed, calculated, charged or collected at a rate equal to  
3 1/360 of the annual rate for each day which so elapsed, which  
4 rate shall be applied to the indebtedness outstanding as of the  
5 date of prepayment. The lender shall refund to the borrower any  
6 interest charged or collected which exceeds that which the  
7 lender may charge or collect pursuant to the preceding  
8 sentence. The provisions of this amendatory Act of 1985 shall  
9 apply only to contracts or loans entered into on or after the  
10 effective date of this amendatory Act.

11 (3) Notwithstanding any other provision of this Act, a  
12 credit union authorized under this Act to make loans secured by  
13 an interest or equity in real estate may engage in making  
14 "reverse mortgage" loans to persons for the purpose of making  
15 home improvements or repairs, paying insurance premiums or  
16 paying real estate taxes on the homestead properties of such  
17 persons. If made, such loans shall be made on such terms and  
18 conditions as the credit union shall determine and as shall be  
19 consistent with the provisions of this Section and such rules  
20 and regulations as the Director shall promulgate hereunder. For  
21 purposes of this Section, a "reverse mortgage" loan shall be a  
22 loan extended on the basis of existing equity in homestead  
23 property and secured by a mortgage on such property. Such loans  
24 shall be repaid upon the sale of the property or upon the death  
25 of the owner or, if the property is in joint tenancy, upon the  
26 death of the last surviving joint tenant who had such an

1 interest in the property at the time the loan was initiated,  
2 provided, however, that the credit union and its member may by  
3 mutual agreement, establish other repayment terms. A credit  
4 union, in making a "reverse mortgage" loan, may add deferred  
5 interest to principal or otherwise provide for the charging of  
6 interest or premiums on such deferred interest. "Homestead"  
7 property, for purposes of this Section, means the domicile and  
8 contiguous real estate owned and occupied by the mortgagor. The  
9 Director shall promulgate rules and regulations under this  
10 Section; provided that such rules and regulations need not be  
11 promulgated jointly with any other administrative agency of  
12 this State.

13 (4) Notwithstanding any other provisions of this Act, a  
14 credit union authorized under this Act to make loans secured by  
15 an interest or equity in real property may engage in making  
16 revolving credit loans secured by mortgages or deeds of trust  
17 on such real property or by security assignments of beneficial  
18 interests in land trusts.

19 For purposes of this Section, "revolving credit" has the  
20 meaning defined in Section 4.1 of the Interest Act.

21 Any mortgage or deed of trust given to secure a revolving  
22 credit loan may, and when so expressed therein shall, secure  
23 not only the existing indebtedness but also such future  
24 advances, whether such advances are obligatory or to be made at  
25 the option of the lender, or otherwise, as are made within  
26 twenty years from the date thereof, to the same extent as if

1 such future advances were made on the date of the execution of  
2 such mortgage or deed of trust, although there may be no  
3 advance made at the time of execution of such mortgage or other  
4 instrument, and although there may be no indebtedness  
5 outstanding at the time any advance is made. The lien of such  
6 mortgage or deed of trust, as to third persons without actual  
7 notice thereof, shall be valid as to all such indebtedness and  
8 future advances from the time said mortgage or deed of trust is  
9 filed for record in the office of the Recorder of Deeds or the  
10 Registrar of Titles of the county where the real property  
11 described therein is located. The total amount of indebtedness  
12 that may be so secured may increase or decrease from time to  
13 time, but the total unpaid balance so secured at any one time  
14 shall not exceed a maximum principal amount which must be  
15 specified in such mortgage or deed of trust, plus interest  
16 thereon, and any disbursements made for the payment of taxes,  
17 special assessments, or insurance on said real property, with  
18 interest on such disbursements.

19 Any such mortgage or deed of trust shall be valid and have  
20 priority over all subsequent liens and encumbrances, including  
21 statutory liens, except taxes and assessments levied on said  
22 real property.

23 (4.1) For purposes of this Section, "real estate" and "real  
24 property" include a manufactured home as defined in paragraph  
25 (53) of Section 9-102 of the Uniform Commercial Code that is  
26 real property as defined in Section 40 of the Conveyance and

1 Encumbrance of Manufactured Homes Act.

2 (5) Compliance with federal or Illinois preemptive laws or  
3 regulations governing loans made by a credit union chartered  
4 under this Act shall constitute compliance with this Act.

5 (Source: P.A. 95-98, eff. 8-13-07.)

6 (205 ILCS 305/46.1) (from Ch. 17, par. 4447.1)

7 Sec. 46.1. Non-recourse reverse mortgage loans. Any credit  
8 union authorized under this Act to make loans secured by an  
9 interest or equity in real estate may make non-recourse reverse  
10 mortgage loans as provided in Section 6.1 of the Illinois  
11 Banking Act.

12 For purposes of this Section, "real estate" includes a  
13 manufactured home as defined in paragraph (53) of Section 9-102  
14 of the Uniform Commercial Code that is real property as defined  
15 in Section 40 of the Conveyance and Encumbrance of Manufactured  
16 Homes Act.

17 (Source: P.A. 87-488.)

18 Section 90. The Residential Mortgage License Act of 1987 is  
19 amended by changing Section 1-4 as follows:

20 (205 ILCS 635/1-4) (from Ch. 17, par. 2321-4)

21 Sec. 1-4. Definitions.

22 (a) "Residential real property" or "residential real  
23 estate" shall mean real property located in this State improved

1 by a one-to-four family dwelling used or occupied, wholly or  
2 partly, as the home or residence of one or more persons and may  
3 refer, subject to regulations of the Commissioner, to  
4 unimproved real property upon which those kinds of dwellings  
5 are to be constructed. The term includes a manufactured home as  
6 defined in paragraph (53) of Section 9-102 of the Uniform  
7 Commercial Code that is real property as defined in Section 40  
8 of the Conveyance and Encumbrance of Manufactured Homes Act.

9 (b) "Making a residential mortgage loan" or "funding a  
10 residential mortgage loan" shall mean for compensation or gain,  
11 either directly or indirectly, advancing funds or making a  
12 commitment to advance funds to a loan applicant for a  
13 residential mortgage loan.

14 (c) "Soliciting, processing, placing, or negotiating a  
15 residential mortgage loan" shall mean for compensation or gain,  
16 either directly or indirectly, accepting or offering to accept  
17 an application for a residential mortgage loan, assisting or  
18 offering to assist in the processing of an application for a  
19 residential mortgage loan on behalf of a borrower, or  
20 negotiating or offering to negotiate the terms or conditions of  
21 a residential mortgage loan with a lender on behalf of a  
22 borrower including, but not limited to, the submission of  
23 credit packages for the approval of lenders, the preparation of  
24 residential mortgage loan closing documents, including a  
25 closing in the name of a broker.

26 (d) "Exempt person or entity" shall mean the following:

1           (1) (i) Any banking organization or foreign banking  
2 corporation licensed by the Illinois Commissioner of Banks  
3 and Real Estate or the United States Comptroller of the  
4 Currency to transact business in this State; (ii) any  
5 national bank, federally chartered savings and loan  
6 association, federal savings bank, federal credit union;  
7 (iii) any pension trust, bank trust, or bank trust company;  
8 (iv) any bank, savings and loan association, savings bank,  
9 or credit union organized under the laws of this or any  
10 other state; (v) any Illinois Consumer Installment Loan Act  
11 licensee; (vi) any insurance company authorized to  
12 transact business in this State; (vii) any entity engaged  
13 solely in commercial mortgage lending; (viii) any service  
14 corporation of a savings and loan association or savings  
15 bank organized under the laws of this State or the service  
16 corporation of a federally chartered savings and loan  
17 association or savings bank having its principal place of  
18 business in this State, other than a service corporation  
19 licensed or entitled to reciprocity under the Real Estate  
20 License Act of 2000; or (ix) any first tier subsidiary of a  
21 bank, the charter of which is issued under the Illinois  
22 Banking Act by the Illinois Commissioner of Banks and Real  
23 Estate, or the first tier subsidiary of a bank chartered by  
24 the United States Comptroller of the Currency and that has  
25 its principal place of business in this State, provided  
26 that the first tier subsidiary is regularly examined by the

1 Illinois Commissioner of Banks and Real Estate or the  
2 Comptroller of the Currency, or a consumer compliance  
3 examination is regularly conducted by the Federal Reserve  
4 Board.

5 (1.5) Any employee of a person or entity mentioned in  
6 item (1) of this subsection.

7 (2) Any person or entity that does not originate  
8 mortgage loans in the ordinary course of business making or  
9 acquiring residential mortgage loans with his or her or its  
10 own funds for his or her or its own investment without  
11 intent to make, acquire, or resell more than 10 residential  
12 mortgage loans in any one calendar year.

13 (3) Any person employed by a licensee to assist in the  
14 performance of the activities regulated by this Act who is  
15 compensated in any manner by only one licensee.

16 (4) Any person licensed pursuant to the Real Estate  
17 License Act of 2000, who engages only in the taking of  
18 applications and credit and appraisal information to  
19 forward to a licensee or an exempt entity under this Act  
20 and who is compensated by either a licensee or an exempt  
21 entity under this Act, but is not compensated by either the  
22 buyer (applicant) or the seller.

23 (5) Any individual, corporation, partnership, or other  
24 entity that originates, services, or brokers residential  
25 mortgage loans, as these activities are defined in this  
26 Act, and who or which receives no compensation for those

1 activities, subject to the Commissioner's regulations with  
2 regard to the nature and amount of compensation.

3 (6) A person who prepares supporting documentation for  
4 a residential mortgage loan application taken by a licensee  
5 and performs ministerial functions pursuant to specific  
6 instructions of the licensee who neither requires nor  
7 permits the preparer to exercise his or her discretion or  
8 judgment; provided that this activity is engaged in  
9 pursuant to a binding, written agreement between the  
10 licensee and the preparer that:

11 (A) holds the licensee fully accountable for the  
12 preparer's action; and

13 (B) otherwise meets the requirements of this  
14 Section and this Act, does not undermine the purposes  
15 of this Act, and is approved by the Commissioner.

16 (e) "Licensee" or "residential mortgage licensee" shall  
17 mean a person, partnership, association, corporation, or any  
18 other entity who or which is licensed pursuant to this Act to  
19 engage in the activities regulated by this Act.

20 (f) "Mortgage loan" "residential mortgage loan" or "home  
21 mortgage loan" shall mean a loan to or for the benefit of any  
22 natural person made primarily for personal, family, or  
23 household use, primarily secured by either a mortgage on  
24 residential real property or certificates of stock or other  
25 evidence of ownership interests in and proprietary leases from,  
26 corporations, partnerships, or limited liability companies

1 formed for the purpose of cooperative ownership of residential  
2 real property, all located in Illinois.

3 (g) "Lender" shall mean any person, partnership,  
4 association, corporation, or any other entity who either lends  
5 or invests money in residential mortgage loans.

6 (h) "Ultimate equitable owner" shall mean a person who,  
7 directly or indirectly, owns or controls an ownership interest  
8 in a corporation, foreign corporation, alien business  
9 organization, trust, or any other form of business organization  
10 regardless of whether the person owns or controls the ownership  
11 interest through one or more persons or one or more proxies,  
12 powers of attorney, nominees, corporations, associations,  
13 partnerships, trusts, joint stock companies, or other entities  
14 or devices, or any combination thereof.

15 (i) "Residential mortgage financing transaction" shall  
16 mean the negotiation, acquisition, sale, or arrangement for or  
17 the offer to negotiate, acquire, sell, or arrange for, a  
18 residential mortgage loan or residential mortgage loan  
19 commitment.

20 (j) "Personal residence address" shall mean a street  
21 address and shall not include a post office box number.

22 (k) "Residential mortgage loan commitment" shall mean a  
23 contract for residential mortgage loan financing.

24 (l) "Party to a residential mortgage financing  
25 transaction" shall mean a borrower, lender, or loan broker in a  
26 residential mortgage financing transaction.

1 (m) "Payments" shall mean payment of all or any of the  
2 following: principal, interest and escrow reserves for taxes,  
3 insurance and other related reserves, and reimbursement for  
4 lender advances.

5 (n) "Commissioner" shall mean the Commissioner of Banks and  
6 Real Estate or a person authorized by the Commissioner, the  
7 Office of Banks and Real Estate Act, or this Act to act in the  
8 Commissioner's stead.

9 (o) "Loan brokering", "brokering", or "brokerage service"  
10 shall mean the act of helping to obtain from another entity,  
11 for a borrower, a loan secured by residential real estate  
12 situated in Illinois or assisting a borrower in obtaining a  
13 loan secured by residential real estate situated in Illinois in  
14 return for consideration to be paid by either the borrower or  
15 the lender including, but not limited to, contracting for the  
16 delivery of residential mortgage loans to a third party lender  
17 and soliciting, processing, placing, or negotiating  
18 residential mortgage loans.

19 (p) "Loan broker" or "broker" shall mean a person,  
20 partnership, association, corporation, or limited liability  
21 company, other than those persons, partnerships, associations,  
22 corporations, or limited liability companies exempted from  
23 licensing pursuant to Section 1-4, subsection (d), of this Act,  
24 who performs the activities described in subsections (c) and  
25 (o) of this Section.

26 (q) "Servicing" shall mean the collection or remittance for

1 or the right or obligation to collect or remit for any lender,  
2 noteowner, noteholder, or for a licensee's own account, of  
3 payments, interests, principal, and trust items such as hazard  
4 insurance and taxes on a residential mortgage loan in  
5 accordance with the terms of the residential mortgage loan; and  
6 includes loan payment follow-up, delinquency loan follow-up,  
7 loan analysis and any notifications to the borrower that are  
8 necessary to enable the borrower to keep the loan current and  
9 in good standing.

10 (r) "Full service office" shall mean office and staff in  
11 Illinois reasonably adequate to handle efficiently  
12 communications, questions, and other matters relating to any  
13 application for, or an existing home mortgage secured by  
14 residential real estate situated in Illinois with respect to  
15 which the licensee is brokering, funding originating,  
16 purchasing, or servicing. The management and operation of each  
17 full service office must include observance of good business  
18 practices such as adequate, organized, and accurate books and  
19 records; ample phone lines, hours of business, staff training  
20 and supervision, and provision for a mechanism to resolve  
21 consumer inquiries, complaints, and problems. The Commissioner  
22 shall issue regulations with regard to these requirements and  
23 shall include an evaluation of compliance with this Section in  
24 his or her periodic examination of each licensee.

25 (s) "Purchasing" shall mean the purchase of conventional or  
26 government-insured mortgage loans secured by residential real

1 estate situated in Illinois from either the lender or from the  
2 secondary market.

3 (t) "Borrower" shall mean the person or persons who seek  
4 the services of a loan broker, originator, or lender.

5 (u) "Originating" shall mean the issuing of commitments for  
6 and funding of residential mortgage loans.

7 (v) "Loan brokerage agreement" shall mean a written  
8 agreement in which a broker or loan broker agrees to do either  
9 of the following:

10 (1) obtain a residential mortgage loan for the borrower  
11 or assist the borrower in obtaining a residential mortgage  
12 loan; or

13 (2) consider making a residential mortgage loan to the  
14 borrower.

15 (w) "Advertisement" shall mean the attempt by publication,  
16 dissemination, or circulation to induce, directly or  
17 indirectly, any person to enter into a residential mortgage  
18 loan agreement or residential mortgage loan brokerage  
19 agreement relative to a mortgage secured by residential real  
20 estate situated in Illinois.

21 (x) "Residential Mortgage Board" shall mean the  
22 Residential Mortgage Board created in Section 1-5 of this Act.

23 (y) "Government-insured mortgage loan" shall mean any  
24 mortgage loan made on the security of residential real estate  
25 insured by the Department of Housing and Urban Development or  
26 Farmers Home Loan Administration, or guaranteed by the Veterans

1 Administration.

2 (z) "Annual audit" shall mean a certified audit of the  
3 licensee's books and records and systems of internal control  
4 performed by a certified public accountant in accordance with  
5 generally accepted accounting principles and generally  
6 accepted auditing standards.

7 (aa) "Financial institution" shall mean a savings and loan  
8 association, savings bank, credit union, or a bank organized  
9 under the laws of Illinois or a savings and loan association,  
10 savings bank, credit union or a bank organized under the laws  
11 of the United States and headquartered in Illinois.

12 (bb) "Escrow agent" shall mean a third party, individual or  
13 entity charged with the fiduciary obligation for holding escrow  
14 funds on a residential mortgage loan pending final payout of  
15 those funds in accordance with the terms of the residential  
16 mortgage loan.

17 (cc) "Net worth" shall have the meaning ascribed thereto in  
18 Section 3-5 of this Act.

19 (dd) "Affiliate" shall mean:

20 (1) any entity that directly controls or is controlled  
21 by the licensee and any other company that is directly  
22 affecting activities regulated by this Act that is  
23 controlled by the company that controls the licensee;

24 (2) any entity:

25 (A) that is controlled, directly or indirectly, by  
26 a trust or otherwise, by or for the benefit of

1 shareholders who beneficially or otherwise control,  
2 directly or indirectly, by trust or otherwise, the  
3 licensee or any company that controls the licensee; or

4 (B) a majority of the directors or trustees of  
5 which constitute a majority of the persons holding any  
6 such office with the licensee or any company that  
7 controls the licensee;

8 (3) any company, including a real estate investment  
9 trust, that is sponsored and advised on a contractual basis  
10 by the licensee or any subsidiary or affiliate of the  
11 licensee.

12 The Commissioner may define by rule and regulation any  
13 terms used in this Act for the efficient and clear  
14 administration of this Act.

15 (ee) "First tier subsidiary" shall be defined by regulation  
16 incorporating the comparable definitions used by the Office of  
17 the Comptroller of the Currency and the Illinois Commissioner  
18 of Banks and Real Estate.

19 (ff) "Gross delinquency rate" means the quotient  
20 determined by dividing (1) the sum of (i) the number of  
21 government-insured residential mortgage loans funded or  
22 purchased by a licensee in the preceding calendar year that are  
23 delinquent and (ii) the number of conventional residential  
24 mortgage loans funded or purchased by the licensee in the  
25 preceding calendar year that are delinquent by (2) the sum of  
26 (i) the number of government-insured residential mortgage

1 loans funded or purchased by the licensee in the preceding  
2 calendar year and (ii) the number of conventional residential  
3 mortgage loans funded or purchased by the licensee in the  
4 preceding calendar year.

5 (gg) "Delinquency rate factor" means the factor set by rule  
6 of the Commissioner that is multiplied by the average gross  
7 delinquency rate of licensees, determined annually for the  
8 immediately preceding calendar year, for the purpose of  
9 determining which licensees shall be examined by the  
10 Commissioner pursuant to subsection (b) of Section 4-8 of this  
11 Act.

12 (hh) "Loan originator" means any natural person who, for  
13 compensation or in the expectation of compensation, either  
14 directly or indirectly makes, offers to make, solicits, places,  
15 or negotiates a residential mortgage loan.

16 (ii) "Confidential supervisory information" means any  
17 report of examination, visitation, or investigation prepared  
18 by the Commissioner under this Act, any report of examination  
19 visitation, or investigation prepared by the state regulatory  
20 authority of another state that examines a licensee, any  
21 document or record prepared or obtained in connection with or  
22 relating to any examination, visitation, or investigation, and  
23 any record prepared or obtained by the Commissioner to the  
24 extent that the record summarizes or contains information  
25 derived from any report, document, or record described in this  
26 subsection. "Confidential supervisory information" does not

1 include any information or record routinely prepared by a  
2 licensee and maintained in the ordinary course of business or  
3 any information or record that is required to be made publicly  
4 available pursuant to State or federal law or rule.

5 (Source: P.A. 93-561, eff. 1-1-04; 93-1018, eff. 1-1-05.)

6 Section 95. The Abandoned Mobile Home Act is amended by  
7 changing Section 10 as follows:

8 (210 ILCS 117/10)

9 Sec. 10. Definitions.

10 "Mobile home" means a structure designed for permanent  
11 habitation and constructed to permit its transport on wheels,  
12 temporarily or permanently attached to its frame, from its  
13 place of construction to a location where it is intended to be  
14 a permanent habitation and includes a manufactured home as  
15 defined in paragraph (53) of Section 9-102 of the Uniform  
16 Commercial Code. "Mobile home" does not include a structure  
17 that is served by individual utilities and that rests on a  
18 permanent foundation with its wheels, tongue, and hitch  
19 permanently removed, nor a manufactured home as defined in  
20 paragraph (53) of Section 9-102 of the Uniform Commercial Code  
21 that is real property as defined in Section 40 of the  
22 Conveyance and Encumbrance of Manufactured Homes Act.

23 "Abandoned mobile home" means a mobile home that has no  
24 owner currently residing in the mobile home or authorized

1 tenant of the owner currently residing in the mobile home to  
2 the best knowledge of the municipality; has had its  
3 electricity, natural gas, sewer, and water payments declared  
4 delinquent by the utility companies that are providing such  
5 services; and for which the Mobile Home Privilege Tax, imposed  
6 under the Mobile Home Local Services Tax Act, is delinquent for  
7 at least 3 months.

8 "Municipality" means any city, village, incorporated town,  
9 or its duly authorized agent. If an abandoned mobile home is  
10 located in an unincorporated area, the county where the mobile  
11 home is located shall have all powers granted to a municipality  
12 under this Act.

13 (Source: P.A. 88-516.)

14 Section 100. The Illinois Vehicle Code is amended by  
15 changing Sections 3-100, 3-102, 3-103, 3-104, 3-106, 3-107,  
16 3-110, 3-116, 3-202, 3-205, 3-207, and 3-208 and by adding  
17 Sections 1-145.002, 3-116.1, 3-116.2, 3-116.3, and 3-116.4 as  
18 follows:

19 (625 ILCS 5/1-145.002 new)

20 Sec. 1-145.002. Mobile home or manufactured home.

21 A "mobile home" or "manufactured home" means a manufactured  
22 home as defined in paragraph (53) of Section 9-102 of the  
23 Uniform Commercial Code.

1 (625 ILCS 5/3-100) (from Ch. 95 1/2, par. 3-100)  
2 Sec. 3-100. Definitions. For the purposes of this Chapter,  
3 the following words shall have the meanings ascribed to them:

4 "Electronic" includes electrical, digital, magnetic,  
5 optical, electromagnetic, or any other form of technology that  
6 entails capabilities similar to these technologies.

7 "Electronic record" means a record generated,  
8 communicated, received, or stored by electronic means for use  
9 in an information system or for transmission from one  
10 information system to another.

11 "Electronic signature" means a signature in electronic  
12 form attached to or logically associated with an electronic  
13 record.

14 "Vehicle" means a vehicle as defined in the Illinois  
15 Vehicle Code. Unless otherwise specified, "vehicle" also means  
16 a manufactured home as defined in Section 1-145.002 of the  
17 Illinois Vehicle Code.

18 "Owner" means a person who holds legal document of  
19 ownership of a vehicle, limited to a certificate of origin,  
20 certificate of title, salvage certificate, or junking  
21 certificate. However, in the event a vehicle is the subject of  
22 an agreement for the conditional sale or lease thereof with the  
23 right of purchase upon performance of the conditions stated in  
24 the agreement and with an immediate right of possession vested  
25 in the conditional vendee or lessee, or in the event a  
26 mortgagor of such vehicle is entitled to possession, then such

1 conditional vendee or lessee or mortgagor shall be deemed the  
2 owner for the purpose of this Chapter, except as provided under  
3 paragraph (c) of Section 3-118.

4 "Record" means information that is inscribed, stored, or  
5 otherwise fixed on a tangible medium or that is stored in an  
6 electronic or other medium and is retrievable in perceivable  
7 form.

8 "Signature" or "signed" includes any symbol executed or  
9 adopted, or any security procedure employed or adopted, using  
10 electronic means or otherwise, by or on behalf of a person with  
11 intent to authenticate a record.

12 (Source: P.A. 91-79, eff. 1-1-00; 91-357, eff. 7-29-99; 91-772,  
13 eff. 1-1-01.)

14 (625 ILCS 5/3-102) (from Ch. 95 1/2, par. 3-102)

15 Sec. 3-102. Exclusions.

16 No certificate of title need be obtained for:

17 1. A vehicle owned by the State of Illinois; or a vehicle  
18 owned by the United States unless it is registered in this  
19 State;

20 2. A vehicle owned by a manufacturer or dealer and held for  
21 sale, even though incidentally moved on the highway or used for  
22 purposes of testing or demonstration, provided a dealer  
23 reassignment area is still available on the manufacturer's  
24 certificate of origin or the Illinois title; or a vehicle used  
25 by a manufacturer solely for testing;

1           3. A vehicle owned by a non-resident of this State and not  
2 required by law to be registered in this State;

3           4. A motor vehicle regularly engaged in the interstate  
4 transportation of persons or property for which a currently  
5 effective certificate of title has been issued in another  
6 State;

7           5. A vehicle moved solely by animal power;

8           6. An implement of husbandry;

9           7. Special mobile equipment;

10          8. An apportionable trailer or an apportionable  
11 semitrailer registered in the State prior to April 1, 1998; ~~—~~

12          9. A manufactured home for which an affidavit of affixation  
13 has been recorded pursuant to Section 15 of the Conveyance and  
14 Encumbrance of Manufactured Homes Act, unless an affidavit of  
15 severance has been recorded for the same manufactured home  
16 pursuant to Section 55 of the Conveyance and Encumbrance of  
17 Manufactured Homes Act.

18          (Source: P.A. 91-441, eff. 1-1-00.)

19           (625 ILCS 5/3-103) (from Ch. 95 1/2, par. 3-103)

20          Sec. 3-103. Optional certificate of title.

21          (a) The owner of an implement of husbandry or special  
22 mobile equipment may apply for and obtain a certificate of  
23 title on it. All of the provisions of this chapter, except part  
24 (e) of Section 3-104, are applicable to a certificate of title  
25 so issued, except that a person who receives a transfer of an

1 interest in the vehicle without knowledge of the certificate of  
2 title is not prejudiced by reason of the existence of the  
3 certificate, and the perfection of a security interest under  
4 this act is not effective until the lienholder has complied  
5 with the provisions of applicable law which otherwise relate to  
6 the perfection of security interests in personal property.

7 An application for an optional certificate of title must be  
8 accompanied by either an exemption determination from the  
9 Department of Revenue showing that no tax imposed under the  
10 "Use Tax Act" or the "Retailers' Occupation Tax Act" is owed by  
11 anyone with respect to that vehicle or by a receipt from the  
12 Department of Revenue showing that any tax so imposed has been  
13 paid. No optional certificate of title shall be issued in the  
14 absence of such a receipt or exemption determination.

15 If the proof of payment or of nonliability is, after the  
16 issuance of the optional certificate of title, found to be  
17 invalid, the Secretary of State shall revoke the optional  
18 certificate of title and require that it be returned to him.

19 (b) The owner of a manufactured home that is permanently  
20 affixed to real estate and for which a certificate of title has  
21 not previously been issued and surrendered for cancellation,  
22 may apply for a certificate of title which shall be issued for  
23 the sole purpose of (i) surrendering such certificate of title  
24 for cancellation in accordance with Section 3-116.2 of this  
25 Code or (ii) satisfying the requirements of subsection (e)(4)  
26 of Section 9-334 of the Uniform Commercial Code. The Secretary

1 of State shall issue a certificate of title, in accordance with  
2 this Chapter, upon satisfaction of the application  
3 requirements of this Code.

4 (Source: P.A. 78-1165.)

5 (625 ILCS 5/3-104) (from Ch. 95 1/2, par. 3-104)

6 Sec. 3-104. Application for certificate of title.

7 (a) The application for a certificate of title for a  
8 vehicle in this State must be made by the owner to the  
9 Secretary of State on the form prescribed and must contain:

10 1. The name, Illinois residence and mail address of the  
11 owner;

12 2. A description of the vehicle including, so far as  
13 the following data exists: Its make, year-model,  
14 identifying number, type of body, whether new or used, as  
15 to house trailers as defined in Section 1-128 of this Code,  
16 and as to manufactured homes as defined in Section  
17 1-145.002 of this Code, the square footage ~~of the house~~  
18 ~~trailer~~ based upon the outside dimensions ~~of the house~~  
19 ~~trailer~~ excluding the length of the tongue and hitch, and,  
20 as to vehicles of the second division, whether for-hire,  
21 not-for-hire, or both for-hire and not-for-hire;

22 3. The date of purchase by applicant and, if  
23 applicable, the name and address of the person from whom  
24 the vehicle was acquired and the names and addresses of any  
25 lienholders in the order of their priority and signatures

1 of owners;

2 4. The current odometer reading at the time of transfer  
3 and that the stated odometer reading is one of the  
4 following: actual mileage, not the actual mileage or  
5 mileage is in excess of its mechanical limits; and

6 5. Any further information the Secretary of State  
7 reasonably requires to identify the vehicle and to enable  
8 him to determine whether the owner is entitled to a  
9 certificate of title and the existence or nonexistence of  
10 security interests in the vehicle.

11 (a-5) The Secretary of State shall designate on the  
12 prescribed application form a space where the owner of a  
13 vehicle may designate a beneficiary, to whom ownership of the  
14 vehicle shall pass in the event of the owner's death.

15 (b) If the application refers to a vehicle purchased from a  
16 dealer, it must also be signed by the dealer as well as the  
17 owner, and the dealer must promptly mail or deliver the  
18 application and required documents to the Secretary of State.

19 (c) If the application refers to a vehicle last previously  
20 registered in another State or country, the application must  
21 contain or be accompanied by:

22 1. Any certified document of ownership so recognized  
23 and issued by the other State or country and acceptable to  
24 the Secretary of State, and

25 2. Any other information and documents the Secretary of  
26 State reasonably requires to establish the ownership of the

1           vehicle and the existence or nonexistence of security  
2           interests in it.

3           (d) If the application refers to a new vehicle it must be  
4           accompanied by the Manufacturer's Statement of Origin, or other  
5           documents as required and acceptable by the Secretary of State,  
6           with such assignments as may be necessary to show title in the  
7           applicant.

8           (e) If an application refers to a vehicle rebuilt from a  
9           vehicle previously salvaged, that application shall comply  
10          with the provisions set forth in Sections 3-302 through 3-304  
11          of this Code.

12          (f) An application for a certificate of title for any  
13          vehicle, whether purchased in Illinois or outside Illinois, and  
14          even if previously registered in another State, must be  
15          accompanied by either an exemption determination from the  
16          Department of Revenue showing that no tax imposed pursuant to  
17          the Use Tax Act or the vehicle use tax imposed by Section  
18          3-1001 of the Illinois Vehicle Code is owed by anyone with  
19          respect to that vehicle, or a receipt from the Department of  
20          Revenue showing that any tax so imposed has been paid. An  
21          application for a certificate of title for any vehicle  
22          purchased outside Illinois, even if previously registered in  
23          another state, must be accompanied by either an exemption  
24          determination from the Department of Revenue showing that no  
25          tax imposed pursuant to the Municipal Use Tax Act or the County  
26          Use Tax Act is owed by anyone with respect to that vehicle, or

1 a receipt from the Department of Revenue showing that any tax  
2 so imposed has been paid. In the absence of such a receipt for  
3 payment or determination of exemption from the Department, no  
4 certificate of title shall be issued to the applicant.

5 If the proof of payment of the tax or of nonliability  
6 therefor is, after the issuance of the certificate of title and  
7 display certificate of title, found to be invalid, the  
8 Secretary of State shall revoke the certificate and require  
9 that the certificate of title and, when applicable, the display  
10 certificate of title be returned to him.

11 (g) If the application refers to a vehicle not manufactured  
12 in accordance with federal safety and emission standards, the  
13 application must be accompanied by all documents required by  
14 federal governmental agencies to meet their standards before a  
15 vehicle is allowed to be issued title and registration.

16 (h) If the application refers to a vehicle sold at public  
17 sale by a sheriff, it must be accompanied by the required fee  
18 and a bill of sale issued and signed by a sheriff. The bill of  
19 sale must identify the new owner's name and address, the year  
20 model, make and vehicle identification number of the vehicle,  
21 court order document number authorizing such sale, if  
22 applicable, and the name and address of any lienholders in  
23 order of priority, if applicable.

24 (i) If the application refers to a vehicle for which a  
25 court of law determined the ownership, it must be accompanied  
26 with a certified copy of such court order and the required fee.

1 The court order must indicate the new owner's name and address,  
2 the complete description of the vehicle, if known, the name and  
3 address of the lienholder, if any, and must be signed and dated  
4 by the judge issuing such order.

5 (j) If the application refers to a vehicle sold at public  
6 auction pursuant to the Labor and Storage Lien (Small Amount)  
7 Act, it must be accompanied by an affidavit or affirmation  
8 furnished by the Secretary of State along with the documents  
9 described in the affidavit or affirmation and the required fee.

10 (k) The holder of a Manufacturer's Statement of Origin to a  
11 manufactured home may deliver it to any person to facilitate  
12 conveying or encumbering the manufactured home. Any person  
13 receiving any such Manufacturer's Statement of Origin, so  
14 delivered, holds it in trust for the person delivering it.

15 (Source: P.A. 95-784, eff. 1-1-09.)

16 (625 ILCS 5/3-106) (from Ch. 95 1/2, par. 3-106)

17 Sec. 3-106. Certificate of title - Issuance - Records. (a)  
18 The Secretary of State shall file each application received  
19 and, when satisfied as to its genuineness and regularity, and  
20 that no tax imposed by the "Use Tax Act" or the vehicle use  
21 tax, as imposed by Section 3-1001 of "The Illinois Vehicle  
22 Code", or pursuant to the "Municipal Use Tax Act" or pursuant  
23 to the "County Use Tax Act" is owed as evidenced by the receipt  
24 for payment or determination of exemption from the Department  
25 of Revenue provided for in Section 3-104 of this Act, and that

1 the applicant is entitled to the issuance of a certificate of  
2 title, shall issue a certificate of title of the vehicle.

3 (b) The Secretary of State shall maintain a record of all  
4 certificates of title issued by him under a distinctive title  
5 number assigned to the vehicle; and, in the discretion of the  
6 Secretary of State, in any other method determined.

7 (c) The Secretary of State shall not issue a certificate of  
8 title to a manufactured home for which there has been recorded  
9 an affidavit of affixation pursuant to Section 15 of the  
10 Conveyance and Encumbrance of Manufactured Homes Act unless,  
11 with respect to the same manufactured home, there has been  
12 recorded an affidavit of severance pursuant to Section 55 the  
13 Conveyance and Encumbrance of Manufactured Homes Act.

14 (d) When satisfied as to its genuineness and regularity,  
15 the Secretary of State shall file, upon receipt, each affidavit  
16 of affixation and affidavit of severance relating to a  
17 manufactured home that is delivered in accordance with the  
18 Conveyance and Encumbrance of Manufactured Homes Act.

19 (e) The Secretary of State shall maintain a record of each  
20 affidavit of affixation and each affidavit of severance filed  
21 in accordance with subsection (d) of this Section. The record  
22 shall state the name of the owner of the related manufactured  
23 home, the county of recordation, the date of recordation, and  
24 the book and page number of each record of deeds in which there  
25 has been recorded an affidavit of affixation or affidavit of  
26 severance pursuant to the Conveyance and Encumbrance of

1 Manufactured Homes Act, and any other data the Secretary of  
2 State prescribes.

3 (f) When satisfied as to its genuineness and regularity,  
4 the Secretary of State shall file, upon receipt, each  
5 application for surrender of the Manufacturer's Statement of  
6 Origin relating to a manufactured home that is delivered in  
7 accordance with Section 3-116.1 of this Code.

8 (g) When satisfied as to its genuineness and regularity,  
9 the Secretary of State shall file, upon receipt, each  
10 application for surrender of the certificate of title relating  
11 to a manufactured home that is delivered in accordance with  
12 Section 3-116.2 of this Code.

13 (h) When satisfied as to its genuineness and regularity,  
14 the Secretary of State shall file, upon receipt, each  
15 application for confirmation of conversion relating to a  
16 manufactured home that is delivered in accordance with Section  
17 3-116.3 of this Code.

18 (i) The Secretary of State shall maintain a record of each  
19 Manufacturer's Statement of Origin accepted for surrender as  
20 provided in Section 3-116.1 of this Code. The record shall  
21 state the name of each owner of the manufactured home, the date  
22 the Manufacturer's Statement of Origin was accepted for  
23 surrender, the county of recordation, the date of recordation,  
24 and the book and page number of each record of deeds in which  
25 there has been recorded an affidavit of affixation pursuant to  
26 the Conveyance and Encumbrance of Manufactured Homes Act, and

1 any other data the Secretary of State prescribes.

2 (j) The Secretary of State shall maintain a record of each  
3 manufactured home certificate of title accepted for surrender  
4 as provided in Section 3-116.2 of this Code. The record shall  
5 state the name of each owner of the manufactured home, the date  
6 the certificate of title was accepted for surrender, the county  
7 of recordation, the date of recordation, and the book and page  
8 number of each record of deeds in which there has been recorded  
9 an affidavit of affixation pursuant to the Conveyance and  
10 Encumbrance of Manufactured Homes Act, and any other data the  
11 Secretary of State prescribes.

12 (k) The Secretary of State shall maintain a record of each  
13 application for confirmation of conversion accepted as  
14 provided in Section 3-116.3 of this Code. The record shall  
15 state the name of each owner of the manufactured home, the  
16 county of recordation, the date of recordation, and the book  
17 and page number of each record of deeds in which there has been  
18 recorded an affidavit of affixation pursuant to the Conveyance  
19 and Encumbrance of Manufactured Homes Act, and any other data  
20 the Secretary of State prescribes.

21 (Source: P.A. 86-444.)

22 (625 ILCS 5/3-107) (from Ch. 95 1/2, par. 3-107)

23 Sec. 3-107. Contents and effect.

24 (a) Each certificate of title issued by the Secretary of  
25 State shall contain:

- 1           1. the date issued;
- 2           2. the name and address of the owner;
- 3           3. the names and addresses of any lienholders, in the  
4 order of priority as shown on the application or, if the  
5 application is based on a certificate of title, as shown on  
6 the certificate;
- 7           4. the title number assigned to the vehicle;
- 8           5. a description of the vehicle including, so far as  
9 the following data exists: its make, year-model,  
10 identifying number, type of body, whether new or used, as  
11 to house trailers as defined in Section 1-128 of this Code,  
12 and as to manufactured homes as defined in Section  
13 1-145.002 of this Code, the square footage of the vehicle  
14 based upon the outside dimensions ~~of the house trailer~~  
15 excluding the length of the tongue and hitch, and, if a new  
16 vehicle, the date of the first sale of the vehicle for use;
- 17           6. an odometer certification as provided for in this  
18 Code; and
- 19           7. any other data the Secretary of State prescribes.

20           (b) The certificate of title shall contain forms for  
21 assignment and warranty of title by the owner, and for  
22 assignment and warranty of title by a dealer, and may contain  
23 forms for applications for a certificate of title by a  
24 transferee, the naming of a lienholder and the assignment or  
25 release of the security interest of a lienholder.

26           (b-5) The Secretary of State shall designate on a

1 certificate of title a space where the owner of a vehicle may  
2 designate a beneficiary, to whom ownership of the vehicle shall  
3 pass in the event of the owner's death.

4 (c) A certificate of title issued by the Secretary of State  
5 is prima facie evidence of the facts appearing on it.

6 (d) A certificate of title for a vehicle is not subject to  
7 garnishment, attachment, execution or other judicial process,  
8 but this subsection does not prevent a lawful levy upon the  
9 vehicle.

10 (e) Any certificate of title issued by the Secretary of  
11 State is subject to a lien in favor of the State of Illinois  
12 for any fees or taxes required to be paid under this Act and as  
13 have not been paid, as provided for in this Code.

14 (f) Notwithstanding any other provision of law, a  
15 certificate of title issued by the Secretary of State to a  
16 manufactured home is prima facie evidence of the facts  
17 appearing on it, regardless that the manufactured home became  
18 affixed, at any time and in any manner, to real property.

19 (Source: P.A. 95-784, eff. 1-1-09.)

20 (625 ILCS 5/3-110) (from Ch. 95 1/2, par. 3-110)

21 Sec. 3-110. Refusing certificate of title.

22 The Secretary of State shall refuse issuance of a  
23 certificate of title if any required fee is not paid or if he  
24 has reasonable grounds to believe that:

25 (a) The applicant is not the owner of the vehicle;

1           (b) The application contains a false or fraudulent  
2 statement; or

3           (c) The applicant fails to furnish required information or  
4 documents or any additional information the Secretary of State  
5 reasonably requires;

6           (d) The applicant has not paid to the Secretary of State  
7 any fees or taxes due under this Act and have not been paid  
8 upon reasonable notice and demand.

9           (e) Except as provided in Section 3-116.2 of this Code, the  
10 Secretary of State shall not refuse to issue a certificate of  
11 title to a manufactured home because it, at any time and in any  
12 manner, became affixed to real property.

13 (Source: P.A. 77-641.)

14           (625 ILCS 5/3-116) (from Ch. 95 1/2, par. 3-116)

15           Sec. 3-116. When Secretary of State to issue a certificate  
16 of title.

17           (a) The Secretary of State, upon receipt of a properly  
18 assigned certificate of title, with an application for a  
19 certificate of title, the required fee and any other documents  
20 required by law, shall issue a new certificate of title in the  
21 name of the transferee as owner and mail it to the first  
22 lienholder named in it or, if none, to the owner or owner's  
23 designee.

24           (b) The Secretary of State, upon receipt of an application  
25 for a new certificate of title by a transferee other than by

1 voluntary transfer, with proof of the transfer, the required  
2 fee and any other documents required by law, shall issue a new  
3 certificate of title in the name of the transferee as owner.

4 (c) Any person, firm or corporation, who shall knowingly  
5 possess, buy, sell, exchange or give away, or offer to buy,  
6 sell, exchange or give away the certificate of title to any  
7 motor vehicle which is a junk or salvage, or who shall fail to  
8 surrender the certificate of title to the Secretary of State as  
9 required under the provisions of this Section and Section  
10 3-117.2, shall be guilty of Class 3 felony.

11 (d) The Secretary of State shall file and retain for four  
12 (4) years a record of every surrendered certificate of title or  
13 proof of ownership accepted by the Secretary of State, the file  
14 to be maintained so as to permit the tracing of title of the  
15 vehicle designated therein. This subsection (d) does not apply  
16 to manufactured homes.

17 (e) The Secretary of State, upon receipt of an application  
18 for corrected certificate of title, with the original title,  
19 the required fee and any other required documents, shall issue  
20 a corrected certificate of title in the name of the owner and  
21 mail it to the first lienholder named in it or, if none, to the  
22 owner or owner's designee.

23 (f) The Secretary of State, upon receipt of a certified  
24 copy of a court order awarding ownership to an applicant along  
25 with an application for a certificate of title and the required  
26 fee, shall issue a certificate of title to the applicant.

1 (Source: P.A. 90-212, eff. 1-1-98.)

2 (625 ILCS 5/3-116.1 new)

3 Sec. 3-116.1. Surrender of Manufacturer's Statement of  
4 Origin to a manufactured home.

5 (a) The owner or owners of a manufactured home that is  
6 covered by a Manufacturer's Statement of Origin, and that is  
7 permanently affixed to real property or which the owner intends  
8 to permanently affix to real property as defined in Section 10  
9 of the Conveyance and Encumbrance of Manufactured Homes Act,  
10 may surrender the Manufacturer's Statement of Origin to the  
11 Secretary of State by filing with the Secretary of State an  
12 application for surrender of the Manufacturer's Statement of  
13 Origin, containing or accompanied by:

14 (1) the name, residence, and mailing address of the  
15 owner;

16 (2) a description of the manufactured home including  
17 the name of the manufacturer, the make, the model name, the  
18 model year, the dimensions, the vehicle identification  
19 number of the manufactured home, whether it is new or used,  
20 and any other information the Secretary of State requires;

21 (3) the date of purchase by the owner of the  
22 manufactured home, the name and address of the person from  
23 whom the home was acquired, and the names and addresses of  
24 any security interest holders and lienholders in the order  
25 of their apparent priority;

1           (4) a statement signed by the owner, stating either (i)  
2           any facts or information known to the owner that could  
3           reasonably affect the validity of the title to the  
4           manufactured home or the existence or non-existence of a  
5           security interest in or lien on it; or (ii) that no such  
6           facts or information are known to the owner;

7           (5) a certified copy of the affidavit of affixation  
8           with the original Manufacturer's Statement of Origin in  
9           accordance with Section 30 of the Conveyance and  
10           Encumbrance of Manufactured Homes Act;

11           (6) the name and mailing address of each person wishing  
12           written acknowledgment of surrender from the Secretary of  
13           State; and

14           (7) any other information and documents the Secretary  
15           of State reasonably requires to identify the owner of the  
16           manufactured home and to enable him or her to determine  
17           whether the owner satisfied the requirements of Section 35  
18           of the Conveyance and Encumbrance of Manufactured Homes Act  
19           and is entitled to surrender the Manufacturer's Statement  
20           of Origin, and the existence or non-existence of security  
21           interests in or liens on the manufactured home.

22           (b) When satisfied as to the genuineness and regularity of  
23           the surrender of a manufactured home's Manufacturer's  
24           Statement of Origin, and upon satisfaction of the requirements  
25           of subsection (a) of this Section, the Secretary of State shall  
26           (i) cancel the Manufacturer's Statement of Origin and update

1 his or her records pursuant to Section 3-106 of this Code and  
2 (ii) provide written acknowledgment of compliance with the  
3 provisions of this Section to each person identified on the  
4 application for surrender of the Manufacturer's Statement of  
5 Origin pursuant to subsection (a) (7) of this Section.

6 (c) Upon satisfaction of the requirements of this Section,  
7 a manufactured home shall be conveyed and encumbered as  
8 provided in Section 40 of the Conveyance and Encumbrance of  
9 Manufactured Homes Act. If the application to surrender a  
10 Manufacturer's Statement of Origin is delivered to the  
11 Secretary of State within 60 days of recording the related  
12 affidavit of affixation with the recording officer in the  
13 county in which the real property to which the manufactured  
14 home is or shall be affixed and the application is thereafter  
15 accepted by the Secretary of State, the requirements of this  
16 Section shall be deemed satisfied as of the date the affidavit  
17 of affixation is recorded.

18 (d) Upon written request, the Secretary of State shall  
19 provide written acknowledgment of compliance with the  
20 provisions of this Section.

21 (625 ILCS 5/3-116.2 new)

22 Sec. 3-116.2. Surrender of title to a manufactured home.

23 (a) The owner or owners of a manufactured home that is  
24 covered by a certificate of title and that is permanently  
25 affixed to real property or which the owner intends to

1 permanently affix to real property as defined in Section 10 of  
2 the Conveyance and Encumbrance of Manufactured Homes Act, may  
3 surrender the manufactured home's certificate of title to the  
4 Secretary of State by filing with the Secretary of State an  
5 application for surrender of title, containing or accompanied  
6 by:

7 (1) the name, residence, and mailing address of the  
8 owner;

9 (2) a description of the manufactured home including  
10 the name of the manufacturer, the make, the model name, the  
11 model year, the dimensions, the vehicle identification  
12 number or numbers of the manufactured home, whether it is  
13 new or used, and any other information the Secretary of  
14 State requires;

15 (3) the date of purchase by the owner of the  
16 manufactured home, the name and address of the person from  
17 whom the home was acquired, and the names and addresses of  
18 any security interest holders and lienholders in the order  
19 of their apparent priority;

20 (4) a statement signed by the owner, stating either,  
21 (i) any facts or information known to the owner that could  
22 reasonably affect the validity of the title to the  
23 manufactured home or the existence or non-existence of a  
24 security interest in or lien on it; or (ii) that no such  
25 facts or information are known to the owner;

26 (5) a certified copy of the affidavit of affixation as

1 provided by Section 15 of the Conveyance and Encumbrance of  
2 Manufactured Homes Act;

3 (6) the original certificate of title;

4 (7) the name and mailing address of each person wishing  
5 written acknowledgment of surrender from the Secretary of  
6 State; and

7 (8) any other information and documents the Secretary  
8 of State reasonably requires to identify the owner of the  
9 manufactured home and to enable him or her to determine  
10 whether the owner satisfied the requirements of Section 35  
11 of the Conveyance and Encumbrance of Manufactured Homes Act  
12 and is entitled to surrender the certificate of title and  
13 the existence or non-existence of security interests in or  
14 liens on the manufactured home.

15 (b) The Secretary of State shall not accept for surrender a  
16 certificate of title to a manufactured home unless and until  
17 all security interests or liens perfected pursuant to Sections  
18 3-106 and 3-202 of this Code have been released;

19 (c) When satisfied as to the genuineness and regularity of  
20 the surrender of a manufactured home's certificate of title,  
21 and upon satisfaction of the requirements of subsections (a)  
22 and (b) of this Section, the Secretary of State shall (i)  
23 cancel the certificate of title and update his or her records  
24 in accordance with the provisions of Section 3-106 of this Code  
25 and (ii) provide written acknowledgment of compliance with the  
26 provisions of this Section to each person identified on the

1 application for surrender of title pursuant to subsection  
2 (a) (7) of this Section.

3 (d) Upon satisfaction of the requirements of this Section,  
4 a manufactured home shall be conveyed and encumbered as  
5 provided in Section 40 of the Conveyance and Encumbrance of  
6 Manufactured Homes Act. If the application to surrender a  
7 certificate of title is delivered to the Secretary of State  
8 within 60 days of recording the related affidavit of affixation  
9 with the recording officer in the county in which the real  
10 property to which the manufactured home is or shall be affixed,  
11 and the application is thereafter accepted by the Secretary of  
12 State, the requirements of this Section shall be deemed  
13 satisfied as of the date the affidavit of affixation is  
14 recorded.

15 (e) Upon written request, the Secretary of State shall  
16 provide written acknowledgment of compliance with the  
17 provisions of this Section.

18 (625 ILCS 5/3-116.3 new)

19 Sec. 3-116.3. Confirmation of conversion of a manufactured  
20 home to real property.

21 (a) The owner or owners of a manufactured home that is not  
22 covered by a Manufacturer's Statement of Origin or a  
23 certificate of title, or that is covered by a Manufacturer's  
24 Statement of Origin or a certificate of title which the owner  
25 of the manufactured home is unable to produce after diligent

1 search and inquiry, and that is permanently affixed to real  
2 property or which the owner intends to permanently affix to  
3 real property as defined in Section 10 of the Conveyance and  
4 Encumbrance of Manufactured Homes Act, may apply to the  
5 Secretary of State by filing with the Secretary of State an  
6 application for confirmation of conversion, containing or  
7 accompanied by:

8 (1) the name, residence, and mailing address of the  
9 owner;

10 (2) a description of the manufactured home including  
11 the name of the manufacturer, the make, the model name, the  
12 model year, the dimensions, the vehicle identification  
13 number of the manufactured home, whether it is new or used,  
14 and any other information the Secretary of State requires;

15 (3) the date of purchase by the owner of the  
16 manufactured home, the name and address of the person from  
17 whom the home was acquired, and the names and addresses of  
18 any security interest holders and lienholders in the order  
19 of their apparent priority;

20 (4) a statement signed by the owner, stating either (i)  
21 any facts or information known to the owner that could  
22 reasonably affect the validity of the title to the  
23 manufactured home or the existence or non-existence of a  
24 security interest in or lien on it; or (ii) that no such  
25 facts or information are known to the owner;

26 (5) a certified copy of the affidavit of affixation as

1 provided in accordance with Section 30 of the Conveyance  
2 and Encumbrance of Manufactured Homes Act;

3 (6) a sworn declaration by an attorney at law duly  
4 admitted to practice in the courts of the State of  
5 Illinois, or an agent of a title insurance company duly  
6 licensed to issue policies of title insurance in the State  
7 of Illinois, that the manufactured home is free and clear  
8 of all security interests, liens, and encumbrances, and (i)  
9 any facts or information known to him or her that could  
10 reasonably affect the validity of the title of the  
11 manufactured home or the existence or non-existence of any  
12 security interest in or lien on it; or (ii) that no such  
13 facts or information are known to him or her;

14 (7) the name and mailing address of each person wishing  
15 written acknowledgment of surrender from the Secretary of  
16 State; and

17 (8) any other information and documents the Secretary  
18 of State reasonably requires to identify the owner of the  
19 manufactured home and to enable him or her to determine  
20 whether the owner satisfied the requirements of Section 35  
21 of the Conveyance and Encumbrance of Manufactured Homes  
22 Act, and the existence or non-existence of security  
23 interests in or liens on the manufactured home.

24 (b) When satisfied as to the genuineness and regularity of  
25 the application for confirmation of conversion of a  
26 manufactured home, and upon satisfaction of the requirements of

1 subsection (a) of this Section, the Secretary of State shall  
2 (i) update his or her records in accordance with the provisions  
3 of Section 3-106 of this Code and (ii) provide written  
4 acknowledgment of compliance with the provisions of this  
5 Section to each person identified on the application for  
6 confirmation of conversion pursuant to subsection (a)(7) of  
7 this Section.

8 (c) Upon satisfaction of the requirements of this Section,  
9 a manufactured home shall be conveyed and encumbered as  
10 provided in Section 40 of the Conveyance and Encumbrance of  
11 Manufactured Homes Act. If the application for confirmation of  
12 conversion of a manufactured home is delivered to the Secretary  
13 of State within 60 days of recording the related affidavit of  
14 affixation with the recording officer in the county in which  
15 the real property to which the manufactured home is or shall be  
16 affixed, and the application is thereafter accepted by the  
17 Secretary of State, the requirements of this Section shall be  
18 deemed satisfied as of the date the affidavit of affixation is  
19 recorded.

20 (d) Upon written request, the Secretary of State shall  
21 provide written acknowledgment of compliance with the  
22 provisions of this Section.

23 (625 ILCS 5/3-116.4 new)

24 Sec. 3-116.4. Application for a certificate of title to a  
25 severed manufactured home.

1       (a) Notwithstanding any other provision of law, where a  
2 manufactured home has been permanently affixed to real  
3 property, and an affidavit of affixation has been recorded as  
4 part of the real property records in the county in which the  
5 manufactured home is located pursuant to Section 15 of the  
6 Conveyance and Encumbrance of Manufactured Homes Act, and where  
7 the manufactured home subsequently is detached or severed from  
8 the real property, the owner or owners of the manufactured home  
9 may apply for a new certificate of title by filing with the  
10 Secretary of State an application for a certificate of title to  
11 a manufactured home, containing or accompanied by:

12           (1) the name, residence, and mailing address of the  
13 owner;

14           (2) a description of the manufactured home including  
15 the name of the manufacturer, the make, the model name, the  
16 model year, the dimensions, the vehicle identification  
17 number or numbers of the manufactured home, whether it is  
18 new or used, and any other information the Secretary of  
19 State requires;

20           (3) a statement signed by the applicant, stating  
21 either: (i) any facts or information known to the applicant  
22 that could reasonably affect the validity of the title of  
23 the manufactured home or the existence or non-existence of  
24 any security interest in or lien on it; or (ii) that no  
25 such facts or information are known to the applicant;

26           (4) a certified copy of the affidavit of severance

1 provided in accordance with Section 55 of the Conveyance  
2 and Encumbrance of Manufactured Homes Act.

3 (5) a sworn declaration by an attorney at law duly  
4 admitted to practice in the courts of the State of  
5 Illinois, or an agent of a title insurance company duly  
6 licensed to issue policies of title insurance in the State  
7 of Illinois, that the manufactured home is free and clear  
8 of all security interests, liens, and encumbrances, and (i)  
9 any facts or information known to him or her that could  
10 reasonably affect the validity of the title of the  
11 manufactured home or the existence or non-existence of any  
12 security interest in or lien on it; or (ii) that no such  
13 facts or information are known to him or her; and

14 (6) any other information and documents the Secretary  
15 of State reasonably requires to identify the manufactured  
16 home and to enable him or her to determine whether the  
17 owner is entitled to a certificate of title, and the  
18 existence or non-existence of security interests in or  
19 liens on the manufactured home.

20 (b) When satisfied as to its genuineness and regularity the  
21 application for a certificate of title to a manufactured home,  
22 and upon satisfaction of the requirements of subsection (a) of  
23 this Section, the Secretary of State shall issue a new  
24 certificate of title and update his or her records in  
25 accordance with the provisions of Section 3-106 of this Code.

26 (c) Immediately upon satisfaction of the requirements of

1 this Section and thereafter, a manufactured home shall be  
2 conveyed and encumbered as personal property.

3 (625 ILCS 5/3-202) (from Ch. 95 1/2, par. 3-202)

4 Sec. 3-202. Perfection of security interest.

5 (a) Unless excepted by Section 3-201, a security interest  
6 in a vehicle of a type for which a certificate of title is  
7 required is not valid against subsequent transferees or  
8 lienholders of the vehicle unless perfected as provided in this  
9 Act. A purchase money security interest in a manufactured home  
10 is perfected against the rights of judicial lien creditors and  
11 execution creditors on and after the date such purchase money  
12 security interest attaches.

13 (b) A security interest is perfected by the delivery to the  
14 Secretary of State of the existing certificate of title, if  
15 any, an application for a certificate of title containing the  
16 name and address of the lienholder and the required fee. The  
17 security interest is perfected as of the time of its creation  
18 if the delivery to the Secretary of State is completed within  
19 30 days after the creation of the security interest or receipt  
20 by the new lienholder of the existing certificate of title from  
21 a prior lienholder or licensed dealer, otherwise as of the time  
22 of the delivery.

23 (c) If a vehicle is subject to a security interest when  
24 brought into this State, the validity of the security interest  
25 is determined by the law of the jurisdiction where the vehicle

1 was when the security interest attached, subject to the  
2 following:

3 1. If the parties understood at the time the security  
4 interest attached that the vehicle would be kept in this  
5 State and it was brought into this State within 30 days  
6 thereafter for purposes other than transportation through  
7 this State, the validity of the security interest in this  
8 State is determined by the law of this State.

9 2. If the security interest was perfected under the law  
10 of the jurisdiction where the vehicle was when the security  
11 interest attached, the following rules apply:

12 (A) If the name of the lienholder is shown on an  
13 existing certificate of title issued by that  
14 jurisdiction, his security interest continues  
15 perfected in this State.

16 (B) If the name of the lienholder is not shown on  
17 an existing certificate of title issued by that  
18 jurisdiction, a security interest may be perfected by  
19 the lienholder delivering to the Secretary of State the  
20 prescribed notice and by payment of the required fee.  
21 Such security interest is perfected as of the time of  
22 delivery of the prescribed notice and payment of the  
23 required fee.

24 3. If the security interest was not perfected under the  
25 law of the jurisdiction where the vehicle was when the  
26 security interest attached, it may be perfected in this

1 State; in that case perfection dates from the time of  
2 perfection in this State.

3 4. A security interest may be perfected under paragraph  
4 3 of this subsection either as provided in subsection (b)  
5 or by the lienholder delivering to the Secretary of State a  
6 notice of security interest in the form the Secretary of  
7 State prescribes and the required fee.

8 (d) Except as otherwise provided in the Conveyance and  
9 Encumbrance of Manufactured Homes Act and Sections 3-116.1,  
10 3-116.2, and 3-207 of this Code, after a certificate of title  
11 has been issued for a manufactured home and as long as the  
12 manufactured home is subject to any security interest perfected  
13 pursuant to this Section, the Secretary of State shall not file  
14 an affidavit of affixation, nor cancel the Manufacturer's  
15 Statement of Origin, nor revoke the certificate of title, nor  
16 issue a certificate of title under Section 3-106 of this Code;  
17 and, in any event, the validity and priority of any security  
18 interest perfected pursuant to this Section shall continue,  
19 notwithstanding the provision of any other law.

20 (Source: P.A. 95-284, eff. 1-1-08.)

21 (625 ILCS 5/3-205) (from Ch. 95 1/2, par. 3-205)

22 Sec. 3-205. Release of security interest.

23 (a) Within 21 days after receiving payment to satisfy a  
24 security interest in a vehicle for which the certificate of  
25 title is in the possession of the lienholder, he shall execute

1 a release of his security interest, and mail or deliver the  
2 certificate and release to the next lienholder named therein,  
3 or, if none, to the owner or any person who delivers to the  
4 lienholder an authorization from the owner to receive the  
5 certificate. If the payment is in the form of cash, a cashier's  
6 check, or a certified check, the number of days is reduced to  
7 10 business days. If the owner desires a new certificate  
8 reflecting no lien, the certificate and release from the  
9 lienholder may be submitted to the Secretary of State, along  
10 with the prescribed application and required fee, for issuance  
11 of that new certificate.

12 (b) Within 21 days after receiving payment to satisfy a  
13 security interest in a vehicle for which the certificate of  
14 title is in the possession of a prior lienholder, the  
15 lienholder whose security interest is satisfied shall execute a  
16 release and deliver the release to the owner or any person who  
17 delivers to the lienholder an authorization from the owner to  
18 receive it. If the payment is in the form of cash, a cashier's  
19 check, or a certified check, the number of days is reduced to  
20 10 business days. The lienholder in possession of the  
21 certificate of title may either deliver the certificate to the  
22 owner, or the person authorized by him, for delivery to the  
23 Secretary of State, or, upon receipt of the release, may mail  
24 or may deliver the certificate and release, along with  
25 prescribed application and require fee, to the Secretary of  
26 State, who shall issue a new certificate.

1 (c) In addition to any other penalty, a lienholder who  
2 fails to execute a release of his or her security interest or  
3 who fails to mail or deliver the certificate and release within  
4 the time limit provided in subsection (a) or (b) is liable to  
5 the person or entity that was supposed to receive the release  
6 or certificate for \$150 plus reasonable attorney fees and court  
7 costs. An action under this Section may be brought in small  
8 claims court or in any other appropriate court.

9 (d) The holder of a security interest in or a lien on a  
10 manufactured home may deliver lien release documents to any  
11 person to facilitate conveying or encumbering the manufactured  
12 home. Any person receiving the lien release documents, so  
13 delivered, holds the documents in trust for the security  
14 interest holder or the lienholder.

15 (Source: P.A. 93-621, eff. 12-15-03.)

16 (625 ILCS 5/3-207) (from Ch. 95 1/2, par. 3-207)

17 Sec. 3-207. Exclusiveness of procedure.

18 The method provided in this act of perfecting and giving  
19 notice of security interests subject to this act is exclusive.  
20 Security interests subject to this act are hereby exempted from  
21 the provisions of law which otherwise require or relate to the  
22 recording or filing of instruments creating or evidencing  
23 security interests in vehicles including chattel mortgages and  
24 conditional sale agreements, provided, however, that upon  
25 recording an affidavit of affixation for a manufactured home

1 that is or will be permanently affixed pursuant to Section 10  
2 of the Conveyance and Encumbrance of Manufactured Homes Act,  
3 and satisfaction, as applicable, of the requirements of  
4 Sections 3-116.1, 3-116.2, or 3-116.3 of this Code, any  
5 perfection or termination of a security interest with respect  
6 to such permanently affixed property shall be governed by the  
7 Property Chapter.

8 (Source: P.A. 76-1586.)

9 (625 ILCS 5/3-208) (from Ch. 95 1/2, par. 3-208)

10 Sec. 3-208. Suspension or revocation of certificates.

11 (a) (1) The Secretary of State may suspend or revoke a  
12 certificate of title, upon notice and reasonable opportunity to  
13 be heard in accordance with Section 2-118, when authorized by  
14 any other provision of law or if he finds:

15 1. The certificate of title was fraudulently procured or  
16 erroneously issued, or

17 2. The vehicle has been scrapped, dismantled or destroyed.

18 (2) Except as provided in Section 3-116.2 of this Code,  
19 the Secretary of State shall not suspend or revoke a  
20 certificate of title to a manufactured home because it, at  
21 any time and in any manner, became affixed to real  
22 property.

23 (b) Suspension or revocation of a certificate of title does  
24 not, in itself, affect the validity of a security interest  
25 noted on it.

1           (c) When the Secretary of State suspends or revokes a  
2 certificate of title, the owner or person in possession of it  
3 shall, immediately upon receiving notice of the suspension or  
4 revocation, mail or deliver the certificate to the Secretary of  
5 State.

6           (d) The Secretary of State may seize and impound any  
7 certificate of title which has been suspended or revoked.

8           (Source: P.A. 76-1586.)

9           Section 105. The Code of Civil Procedure is amended by  
10 changing Section 15-1213 as follows:

11           (735 ILCS 5/15-1213) (from Ch. 110, par. 15-1213)

12           Sec. 15-1213. Real Estate. "Real estate" means land or any  
13 estate or interest in, over or under land (including minerals,  
14 air rights, structures, fixtures and other things which by  
15 custom, usage or law pass with a conveyance of land though not  
16 described or mentioned in the contract of sale or instrument of  
17 conveyance). "Mortgaged real estate" means the real estate  
18 which is the subject of a mortgage. "Real Estate" includes a  
19 manufactured home as defined in paragraph (53) of Section 9-102  
20 of the Uniform Commercial Code that is real property as defined  
21 in Section 40 of the Conveyance and Encumbrance of Manufactured  
22 Homes Act.

23           (Source: P.A. 84-1462.)

1           Section 110. The Conveyances Act is amended by changing  
2 Section 38 as follows:

3           (765 ILCS 5/38) (from Ch. 30, par. 37)

4           Sec. 38. The term "real estate," as used in this act, shall  
5 be construed as co-extensive in meaning with "lands, tenements  
6 and hereditaments," and as embracing all chattels real. "Real  
7 estate" and "real property" include a manufactured home as  
8 defined in paragraph (53) of Section 9-102 of the Uniform  
9 Commercial Code that is real property as defined in Section 40  
10 of the Conveyance and Encumbrance of Manufactured Homes Act.  
11 This act shall not be construed so as to embrace last wills,  
12 except as herein expressly provided.

13           (Source: P.A. 84-551.)

14           Section 115. The Residential Real Property Disclosure Act  
15 is amended by changing Section 5 as follows:

16           (765 ILCS 77/5)

17           Sec. 5. Definitions. As used in this Act, unless the  
18 context otherwise requires the following terms have the meaning  
19 given in this Section.

20           "Residential real property" means real property improved  
21 with not less than one nor more than 4 residential dwelling  
22 units; units in residential cooperatives; or, condominium  
23 units, including the limited common elements allocated to the

1 exclusive use thereof that form an integral part of the  
2 condominium unit. The term includes a manufactured home as  
3 defined in paragraph (53) of Section 9-102 of the Uniform  
4 Commercial Code that is real property as defined in Section 40  
5 of the Conveyance and Encumbrance of Manufactured Homes Act.

6 "Seller" means every person or entity who is an owner,  
7 beneficiary of a trust, contract purchaser or lessee of a  
8 ground lease, who has an interest (legal or equitable) in  
9 residential real property. However, "seller" shall not include  
10 any person who has both (i) never occupied the residential real  
11 property and (ii) never had the management responsibility for  
12 the residential real property nor delegated such  
13 responsibility for the residential real property to another  
14 person or entity.

15 "Prospective buyer" means any person or entity negotiating  
16 or offering to become an owner or lessee of residential real  
17 property by means of a transfer for value to which this Act  
18 applies.

19 (Source: P.A. 90-383, eff. 1-1-98.)

20 Section 120. The Mortgage Act is amended by adding Section  
21 13.1 as follows:

22 (765 ILCS 905/13.1 new)

23 Sec. 13.1. As used in this Act:

24 "Real estate" and "real property" include a manufactured

1 home as defined in paragraph (53) of Section 9-102 of the  
2 Uniform Commercial Code that is real property as defined in  
3 Section 40 of the Conveyance and Encumbrance of Manufactured  
4 Homes Act.

5 Section 125. The Joint Tenancy Act is amended by adding  
6 Section 5 as follows:

7 (765 ILCS 1005/5 new)

8 Sec. 5. As used in this Act:

9 "Real estate" and "real property" include a manufactured  
10 home as defined in paragraph (53) of Section 9-102 of the  
11 Uniform Commercial Code that is real property as defined in  
12 Section 40 of the Conveyance and Encumbrance of Manufactured  
13 Homes Act.

14 Section 130. The Interest Act is amended by changing  
15 Sections 4, 4.2, and 4a as follows:

16 (815 ILCS 205/4) (from Ch. 17, par. 6404)

17 Sec. 4. General interest rate.

18 (1) Except as otherwise provided in Section 4.05, in all  
19 written contracts it shall be lawful for the parties to  
20 stipulate or agree that 9% per annum, or any less sum of  
21 interest, shall be taken and paid upon every \$100 of money  
22 loaned or in any manner due and owing from any person to any

1 other person or corporation in this state, and after that rate  
2 for a greater or less sum, or for a longer or shorter time,  
3 except as herein provided.

4 The maximum rate of interest that may lawfully be  
5 contracted for is determined by the law applicable thereto at  
6 the time the contract is made. Any provision in any contract,  
7 whether made before or after July 1, 1969, which provides for  
8 or purports to authorize, contingent upon a change in the  
9 Illinois law after the contract is made, any rate of interest  
10 greater than the maximum lawful rate at the time the contract  
11 is made, is void.

12 It is lawful for a state bank or a branch of an  
13 out-of-state bank, as those terms are defined in Section 2 of  
14 the Illinois Banking Act, to receive or to contract to receive  
15 and collect interest and charges at any rate or rates agreed  
16 upon by the bank or branch and the borrower. It is lawful for a  
17 savings bank chartered under the Savings Bank Act or a savings  
18 association chartered under the Illinois Savings and Loan Act  
19 of 1985 to receive or contract to receive and collect interest  
20 and charges at any rate agreed upon by the savings bank or  
21 savings association and the borrower.

22 It is lawful to receive or to contract to receive and  
23 collect interest and charges as authorized by this Act and as  
24 authorized by the Consumer Installment Loan Act and by the  
25 "Consumer Finance Act", approved July 10, 1935, as now or  
26 hereafter amended, or by the Payday Loan Reform Act. It is

1 lawful to charge, contract for, and receive any rate or amount  
2 of interest or compensation with respect to the following  
3 transactions:

4 (a) Any loan made to a corporation;

5 (b) Advances of money, repayable on demand, to an  
6 amount not less than \$5,000, which are made upon warehouse  
7 receipts, bills of lading, certificates of stock,  
8 certificates of deposit, bills of exchange, bonds or other  
9 negotiable instruments pledged as collateral security for  
10 such repayment, if evidenced by a writing;

11 (c) Any credit transaction between a merchandise  
12 wholesaler and retailer; any business loan to a business  
13 association or copartnership or to a person owning and  
14 operating a business as sole proprietor or to any persons  
15 owning and operating a business as joint venturers, joint  
16 tenants or tenants in common, or to any limited  
17 partnership, or to any trustee owning and operating a  
18 business or whose beneficiaries own and operate a business,  
19 except that any loan which is secured (1) by an assignment  
20 of an individual obligor's salary, wages, commissions or  
21 other compensation for services, or (2) by his household  
22 furniture or other goods used for his personal, family or  
23 household purposes shall be deemed not to be a loan within  
24 the meaning of this subsection; and provided further that a  
25 loan which otherwise qualifies as a business loan within  
26 the meaning of this subsection shall not be deemed as not

1 so qualifying because of the inclusion, with other security  
2 consisting of business assets of any such obligor, of real  
3 estate occupied by an individual obligor solely as his  
4 residence. The term "business" shall be deemed to mean a  
5 commercial, agricultural or industrial enterprise which is  
6 carried on for the purpose of investment or profit, but  
7 shall not be deemed to mean the ownership or maintenance of  
8 real estate occupied by an individual obligor solely as his  
9 residence;

10 (d) Any loan made in accordance with the provisions of  
11 Subchapter I of Chapter 13 of Title 12 of the United States  
12 Code, which is designated as "Housing Renovation and  
13 Modernization";

14 (e) Any mortgage loan insured or upon which a  
15 commitment to insure has been issued under the provisions  
16 of the National Housing Act, Chapter 13 of Title 12 of the  
17 United States Code;

18 (f) Any mortgage loan guaranteed or upon which a  
19 commitment to guaranty has been issued under the provisions  
20 of the Veterans' Benefits Act, Subchapter II of Chapter 37  
21 of Title 38 of the United States Code;

22 (g) Interest charged by a broker or dealer registered  
23 under the Securities Exchange Act of 1934, as amended, or  
24 registered under the Illinois Securities Law of 1953,  
25 approved July 13, 1953, as now or hereafter amended, on a  
26 debit balance in an account for a customer if such debit

1 balance is payable at will without penalty and is secured  
2 by securities as defined in Uniform Commercial  
3 Code-Investment Securities;

4 (h) Any loan made by a participating bank as part of  
5 any loan guarantee program which provides for loans and for  
6 the refinancing of such loans to medical students, interns  
7 and residents and which are guaranteed by the American  
8 Medical Association Education and Research Foundation;

9 (i) Any loan made, guaranteed, or insured in accordance  
10 with the provisions of the Housing Act of 1949, Subchapter  
11 III of Chapter 8A of Title 42 of the United States Code and  
12 the Consolidated Farm and Rural Development Act,  
13 Subchapters I, II, and III of Chapter 50 of Title 7 of the  
14 United States Code;

15 (j) Any loan by an employee pension benefit plan, as  
16 defined in Section 3 (2) of the Employee Retirement Income  
17 Security Act of 1974 (29 U.S.C.A. Sec. 1002), to an  
18 individual participating in such plan, provided that such  
19 loan satisfies the prohibited transaction exemption  
20 requirements of Section 408 (b) (1) (29 U.S.C.A. Sec. 1108  
21 (b) (1)) or Section 2003 (a) (26 U.S.C.A. Sec. 4975 (d)  
22 (1)) of the Employee Retirement Income Security Act of  
23 1974;

24 (k) Written contracts, agreements or bonds for deed  
25 providing for installment purchase of real estate,  
26 including a manufactured home as defined in paragraph (53)

1 of Section 9-102 of the Uniform Commercial Code that is  
2 real property as defined in Section 40 of the Conveyance  
3 and Encumbrance of Manufactured Homes Act;

4 (1) Loans secured by a mortgage on real estate,  
5 including a manufactured home as defined in paragraph (53)  
6 of Section 9-102 of the Uniform Commercial Code that is  
7 real property as defined in Section 40 of the Conveyance  
8 and Encumbrance of Manufactured Homes Act;

9 (m) Loans made by a sole proprietorship, partnership,  
10 or corporation to an employee or to a person who has been  
11 offered employment by such sole proprietorship,  
12 partnership, or corporation made for the sole purpose of  
13 transferring an employee or person who has been offered  
14 employment to another office maintained and operated by the  
15 same sole proprietorship, partnership, or corporation;

16 (n) Loans to or for the benefit of students made by an  
17 institution of higher education.

18 (2) Except for loans described in subparagraph (a), (c),  
19 (d), (e), (f) or (i) of subsection (1) of this Section, and  
20 except to the extent permitted by the applicable statute for  
21 loans made pursuant to Section 4a or pursuant to the Consumer  
22 Installment Loan Act:

23 (a) Whenever the rate of interest exceeds 8% per annum  
24 on any written contract, agreement or bond for deed  
25 providing for the installment purchase of residential real  
26 estate, or on any loan secured by a mortgage on residential

1 real estate, it shall be unlawful to provide for a  
2 prepayment penalty or other charge for prepayment.

3 (b) No agreement, note or other instrument evidencing a  
4 loan secured by a mortgage on residential real estate, or  
5 written contract, agreement or bond for deed providing for  
6 the installment purchase of residential real estate, may  
7 provide for any change in the contract rate of interest  
8 during the term thereof. However, if the Congress of the  
9 United States or any federal agency authorizes any class of  
10 lender to enter, within limitations, into mortgage  
11 contracts or written contracts, agreements or bonds for  
12 deed in which the rate of interest may be changed during  
13 the term of the contract, any person, firm, corporation or  
14 other entity not otherwise prohibited from entering into  
15 mortgage contracts or written contracts, agreements or  
16 bonds for deed in Illinois may enter into mortgage  
17 contracts or written contracts, agreements or bonds for  
18 deed in which the rate of interest may be changed during  
19 the term of the contract, within the same limitations.

20 (3) In any contract or loan which is secured by a mortgage,  
21 deed of trust, or conveyance in the nature of a mortgage, on  
22 residential real estate, the interest which is computed,  
23 calculated, charged, or collected pursuant to such contract or  
24 loan, or pursuant to any regulation or rule promulgated  
25 pursuant to this Act, may not be computed, calculated, charged  
26 or collected for any period of time occurring after the date on

1 which the total indebtedness, with the exception of late  
2 payment penalties, is paid in full.

3 For purposes of this Section, a prepayment shall mean the  
4 payment of the total indebtedness, with the exception of late  
5 payment penalties if incurred or charged, on any date before  
6 the date specified in the contract or loan agreement on which  
7 the total indebtedness shall be paid in full, or before the  
8 date on which all payments, if timely made, shall have been  
9 made. In the event of a prepayment of the indebtedness which is  
10 made on a date after the date on which interest on the  
11 indebtedness was last computed, calculated, charged, or  
12 collected but before the next date on which interest on the  
13 indebtedness was to be calculated, computed, charged, or  
14 collected, the lender may calculate, charge and collect  
15 interest on the indebtedness for the period which elapsed  
16 between the date on which the prepayment is made and the date  
17 on which interest on the indebtedness was last computed,  
18 calculated, charged or collected at a rate equal to  $1/360$  of  
19 the annual rate for each day which so elapsed, which rate shall  
20 be applied to the indebtedness outstanding as of the date of  
21 prepayment. The lender shall refund to the borrower any  
22 interest charged or collected which exceeds that which the  
23 lender may charge or collect pursuant to the preceding  
24 sentence. The provisions of this amendatory Act of 1985 shall  
25 apply only to contracts or loans entered into on or after the  
26 effective date of this amendatory Act, but shall not apply to

1 contracts or loans entered into on or after that date that are  
2 subject to Section 4a of this Act, the Consumer Installment  
3 Loan Act, the Payday Loan Reform Act, or the Retail Installment  
4 Sales Act, or that provide for the refund of precomputed  
5 interest on prepayment in the manner provided by such Act.

6 For purposes of this Section, "real estate" and "real  
7 property" include a manufactured home as defined in paragraph  
8 (53) of Section 9-102 of the Uniform Commercial Code that is  
9 real property as defined in Section 40 the Conveyance and  
10 Encumbrance of Manufactured Homes Act.

11 (Source: P.A. 94-13, eff. 12-6-05; 94-635, eff. 8-22-05;  
12 95-331, eff. 8-21-07.)

13 (815 ILCS 205/4.2) (from Ch. 17, par. 6407)

14 Sec. 4.2. Revolving credit; billing statements;  
15 disclosures. On a revolving credit which complies with  
16 subparagraphs (a), (b), (c), (d) and (e) of this Section 4.2,  
17 it is lawful for any bank that has its main office or, after  
18 May 31, 1997, a branch in this State, a state or federal  
19 savings and loan association with its main office in this  
20 State, a state or federal credit union with its main office in  
21 this State, or a lender licensed under the Consumer Finance  
22 Act, the Consumer Installment Loan Act or the Sales Finance  
23 Agency Act, as such Acts are now and hereafter amended, to  
24 receive or contract to receive and collect interest in any  
25 amount or at any rate agreed upon by the parties to the

1 revolving credit arrangement. It is lawful for any other lender  
2 to receive or contract to receive and collect interest in an  
3 amount not in excess of 1 1/2% per month of either the average  
4 daily unpaid balance of the principal of the debt during the  
5 billing cycle, or of the unpaid balance of the debt on  
6 approximately the same day of the billing cycle. If a lender  
7 under a revolving credit arrangement notifies the debtor at  
8 least 30 days in advance of any lawful increase in the amount  
9 or rate of interest to be charged under the revolving credit  
10 arrangement, and the debtor, after the effective date of such  
11 notice, incurs new debt pursuant to the revolving credit  
12 arrangement, the increased interest amount or rate may be  
13 applied only to any such new debt incurred under the revolving  
14 credit arrangement. For purposes of determining the balances to  
15 which the increased interest rate applies, all payments and  
16 other credits may be deemed to be applied to the balance  
17 existing prior to the change in rate until that balance is paid  
18 in full. The face amount of the drafts, items, orders for the  
19 payment of money, evidences of debt, or similar written  
20 instruments received by the lender in connection with the  
21 revolving credit, less the amounts applicable to principal from  
22 time to time paid thereon by the debtor, are the unpaid balance  
23 of the debt upon which the interest is computed. If the billing  
24 cycle is not monthly, the maximum interest rate for the billing  
25 cycle is the percentage which bears the same relation to the  
26 monthly percentage provided for in the preceding sentence as

1 the number of days in the billing cycle bears to 30. For the  
2 purposes of the foregoing computation, a "month" is deemed to  
3 be any time of 30 consecutive days. In addition to the interest  
4 charge provided for, it is lawful to receive, contract for or  
5 collect a charge not exceeding 25 cents for each transaction in  
6 which a loan or advance is made under the revolving credit or  
7 in lieu of this additional charge an annual fee for the  
8 privilege of receiving and using the revolving credit in an  
9 amount not exceeding \$20. In addition, with respect to  
10 revolving credit secured by an interest in real estate,  
11 including a manufactured home as defined in paragraph (53) of  
12 Section 9-102 of the Uniform Commercial Code that is real  
13 property as defined in Section 40 of the Conveyance and  
14 Encumbrance of Manufactured Homes Act, it is also lawful to  
15 receive, contract for or collect fees lawfully paid to any  
16 public officer or agency to record, file or release the  
17 security, and costs and disbursements actually incurred for any  
18 title insurance, title examination, abstract of title, survey,  
19 appraisal, escrow fees, and fees paid to a trustee in  
20 connection with a trust deed.

21 (a) At or before the date a bill or statement is first  
22 rendered to the debtor under a revolving credit arrangement,  
23 the lender must mail or deliver to the debtor a written  
24 description of the conditions under which a charge for interest  
25 may be made and the method, including the rate, of computing  
26 these interest charges. The rate of interest must be expressed

1 as an annual percentage rate.

2 (b) If during any billing cycle any debit or credit entry  
3 is made to a debtor's revolving credit account, and if at the  
4 end of that billing cycle there is an unpaid balance owing to  
5 the lender from the debtor, the lender must give to the debtor  
6 the following information within a reasonable time after the  
7 end of the billing cycle:

8 (i) the unpaid balance at the beginning of the billing  
9 cycle;

10 (ii) the date and amount of all loans or advances made  
11 during the billing cycle, which information may be supplied  
12 by enclosing a copy of the drafts, items, orders for the  
13 payment of money, evidences of debt or similar written  
14 instruments presented to the lender during the billing  
15 cycle;

16 (iii) the payments by the debtor to the lender and any  
17 other credits to the debtor during the billing cycle;

18 (iv) the amount of interest and other charges, if any,  
19 charged to the debtor's account during the billing cycle;

20 (v) the amount which must be currently paid by the  
21 debtor and the date on which that amount must be paid in  
22 order to avoid delinquency;

23 (vi) the total amount remaining unpaid at the end of  
24 the billing cycle and the right of the debtor to prepay  
25 that amount in full without penalty; and

26 (vii) information required by (iv), (v) and (vi) must

1           be set forth in type of equal size and equal  
2           conspicuousness.

3           (c) The revolving credit arrangement may provide for the  
4           payment by the debtor and receipt by the lender of all costs  
5           and disbursements, including reasonable attorney's fees,  
6           incurred by the lender in legal proceedings to collect or  
7           enforce the debt in the event of delinquency by the debtor or  
8           in the event of a breach of any obligation of the debtor under  
9           the arrangement.

10          (d) The lender under a revolving credit arrangement may  
11          provide credit life insurance or credit accident and health  
12          insurance, or both, with respect to the debtor and may charge  
13          the debtor therefor. Credit life insurance and credit accident  
14          and health insurance, and any charge therefor made to the  
15          debtor, shall comply with Article IX 1/2 of the Illinois  
16          Insurance Code, as now or hereafter amended, and all lawful  
17          requirements of the Director of Insurance related thereto. This  
18          insurance is in force with respect to each loan or advance made  
19          under a revolving credit arrangement as soon as the loan or  
20          advance is made. The purchase of this insurance from an agent,  
21          broker or insurer specified by the lender may not be a  
22          condition precedent to the revolving credit arrangement or to  
23          the making of any loan or advance thereunder.

24          (e) Whenever interest is contracted for or received under  
25          this Section, no amount in addition to the charges authorized  
26          by this Act may be directly or indirectly charged, contracted

1 for or received whether as interest, service charges, costs of  
2 investigations or enforcements or otherwise.

3 (f) The lender under a revolving credit arrangement must  
4 compute at year end the total amount charged to the debtor's  
5 account during the year, including service charges, finance  
6 charges, late charges and any other charges authorized by this  
7 Act, and upon request must furnish such information to the  
8 debtor within 30 days after the end of the year, or if the  
9 account has been terminated during such year, may give such  
10 requested information within 30 days after such termination.  
11 The lender shall annually inform the debtor of his right to  
12 obtain such information.

13 (g) A lender who complies with the federal Truth in Lending  
14 Act, amendments thereto, and any regulations issued or which  
15 may be issued thereunder, shall be deemed to be in compliance  
16 with the provisions of subparagraphs (a) and (b) of this  
17 Section.

18 (h) Anything in this Section 4.2 to the contrary  
19 notwithstanding, if the Congress of the United States or any  
20 federal agency authorizes any class of lenders to enter, within  
21 limitations, into a revolving credit arrangement secured by a  
22 mortgage or deed of trust on residential real property, any  
23 person, firm, corporation or other entity, not otherwise  
24 prohibited by the Congress of the United States or any federal  
25 agency from entering into revolving credit arrangements  
26 secured by a mortgage or deed of trust on residential real

1 property, may enter into such arrangements within the same  
2 limitations.

3 (Source: P.A. 89-208, eff. 9-29-95.)

4 (815 ILCS 205/4a) (from Ch. 17, par. 6410)

5 Sec. 4a. Installment loan rate.

6 (a) On money loaned to or in any manner owing from any  
7 person, whether secured or unsecured, except where the money  
8 loaned or in any manner owing is directly or indirectly for the  
9 purchase price of real estate or an interest therein and is  
10 secured by a lien on or retention of title to that real estate  
11 or interest therein, to an amount not more than \$25,000  
12 (excluding interest) which is evidenced by a written instrument  
13 providing for the payment thereof in 2 or more periodic  
14 installments over a period of not more than 181 months from the  
15 date of the execution of the written instrument, it is lawful  
16 to receive or to contract to receive and collect either:

17 (i) interest in an amount equivalent to interest  
18 computed at a rate not exceeding 9% per year on the entire  
19 principal amount of the money loaned or in any manner owing  
20 for the period from the date of the making of the loan or  
21 the incurring of the obligation for the amount owing  
22 evidenced by the written instrument until the date of the  
23 maturity of the last installment thereof, and to add that  
24 amount to the principal, except that there shall be no  
25 limit on the rate of interest which may be received or

1           contracted to be received and collected by (1) any bank  
2           that has its main office or, after May 31, 1997, a branch  
3           in this State; (2) a savings and loan association chartered  
4           under the Illinois Savings and Loan Act of 1985, a savings  
5           bank chartered under the Savings Bank Act, or a federal  
6           savings and loan association established under the laws of  
7           the United States and having its main office in this State;  
8           or (3) any lender licensed under either the Consumer  
9           Finance Act or the Consumer Installment Loan Act, but in  
10          any case in which interest is received, contracted for or  
11          collected on the basis of this clause (i), the debtor may  
12          satisfy in full at any time before maturity the debt  
13          evidenced by the written instrument, and in so satisfying  
14          must receive a refund credit against the total amount of  
15          interest added to the principal computed in the manner  
16          provided under Section 15(f)(3) of the Consumer  
17          Installment Loan Act for refunds or credits of applicable  
18          interest on payment in full of precomputed loans before the  
19          final installment due date; or

20                 (ii) interest accrued on the principal balance from  
21                 time to time remaining unpaid, from the date of making of  
22                 the loan or the incurring of the obligation to the date of  
23                 the payment of the debt in full, at a rate not exceeding  
24                 the annual percentage rate equivalent of the rate permitted  
25                 to be charged under clause (i) above, but in any such case  
26                 the debtor may, provided that the debtor shall have paid in

1 full all interest and other charges accrued to the date of  
2 such prepayment, prepay the principal balance in full or in  
3 part at any time, and interest shall, upon any such  
4 prepayment, cease to accrue on the principal amount which  
5 has been prepaid.

6 (b) Whenever the principal amount of an installment loan is  
7 \$300 or more and the repayment period is 6 months or more, a  
8 minimum charge of \$15 may be collected instead of interest, but  
9 only one minimum charge may be collected from the same person  
10 during one year. When the principal amount of the loan  
11 (excluding interest) is \$800 or less, the lender or creditor  
12 may contract for and receive a service charge not to exceed \$5  
13 in addition to interest; and that service charge may be  
14 collected when the loan is made, but only one service charge  
15 may be contracted for, received, or collected from the same  
16 person during one year.

17 (c) Credit life insurance and credit accident and health  
18 insurance, and any charge therefor which is deducted from the  
19 loan or paid by the obligor, must comply with Article IX 1/2 of  
20 the Illinois Insurance Code and all lawful requirements of the  
21 Director of Insurance related thereto. When there are 2 or more  
22 obligors on the loan contract, only one charge for credit life  
23 insurance and credit accident and health insurance may be made  
24 and only one of the obligors may be required to be insured.  
25 Insurance obtained from, by or through the lender or creditor  
26 must be in effect when the loan is transacted. The purchase of

1 that insurance from an agent, broker or insurer specified by  
2 the lender or creditor may not be a condition precedent to the  
3 granting of the loan.

4 (d) The lender or creditor may require the obligor to  
5 provide property insurance on security other than household  
6 goods, furniture and personal effects. The amount and term of  
7 the insurance must be reasonable in relation to the amount and  
8 term of the loan contract and the type and value of the  
9 security, and the insurance must be procured in accordance with  
10 the insurance laws of this State. The purchase of that  
11 insurance from an agent, broker or insurer specified by the  
12 lender or creditor may not be a condition precedent to the  
13 granting of the loan.

14 (e) The lender or creditor may, if the contract provides,  
15 collect a delinquency and collection charge on each installment  
16 in default for a period of not less than 10 days in an amount  
17 not exceeding 5% of the installment on installments in excess  
18 of \$200 or \$10 on installments of \$200 or less, but only one  
19 delinquency and collection charge may be collected on any  
20 installment regardless of the period during which it remains in  
21 default. In addition, the contract may provide for the payment  
22 by the borrower or debtor of attorney's fees incurred by the  
23 lender or creditor. The lender or creditor may enforce such a  
24 provision to the extent of the reasonable attorney's fees  
25 incurred by him in the collection or enforcement of the  
26 contract or obligation. Whenever interest is contracted for or

1 received under this Section, no amount in addition to the  
2 charges authorized by this Section may be directly or  
3 indirectly charged, contracted for or received, except lawful  
4 fees paid to a public officer or agency to record, file or  
5 release security, and except costs and disbursements including  
6 reasonable attorney's fees, incurred in legal proceedings to  
7 collect a loan or to realize on a security after default. This  
8 Section does not prohibit the receipt of any commission,  
9 dividend or other benefit by the creditor or an employee,  
10 affiliate or associate of the creditor from the insurance  
11 authorized by this Section.

12 (f) When interest is contracted for or received under this  
13 Section, the lender must disclose the following items to the  
14 obligor in a written statement before the loan is consummated:

15 (1) the amount and date of the loan contract;

16 (2) the amount of loan credit using the term "amount  
17 financed";

18 (3) every deduction from the amount financed or payment  
19 made by the obligor for insurance and the type of insurance  
20 for which each deduction or payment was made;

21 (4) every other deduction from the loan or payment made  
22 by the obligor in connection with obtaining the loan;

23 (5) the date on which the finance charge begins to  
24 accrue if different from the date of the transaction;

25 (6) the total amount of the loan charge for the  
26 scheduled term of the loan contract with a description of

1 each amount included using the term "finance charge";

2 (7) the finance charge expressed as an annual  
3 percentage rate using the term "annual percentage rate".

4 "Annual percentage rate" means the nominal annual  
5 percentage rate of finance charge determined in accordance  
6 with the actuarial method of computation with an accuracy  
7 at least to the nearest 1/4 of 1%; or at the option of the  
8 lender by application of the United States rule so that it  
9 may be disclosed with an accuracy at least to the nearest  
10 1/4 of 1%;

11 (8) the number, amount and due dates or periods of  
12 payments scheduled to repay the loan and the sum of such  
13 payments using the term "total of payments";

14 (9) the amount, or method of computing the amount of  
15 any default, delinquency or similar charges payable in the  
16 event of late payments;

17 (10) the right of the obligor to prepay the loan and  
18 the fact that such prepayment will reduce the charge for  
19 the loan;

20 (11) a description or identification of the type of any  
21 security interest held or to be retained or acquired by the  
22 lender in connection with the loan and a clear  
23 identification of the property to which the security  
24 interest relates. If after-acquired property will be  
25 subject to the security interest, or if other or future  
26 indebtedness is or may be secured by any such property,

1           this fact shall be clearly set forth in conjunction with  
2           the description or identification of the type of security  
3           interest held, retained or acquired;

4           (12) a description of any penalty charge that may be  
5           imposed by the lender for prepayment of the principal of  
6           the obligation with an explanation of the method of  
7           computation of such penalty and the conditions under which  
8           it may be imposed;

9           (13) unless the contract provides for the accrual and  
10          payment of the finance charge on the balance of the amount  
11          financed from time to time remaining unpaid, an  
12          identification of the method of computing any unearned  
13          portion of the finance charge in the event of prepayment of  
14          the loan.

15          The terms "finance charge" and "annual percentage rate"  
16          shall be printed more conspicuously than other terminology  
17          required by this Section.

18          (g) At the time disclosures are made, the lender shall  
19          deliver to the obligor a duplicate of the instrument or  
20          statement by which the required disclosures are made and on  
21          which the lender and obligor are identified and their addresses  
22          stated. All of the disclosures shall be made clearly,  
23          conspicuously and in meaningful sequence and made together on  
24          either:

25                  (i) the note or other instrument evidencing the  
26                  obligation on the same side of the page and above or

1 adjacent to the place for the obligor's signature; however,  
2 where a creditor elects to combine disclosures with the  
3 contract, security agreement, and evidence of a  
4 transaction in a single document, the disclosures required  
5 under this Section shall be made on the face of the  
6 document, on the reverse side, or on both sides, provided  
7 that the amount of the finance charge and the annual  
8 percentage rate shall appear on the face of the document,  
9 and, if the reverse side is used, the printing on both  
10 sides of the document shall be equally clear and  
11 conspicuous, both sides shall contain the statement,  
12 "NOTICE: See other side for important information", and the  
13 place for the customer's signature shall be provided  
14 following the full content of the document; or

15 (ii) one side of a separate statement which identifies  
16 the transaction.

17 The amount of the finance charge shall be determined as the  
18 sum of all charges, payable directly or indirectly by the  
19 obligor and imposed directly or indirectly by the lender as an  
20 incident to or as a condition to the extension of credit,  
21 whether paid or payable by the obligor, any other person on  
22 behalf of the obligor, to the lender or to a third party,  
23 including any of the following types of charges:

24 (1) Interest, time price differential, and any amount  
25 payable under a discount or other system of additional  
26 charges.

1           (2) Service, transaction, activity, or carrying  
2 charge.

3           (3) Loan fee, points, finder's fee, or similar charge.

4           (4) Fee for an appraisal, investigation, or credit  
5 report.

6           (5) Charges or premiums for credit life, accident,  
7 health, or loss of income insurance, written in connection  
8 with any credit transaction unless (a) the insurance  
9 coverage is not required by the lender and this fact is  
10 clearly and conspicuously disclosed in writing to the  
11 obligor; and (b) any obligor desiring such insurance  
12 coverage gives specific dated and separately signed  
13 affirmative written indication of such desire after  
14 receiving written disclosure to him of the cost of such  
15 insurance.

16           (6) Charges or premiums for insurance, written in  
17 connection with any credit transaction, against loss of or  
18 damage to property or against liability arising out of the  
19 ownership or use of property, unless a clear, conspicuous,  
20 and specific statement in writing is furnished by the  
21 lender to the obligor setting forth the cost of the  
22 insurance if obtained from or through the lender and  
23 stating that the obligor may choose the person through  
24 which the insurance is to be obtained.

25           (7) Premium or other charges for any other guarantee or  
26 insurance protecting the lender against the obligor's

1 default or other credit loss.

2 (8) Any charge imposed by a lender upon another lender  
3 for purchasing or accepting an obligation of an obligor if  
4 the obligor is required to pay any part of that charge in  
5 cash, as an addition to the obligation, or as a deduction  
6 from the proceeds of the obligation.

7 A late payment, delinquency, default, reinstatement or  
8 other such charge is not a finance charge if imposed for actual  
9 unanticipated late payment, delinquency, default or other  
10 occurrence.

11 (h) Advertising for loans transacted under this Section may  
12 not be false, misleading, or deceptive. That advertising, if it  
13 states a rate or amount of interest, must state that rate as an  
14 annual percentage rate of interest charged. In addition, if  
15 charges other than for interest are made in connection with  
16 those loans, those charges must be separately stated. No  
17 advertising may indicate or imply that the rates or charges for  
18 loans are in any way "recommended", "approved", "set" or  
19 "established" by the State government or by this Act.

20 (i) A lender or creditor who complies with the federal  
21 Truth in Lending Act, amendments thereto, and any regulations  
22 issued or which may be issued thereunder, shall be deemed to be  
23 in compliance with the provisions of subsections (f), (g) and  
24 (h) of this Section.

25 (j) For purposes of this Section "real estate" includes a  
26 manufactured home as defined in paragraph (53) of Section 9-102

1 of the Uniform Commercial Code that is real property as defined  
2 in Section 40 of the Conveyance and Encumbrance of Manufactured  
3 Homes Act.

4 (Source: P.A. 92-483, eff. 8-23-01.)

5 Section 135. The Motor Vehicle Retail Installment Sales Act  
6 is amended by changing Section 2.1 as follows:

7 (815 ILCS 375/2.1) (from Ch. 121 1/2, par. 562.1)

8 Sec. 2.1.

9 "Motor vehicle" means a motor vehicle as defined in The  
10 Illinois Vehicle Code but does not include bicycles,  
11 motorcycles, motor scooters, snowmobiles, trailers, ~~and~~ farm  
12 equipment, and a manufactured home as defined in paragraph (53)  
13 of Section 9-102 of the Uniform Commercial Code.

14 (Source: P.A. 77-1167.)

15 Section 140. The Retail Installment Sales Act is amended by  
16 changing Section 2.1 as follows:

17 (815 ILCS 405/2.1) (from Ch. 121 1/2, par. 502.1)

18 Sec. 2.1. "Goods" means all goods used or purchased  
19 primarily for personal, family, or household purposes. "Goods"  
20 includes goods purchased primarily for agricultural purposes  
21 only for the purposes of the credit disclosure requirements of  
22 this Act. "Goods" includes merchandise certificates or coupons

1 issued by a retail seller to be used in their face amount in  
2 the purchase of goods or services sold by such a seller but  
3 does not include money or other things in action. It also  
4 includes goods which are furnished or used, at the time of sale  
5 or subsequently, in the modernization, rehabilitation, repair,  
6 alteration, improvement, or construction of real estate so as  
7 to become a part of that real estate whether or not severable  
8 therefrom. "Goods" includes a manufactured home as defined in  
9 paragraph (53) of Section 9-102 of the Uniform Commercial Code  
10 that is not real property as defined in Section 40 of the  
11 Conveyance and Encumbrance of Manufactured Homes Act. "Goods"  
12 does not include a motor vehicle as defined in The Illinois  
13 Vehicle Code, but does include bicycles, motorcycles, motor  
14 scooters, snowmobiles and trailers when purchased primarily  
15 for personal, family or household purposes. "Goods" does not  
16 include goods used or purchased primarily for business or  
17 commercial purposes.

18 (Source: P.A. 77-1166.)

19 Section 999. Effective date. This Act takes effect July 1,  
20 2010.

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7	205 ILCS 5/5d	from Ch. 17, par. 312.3
8	205 ILCS 5/6.1	from Ch. 17, par. 313.1
9	205 ILCS 105/1-10.30	from Ch. 17, par. 3301-10.30
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11	205 ILCS 205/6002	from Ch. 17, par. 7306-2
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13	205 ILCS 305/46	from Ch. 17, par. 4447
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