

HB3775



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3775

by Rep. Michael W. Tryon

SYNOPSIS AS INTRODUCED:

205 ILCS 635/5-6.1 new

Amends the Residential Mortgage License Act of 1987. Provides that a mortgage lender acting on behalf of a borrower may not require that the seller of real property or his or her agent disclose the terms of a private trust agreement regarding the real property that is the subject of the underlying real estate transaction.

LRB098 15165 ZMM 50142 b

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 5. The Residential Mortgage License Act of 1987 is
5 amended by adding Section 5-6.1 as follows:

6 (205 ILCS 635/5-6.1 new)

7 Sec. 5-6.1. Private trust agreements. A licensee acting on
8 behalf of a borrower engaged in a real property transaction may
9 not require that the seller of the real property or his or her
10 agent disclose the terms of a private trust agreement regarding
11 the real property if the seller or his or her agent has
12 obtained title insurance in connection with the transaction in
13 the manner prescribed by the Title Insurance Act. Nor shall a
14 licensee withhold approval or threaten to withhold approval of
15 the borrower's residential mortgage loan on the grounds that
16 the seller or his or her agent has not disclosed the terms of a
17 private trust agreement regarding the real property.