

Rep. Kevin A. McCarthy

Filed: 5/31/2009

09600SB0268ham003 LRB096 04161 JDS 27835 a 1 AMENDMENT TO SENATE BILL 268 2 AMENDMENT NO. . Amend Senate Bill 268, AS AMENDED, by 3 replacing everything after the enacting clause with the 4 following: "Section 5. The Regulatory Sunset Act is amended by 5 6 changing Section 4.20 and by adding Section 4.30 as follows: 7 (5 ILCS 80/4.20) Sec. 4.20. Acts repealed on January 1, 2010 and December 8 31, 2010. 10 (a) The following Acts are repealed on January 1, 2010: The Auction License Act. 11 The Illinois Architecture Practice Act of 1989. 12 13 The Illinois Landscape Architecture Act of 1989. The Illinois Professional Land Surveyor Act of 1989. 14 15 The Land Sales Registration Act of 1999. The Orthotics, Prosthetics, and Pedorthics Practice 16

- 1 Act.
- 2 The Perfusionist Practice Act.
- The Professional Engineering Practice Act of 1989.
- 4 The Real Estate License Act of 2000.
- 5 The Structural Engineering Practice Act of 1989.
- 6 (b) The following Act is repealed on December 31, 2010:
- 7 The Medical Practice Act of 1987.
- 8 (Source: P.A. 95-1018, eff. 12-18-08.)
- 9 (5 ILCS 80/4.30 new)
- 10 Sec. 4.30. Act repealed on January 1, 2020. The following
- 11 Act is repealed on January 1, 2020:
- 12 <u>The Real Estate Lic</u>ense Act of 2000.
- 13 Section 10. The Illinois Municipal Code is amended by
- 14 changing Sections 11-20-7, 11-20-8, 11-20-12, and 11-20-13 and
- 15 by adding Sections 11-20-15, 11-20-15.1, and 11-31-1.01 as
- 16 follows:
- 17 (65 ILCS 5/11-20-7) (from Ch. 24, par. 11-20-7)
- Sec. 11-20-7. Cutting and removal of neglected weeds,
- grass, trees, and bushes.
- 20 (a) The corporate authorities of each municipality may
- 21 provide for the <u>removal of nuisance greenery from any parcel of</u>
- 22 private property within cutting of weeds or grass, the trimming
- 23 of trees or bushes, and the removal of nuisance bushes or trees

- in the municipality if, when the owners of that parcel, after 1
- 2 reasonable notice, real estate refuse or neglect to remove the
- nuisance greenery. The municipality may cut, trim, or remove 3
- 4 them and to collect, from the owners of that parcel, private
- 5 property the reasonable removal cost thereof.
- 6 (b) The municipality's removal cost under this Section is a
- lien upon the underlying parcel in accordance with Section 7
- 8 11-20-15.
- 9 (c) For the purpose of this Section:
- 10 "Removal of nuisance greenery" or "removal activities"
- means the cutting of weeds or grass, the trimming of trees or 11
- 12 bushes, and the removal of nuisance bushes or trees.
- 13 "Removal cost" means the total cost of the removal
- 14 activity.
- 15 (d) In the case of an abandoned residential property as
- defined in Section 11-20-15.1, the municipality may elect to 16
- obtain a lien for the removal cost pursuant to Section 17
- 11-20-15.1, in which case the provisions of Section 11-20-15.1 18
- 19 shall be the exclusive remedy for the removal cost.
- 20 The provisions of this subsection (d), other than this
- 21 sentence, are inoperative upon certification by the Secretary
- 22 of the Illinois Department of Financial and Professional
- Regulation, after consultation with the United States 23
- 24 Department of Housing and Urban Development, that the Mortgage
- 25 Electronic Registration System program is effectively
- 26 registering substantially all mortgaged residential properties

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located in the State of Illinois, is available for access by all municipalities located in the State of Illinois without charge to them, and such registration includes the telephone number for the mortgage servicer.

This cost is a lien upon the real estate affected, superior to all other liens and encumbrances, except tax liens; provided that within 60 days after such cost and expense is incurred the municipality, or person performing the service by authority of the municipality, in his or its own name, files notice of lien in the office of the recorder in the county in which such real estate is located or in the office of the Registrar of Titles of such county if the real estate affected is registered under the Torrens system. The notice shall consist of a sworn statement setting out (1) a description of the real estate sufficient for identification thereof, (2) the amount of money representing the cost and expense incurred or payable for the service, and (3) the date or dates when such cost and expense was incurred by the municipality. However, the lien of such municipality shall not be valid as to any purchaser whose rights in and to such real estate have arisen subsequent to the cutting of weeds or grass, the trimming of trees or bushes, or the removal of nuisance bushes or trees and prior to the filing of such notice, and the lien of such municipality shall not be valid as to any mortgagee, judgment creditor or other lienor whose rights in and to such real estate arise prior filing of such notice. Upon payment of the cost and expense by

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the owner of or persons interested in such property after
notice of lien has been filed, the lien shall be released by
the municipality or person in whose name the lien has been
filed and the release may be filed of record as in the case of
filing notice of lien.

The cost of the cutting, trimming, or removal of weeds, grass, trees, or bushes shall not be lien on the real estate affected unless a notice is personally served on, or sent by certified mail to, the person to whom was sent the tax bill for the general taxes on the property for the last preceding year. The notice shall be delivered or sent after the cutting, trimming, or removal of weeds, grass, trees, or bushes on the property. The notice shall state the substance of this Section and the substance of any ordinance of the municipality implementing this Section and shall identify the property, by common description, and the location of the weeds to be cut.

18 (65 ILCS 5/11-20-8) (from Ch. 24, par. 11-20-8)

(Source: P.A. 95-183, eff. 8-14-07.)

Sec. 11-20-8. Pest extermination; liens.

(a) The corporate authorities of each municipality may provide pest-control activities on any parcel of private property for the extermination of pests in the municipality if, and charge to and collect from the owners of and persons interested in private property the reasonable cost and expense of preventing ingress of pests to their property and of pest

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that parcel refuse or neglect to prevent the ingress of pests to their property or to exterminate pests on their property.

The municipality may collect, from the owners of the underlying parcel, the reasonable removal cost notice to such owners or persons as provided by ordinance and failures of such owners or persons to comply.

(b) The municipality's removal cost under this Section is a lien upon the underlying parcel in accordance with Section 11-20-15. This cost and expense is a lien upon the real estate affected, superior to all other existing liens and encumbrances, except tax liens if within 60 days after such cost and expense is incurred the municipality, or person performing the service by authority of the municipality, in his or its own name, files notice of lien in the office of the recorder in the county in which the real estate is located or in the office of the Registrar of Titles of such county if the real estate affected is registered under "An Act concerning land titles", approved May 1, 1897, as amended. The notice shall consist of a sworn statement setting out (1) a description of the real estate sufficient for identification thereof, (2) the amount of money representing the cost and expense incurred or payable for the service, and (3) the date or dates when such cost and expense was incurred by the municipality. However, the lien of such municipality shall not be valid as to any purchaser, mortgagee, judgment creditor, or

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other lienor whose rights in and to the real estate arise subsequent to the pest extermination and prior to the filing of the notice of such lien in the office of the recorder, or in the office of the Registrar of Titles, as aforesaid. Upon payment of the cost and expense by the owner of or persons interested in the property after notice of lien has been filed, the lien shall be released by the municipality or person in whose name the lien has been filed and the release may be filed of record as in the case of filing notice of lien. The lien may be enforced by proceedings to forcelose as in case of mortgages or mechanics' liens. Actions to forcelose this lien shall be commenced within one year after the date of filing notice of lien.

(c) For the purpose of this Section:

"Pests", as used in this Section 11 20 8, means undesirable arthropods (including certain insects, spiders, mites, ticks, and related organisms), wood infesting organisms, rats, mice, and other obnoxious undesirable animals, but does not include a feral cat, a "companion animal" as that term is defined in the Humane Care for Animals Act (510 ILCS 70/), "animals" as that term is defined in the Illinois Diseased Animals Act (510 ILCS 50/), or animals protected by the Wildlife Code (520 ILCS 5/).

"Pest-control activity" means the extermination of pests or the prevention of the ingress of pests.

"Removal cost" means the total cost of the pest-control activity.

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          (d) In the case of an abandoned residential property as
      defined in Section 11-20-15.1, the municipality may elect to
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      obtain a lien for the removal cost pursuant to Section
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      11-20-15.1, in which case the provisions of Section 11-20-15.1
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      shall be the exclusive remedy for the removal cost.
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          The provisions of this subsection (d), other than this
      sentence, are inoperative upon certification by the Secretary
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      of the Illinois Department of Financial and Professional
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      Regulation, after consultation with the United States
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      Department of Housing and Urban Development, that the Mortgage
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      Electronic Registration System program is effectively
      registering substantially all mortgaged residential properties
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      located in the State of Illinois, is available for access by
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      all municipalities located in the State of Illinois without
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      charge to them, and such registration includes the telephone
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      number for the mortgage servicer.
      (Source: P.A. 94-572, eff. 8-12-05.)
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          (65 ILCS 5/11-20-12) (from Ch. 24, par. 11-20-12)
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          Sec. 11-20-12. Removal of infected trees.
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          (a) The corporate authorities of each municipality may
      provide for the removal of elm trees infected with Dutch elm
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      disease or ash trees infected with the emerald ash borer
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(Agrilus planipennis Fairmaire) from any parcel of private

property within the municipality if the owners of that parcel,

after reasonable notice, refuse or neglect to remove the

- 1 infected trees. The municipality may collect, from the owners
- of the parcel, not owned by the municipality or dedicated for 2
- 3 public use when the owner of such property refuses or neglects
- 4 to remove any such tree, and to collect from the property owner
- 5 the reasonable removal cost thereof.
- 6 (b) The municipality's removal cost under this Section is a
- lien upon the underlying parcel in accordance with Section 7
- 8 11-20-15.
- 9 (c) For the purpose of this Section, "removal cost" means
- the total cost of the removal of the infected trees. 10
- 11 (d) In the case of an abandoned residential property as
- defined in Section 11-20-15.1, the municipality may elect to 12
- obtain a lien for the removal cost pursuant to Section 13
- 14 11-20-15.1, in which case the provisions of Section 11-20-15.1
- 15 shall be the exclusive remedy for the removal cost.
- The provisions of this subsection (d), other than this 16
- sentence, are inoperative upon certification by the Secretary 17
- of the Illinois Department of Financial and Professional 18
- 19 Regulation, after consultation with the United States
- 20 Department of Housing and Urban Development, that the Mortgage
- 21 Electronic Registration System program is effectively
- 22 registering substantially all mortgaged residential properties
- located in the State of Illinois, is available for access by 23
- 24 all municipalities located in the State of Illinois without
- 25 charge to them, and such registration includes the telephone
- 26 number for the mortgage servicer.

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is a lien upon the real estate affected, superior to all other liens and encumbrances, except tax liens; provided that notice has been given as hereinafter described, and further provided that within 60 days after such cost and expense is incurred the municipality, or person performing the service by authority of the municipality, in his or its own name, files notice of lien in the office of the recorder in the county in which such real estate is located or in the office of the Registrar of Titles of such county if the real estate affected is registered under "An Act concerning land titles", approved May 1, 1897, as amended. The notice shall consist of a sworn statement setting out (1) a description of the real estate sufficient for identification thereof, (2) the amount of money representing the cost and expense incurred or payable for the service, and (3) the date or dates when such cost and expense was incurred by the municipality. However, the lien of such municipality shall not be valid as to any purchaser whose rights in and to such real estate have arisen subsequent to the tree removal and prior to the filing of such notice, and the lien of such municipality shall not be valid as to any mortgagee, judgment creditor or other lienor whose rights in and to such real estate arise prior to the filing of such notice. Upon payment of the cost and expense by the owner of or persons interested in such property after notice of lien has been filed, the lien shall be released by the municipality person in whose name the lien has been filed and the release

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may be filed of record as in the case of filing notice of lien.

The cost of such tree removal shall not be a lien upon the real estate affected unless a notice shall be personally served or sent by registered mail to the person to whom was sent the tax bill for the general taxes for the last preceding year on the property, such notice to be delivered or sent not less than 30 days prior to the removal of the tree or trees located thereon. The notice shall contain the substance of this section, and of any ordinance of the municipality implementing its provisions, and identify the property, by common description, and the tree or trees affected.

- 12 (Source: P.A. 95-183, eff. 8-14-07.)
- 13 (65 ILCS 5/11-20-13) (from Ch. 24, par. 11-20-13)
- 14 Sec. 11-20-13. Removal of garbage, debris, and graffiti.
- (a) The corporate authorities of each municipality may 15 provide for the removal of garbage, debris, and graffiti from 16 any parcel of private property within the municipality if when 17 the owner of that parcel such property, after reasonable 18 19 notice, refuses or neglects to remove the such garbage, debris, and graffiti. The municipality and may collect, from the such 20 21 owner of the parcel, the reasonable removal cost thereof except 22 in the case of graffiti.
 - (b) The municipality's removal cost under this Section is a lien upon the underlying parcel in accordance with Section 11-20-15. This cost is a lien upon the real estate affected,

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superior to all subsequent liens and encumbrances, liens, if within 60 days after such cost and expense is incurred the municipality, or person performing the service by authority of the municipality, in his or its own name, files notice of lien in the office of the recorder in the county in which such real estate is located or in the office of the Registrar of Titles of such county if the real estate affected is registered under "An Act concerning land titles", approved May 1, 1897, as amended. The notice shall consist of a sworn statement setting out (1) a description of the real estate sufficient for identification thereof, (2) the amount of money representing the cost and expense incurred or payable for the service, and (3) the date or dates when such cost and expense was incurred by the municipality. However, the lien of such municipality shall not be valid as to any purchaser whose rights in and to such real estate have arisen subsequent to removal of the garbage and debris and prior to the filing of such notice, and the lien of such municipality shall not be valid as to any mortgagee, judgment creditor or other lienor whose rights in and to such real estate arise prior to the filing of such notice. Upon payment of the cost and expense by the owner of or persons interested in such property after notice of lien has been filed, the lien shall be released by the municipality or person in whose name the lien has been filed and the release may be filed of record as in the case filing notice of lien. The lien may be enforced by proceedings

- 1 case of mortgages or mechanics!
- 2 action to foreclose this lien shall be commenced within 2 years
- 3 after the date of filing notice of lien.
- 4 (c) This amendatory Act of 1973 does not apply to any
- 5 municipality which is a home rule unit.
- (d) For the purpose of this Section, "removal cost" means 6
- the total cost of the removal of garbage and debris. The term 7
- "removal cost" does not include any cost associated with the 8
- 9 removal of graffiti.
- 10 (e) In the case of an abandoned residential property as
- defined in Section 11-20-15.1, the municipality may elect to 11
- obtain a lien for the removal cost pursuant to Section 12
- 13 11-20-15.1, in which case the provisions of Section 11-20-15.1
- 14 shall be the exclusive remedy for the removal cost.
- 15 The provisions of this subsection (e), other than this
- 16 sentence, are inoperative upon certification by the Secretary
- of the Illinois Department of Financial and Professional 17
- Regulation, after consultation with the United States 18
- 19 Department of Housing and Urban Development, that the Mortgage
- 20 Electronic Registration System program is effectively
- 21 registering substantially all mortgaged residential properties
- located in the State of Illinois, is available for access by 22
- all municipalities located in the State of Illinois without 23
- 24 charge to them, and such registration includes the telephone
- 25 number for the mortgage servicer.
- 26 (Source: P.A. 90-292, eff. 1-1-98.)

Τ	(65 ILCS 5/II-20-15 new)
2	Sec. 11-20-15. Lien for removal costs.
3	(a) If the municipality incurs a removal cost under Section
4	11-20-7, 11-20-8, 11-20-12, or 11-20-13 with respect to any
5	underlying parcel, then that cost is a lien upon that
6	underlying parcel. This lien is superior to all other liens and
7	encumbrances, except tax liens and as otherwise provided in
8	subsection (c) of this Section.
9	(b) To perfect a lien under this Section, the municipality
10	must, within one year after the removal cost is incurred, file
11	notice of lien in the office of the recorder in the county in
12	which the underlying parcel is located or, if the underlying
13	parcel is registered under the Torrens system, in the office of
14	the Registrar of Titles of that county. The notice must consist
15	of a sworn statement setting out:
16	(1) a description of the underlying parcel that
17	sufficiently identifies the parcel;
18	(2) the amount of the removal cost; and
19	(3) the date or dates when the removal cost was
20	incurred by the municipality.
21	If, for any one parcel, the municipality engaged in any
22	removal activity on more than one occasion during the course of
23	one year, then the municipality may combine any or all of the
24	costs of each of those activities into a single notice of lien.
25	(c) A lien under this Section is not valid as to: (i) any

- 1 purchaser whose rights in and to the underlying parcel arose
- after the removal activity but before the filing of the notice 2
- of lien; or (ii) any mortgagee, judgment creditor, or other 3
- 4 lienor whose rights in and to the underlying parcel arose
- 5 before the filing of the notice of lien.
- 6 (d) The removal cost is not a lien on the underlying parcel
- unless a notice is personally served on, or sent by certified 7
- mail to, the person to whom was sent the tax bill for the 8
- 9 general taxes on the property for the taxable year immediately
- 10 preceding the removal activities. The notice must be delivered
- 11 or sent after the removal activities have been performed, and
- it must: (i) state the substance of this Section and the 12
- 13 substance of any ordinance of the municipality implementing
- 14 this Section; (ii) identify the underlying parcel, by common
- 15 description; and (iii) describe the removal activity.
- (e) A lien under this Section may be enforced by 16
- proceedings to foreclose as in case of mortgages or mechanics' 17
- liens. An action to foreclose a lien under this Section must be 18
- 19 commenced within 2 years after the date of filing notice of
- 20 lien.
- (f) Any person who performs a removal activity by the 21
- authority of the municipality may, in his or her own name, file 22
- a lien and foreclose on that lien in the same manner as a 23
- 24 municipality under this Section.
- 25 (q) A failure to file a foreclosure action does not, in any
- way, affect the validity of the lien against the underlying 26

1 parcel.

- (h) Upon payment of the lien cost by the owner of the 2
- underlying parcel after notice of lien has been filed, the 3
- 4 municipality (or its agent under subsection (f)) shall release
- 5 the lien, and the release may be filed of record by the owner
- at his or her sole expense as in the case of filing notice of 6
- lien. 7
- (i) This Section shall not apply to a lien filed pursuant
- 9 to Section 11-20-15.1.
- 10 (65 ILCS 5/11-20-15.1 new)
- Sec. 11-20-15.1. Lien for costs of removal, securing, and 11
- 12 enclosing on abandoned residential property.
- 13 (a) If the municipality elects to incur a removal cost
- 14 pursuant to subsection (d) of Section 11-20-7, subsection (d)
- of Section 11-20-8, subsection (d) of Section 11-20-12, or 15
- subsection (e) of Section 11-20-13, or a securing or enclosing 16
- cost pursuant to Section 11-31-1.01 with respect to an 17
- 18 abandoned residential property, then that cost is a lien upon
- 19 the underlying parcel of that abandoned residential property.
- 20 This lien is superior to all other liens and encumbrances,
- 21 except tax liens and as otherwise provided in this Section.
- 22 (b) To perfect a lien under this Section, the municipality
- 23 must, within one year after the cost is incurred for the
- 24 activity, file notice of the lien in the office of the recorder
- 25 in the county in which the abandoned residential property is

1	located or, if the abandoned residential property is registered
2	under the Torrens system, in the office of the Registrar of
3	Titles of that county, a sworn statement setting out:
4	(1) a description of the abandoned residential
5	property that sufficiently identifies the parcel;
6	(2) the amount of the cost of the activity;
7	(3) the date or dates when the cost for the activity
8	was incurred by the municipality; and
9	(4) a statement that the lien has been filed pursuant
10	to subsection (d) of Section 11-20-7, subsection (d) of
11	Section 11-20-8, subsection (d) of Section 11-20-12,
12	subsection (e) of Section 11-20-13, or 11-31-1.01, as
13	applicable.
14	If, for any abandoned residential property, the
15	municipality engaged in any activity on more than one occasion
16	during the course of one year, then the municipality may
17	combine any or all of the costs of each of those activities
18	into a single notice of lien.
19	(c) To enforce a lien pursuant to this Section, the
20	municipality must maintain contemporaneous records that
21	include, at a minimum: (i) a dated statement of finding by the
22	municipality that the property for which the work is to be
23	performed has become abandoned residential property, which
24	shall include (1) the date when the property was first known or
25	observed to be unoccupied by any lawful occupant or occupants,

(2) a description of the actions taken by the municipality to

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contact the legal owner or owners of the property identified on the recorded mortgage, or, if known, any agent of the owner or owners, including the dates such actions were taken, and (3) a statement that no contacts were made with the legal owner or owners or their agents as a result of such actions, (ii) a dated certification by an authorized official of the municipality of the necessity and specific nature of the work to be performed, (iii) a copy of the agreement with the person or entity performing the work that includes the legal name of the person or entity, the rate or rates to be charged for performing the work, and an estimate of the total cost of the work to be performed, (iv) detailed invoices and payment vouchers for all payments made by the municipality for such work, and (v) a statement as to whether the work was engaged through a competitive bidding process, and if so, a copy of all proposals submitted by the bidders for such work.

(d) A lien under this Section shall be enforceable exclusively at the hearing for confirmation of sale of the abandoned residential property that is held pursuant to subsection (b) of Section 15-1508 of the Code of Civil Procedure and shall be limited to a claim of interest in the proceeds of the sale and subject to the requirements of this Section. Any mortgagee who holds a mortgage on the property, or any beneficiary or trustee who holds a deed of trust on the property, may contest the lien or the amount of the lien at any time during the foreclosure proceeding upon motion and notice

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in accordance with court rules applicable to motions generally. 1 2 Grounds for forfeiture of the lien or the superior status of the lien granted by subsection (a) of this Section shall 3 4 include, but not be limited to, a finding by the court that: 5 (i) the municipality has not complied with subsection (b) or (c) of this Section, (ii) the scope of the work was not 6 reasonable under the circumstances, (iii) the work exceeded the 7 authorization for the work to be performed under subsection (a) 8 9 of Section 11-20-7, subsection (a) of Section 11-20-8, 10 subsection (a) of Section 11-20-12, subsection (a) of Section 11 11-20-13, or subsection (a) of Section 11-31-1.01, as applicable, or (iv) the cost of the services rendered or 12 13 materials provided was not commercially reasonable. Forfeiture 14 of the superior status of the lien otherwise granted by this 15 Section shall not constitute a forfeiture of the lien as a 16 subordinate lien. (e) Upon payment of the amount of a lien filed under this 17

- Section by the mortgagee, servicer, owner, or any other person, the municipality shall release the lien, and the release may be filed of record by the person making such payment at the person's sole expense as in the case of filing notice of lien.
- (f) Notwithstanding any other provision of this Section, a municipality may not file a lien pursuant to this Section for activities performed pursuant to Section 11-20-7, Section 11-20-8, Section 11-20-12, Section 11-20-13, or Section 11-31-1.01, if: (i) the mortgagee or servicer of the abandoned

1 residential property has provided notice to the municipality that the mortgagee or servicer has performed or will perform 2 the remedial actions specified in the notice that the 3 4 municipality otherwise might perform pursuant to subsection 5 (d) of Section 11-20-7, subsection (d) of Section 11-20-8, 6 subsection (d) of Section 11-20-12, subsection (e) of Section 11-20-13, or Section 11-31-1.01, provided that the remedial 7 actions specified in the notice have been performed or are 8 9 performed or initiated in good faith within 30 days of such 10 notice; or (ii) the municipality has provided notice to the 11 mortgagee or servicer of a problem with the property requiring the remedial actions specified in the notice that the 12 13 municipality otherwise would perform pursuant to subsection 14 (d) of Section 11-20-7, subsection (d) of Section 11-20-8, 15 subsection (d) of Section 11-20-12, subsection (e) of Section 11-20-13, or Section 11-31-1.01, and the mortgagee or servicer 16 has performed or performs or initiates in good faith the 17 remedial actions specified in the notice within 30 days of such 18 19 notice. 20 (g) This Section and subsection (d) of Section 11-20-7, subsection (d) of Section 11-20-8, subsection (d) of Section 21 11-20-12, subsection (e) of Section 11-20-13, or Section 22 11-31-1.01 shall apply only to activities performed, costs 23 24 incurred, and liens filed after the effective date of this amendatory Act of the 96th General Assembly. 25

(h) For the purposes of this Section and subsection (d) of

Section 11-20-7, subsection (d) of Section 11-20-8, subsection 1

(d) of Section 11-20-12, subsection (e) of Section 11-20-13, or

3 Section 11-31-1.01:

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"Abandoned residential property" means any type of permanent residential dwelling unit, including detached single family structures, and townhouses, condominium units and multifamily rental apartments covering the entire property, and manufactured homes treated under Illinois law as real estate and not as personal property, that has been unoccupied by any lawful occupant or occupants for at least 90 days, and for which after such 90 day period, the municipality has made good faith efforts to contact the legal owner or owners of the property identified on the recorded mortgage, or, if known, any agent of the owner or owners, and no contact has been made. A property for which the municipality has been given notice of the order of confirmation of sale pursuant to subsection (b-10) of Section 15-1508 of the Code of Civil Procedure shall not be deemed to be an abandoned residential property for the purposes of subsection (d) of Section 11-20-7, subsection (d) of Section 11-20-8, subsection (d) of Section 11-20-12, subsection (e) of Section 11-20-13, and Section 11-31-1.01 of this Code.

"MERS program" means the nationwide Mortgage Electronic Registration System approved by Fannie Mae, Freddie Mac, and Ginnie Mae that has been created by the mortgage banking industry with the mission of registering every mortgage loan in the United States to lawfully make information concerning each

- residential mortgage loan and the property securing it 1
- 2 available by internet access to mortgage originators,
- 3 servicers, warehouse lenders, wholesale lenders, retail
- 4 lenders, document custodians, settlement agents, title
- 5 companies, insurers, investors, county recorders, units of
- local government, and consumers. 6
- (i) Any entity or person who performs a removal, securing, 7
- or enclosing activity pursuant to the authority of a 8
- 9 municipality under subsection (d) of Section 11-20-7,
- 10 subsection (d) of Section 11-20-8, subsection (d) of Section
- 11-20-12, subsection (e) of Section 11-20-13, or Section 11
- 11-31-1.01, may, in its, his, or her own name, file a lien 12
- pursuant to subsection (b) of this Section and appear in a 13
- 14 foreclosure action on that lien pursuant to subsection (d) of
- 15 this Section in the place of the municipality, provided that
- 16 the municipality shall remain subject to subsection (c) of this
- Section, and such party shall be subject to all of the 17
- provisions in this Section as if such party were the 18
- 19 municipality.
- 20 (j) If prior to subsection (d) of Section 11-20-7,
- subsection (d) of Section 11-20-8, subsection (d) of Section 21
- 11-20-12, and subsection (e) of Section 11-20-13 becoming 22
- inoperative a lien is filed pursuant to any of those 23
- 24 subsections, then the lien shall remain in full force and
- 25 effect after the subsections have become inoperative, subject
- to all of the provisions of this Section. If prior to the 26

1	repeal	of	Section	11-31-1.01	а	lien	is	filed	pursuant	to

- Section 11-31-1.01, then the lien shall remain in full force 2
- and effect after the repeal of Section 11-31-1.01, subject to 3
- all of the provisions of this Section. 4
- 5 (65 ILCS 5/11-31-1.01 new)
- Sec. 11-31-1.01. Securing or enclosing abandoned 6
- 7 residential property.
- 8 (a) In the case of securing or enclosing an abandoned
- 9 residential property as defined in Section 11-20-15.1, the
- 10 municipality may elect to secure or enclose the exterior of a
- building or the underlying parcel on which it is located under 11
- this Section without application to the circuit court, in which 12
- 13 case the provisions of Section 11-20-15.1 shall be the
- 14 exclusive remedy for the recovery of the costs of such
- 15 activity.
- (b) For the purposes of this Section: 16
- (1) "Secure" or "securing" means boarding up, closing 17
- 18 off, or locking windows or entrances or otherwise making
- 19 the interior of a building inaccessible to the general
- 20 public; and
- 21 (2) "Enclose" or "enclosing" means surrounding part or
- all of the abandoned residential property's underlying 22
- parcel with a fence or wall or otherwise making part or all 23
- 24 of the abandoned residential property's underlying parcel
- 25 inaccessible to the general public.

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- (c) This Section is repealed upon certification by the Secretary of the Illinois Department of Financial and Professional Regulation, after consultation with the United States Department of Housing and Urban Development, that the Mortgage Electronic Registration System program is effectively registering substantially all mortgaged residential properties located in the State of Illinois, is available for access by all municipalities located in the State of Illinois without charge to them, and such registration includes the telephone number for the mortgage servicer.
- Section 15. The Illinois Banking Act is amended by changing 11 12 Section 5c as follows:
- 13 (205 ILCS 5/5c) (from Ch. 17, par. 312.2)

Sec. 5c. Ownership of a bankers' bank. A bank may acquire shares of stock of a bank or holding company which owns or controls such bank if the stock of such bank or company is owned exclusively (except to the extent directors' qualifying shares are required by law) by depository institutions or depository institution holding companies and such bank or company and all subsidiaries thereof are engaged exclusively in providing services to or for other financial institutions, their holding companies, and the officers, directors, and employees of such institutions and companies, and in providing services at the request of other financial institutions or

- 1 their holding companies (also referred to as a "bankers'
- 2 bank"). The bank may also provide products and services to its
- 3 officers, directors, and employees. In no event shall the total
- 4 amount of such stock held by a bank in such bank or holding
- 5 company exceed 10 percent of its capital and surplus (including
- 6 undivided profits) and in no event shall a bank acquire more
- than 15 $\frac{5}{2}$ percent of any class of voting securities of such 7
- 8 bank or company.
- 9 (Source: P.A. 95-924, eff. 8-26-08.)
- 10 Section 20. The Real Estate License Act of 2000 is amended
- by changing Sections 1-10, 5-5, 5-10, 5-15, 5-20, 5-25, 5-35, 11
- 12 5-40, 5-45, 5-50, 5-60, 5-65, 5-70, 5-80, 5-85, 10-15, 10-30,
- 15-15, 15-35, 15-45, 15-65, 20-5, 20-10, 20-20, 20-25, 20-50, 13
- 14 20-55, 20-60, 20-65, 20-75, 20-85, 20-90, 20-95, 20-100,
- 15 20-110, 20-115, 25-5, 25-10, 25-13, 25-14, 25-15, 25-20, 25-25,
- 25-30, 25-35, 25-37, 30-5, 30-10, 30-15, 30-20, and 30-25 and 16
- by adding Sections 5-6, 5-7, 5-26, 5-27, 5-28, 5-41, 5-46, 17
- 5-47, 10-35, 10-40, 20-21, 20-22, 20-62, 20-63, 20-64, 20-66, 18
- 19 20-67, 20-68, 20-69, 20-72, 20-73, 20-82, and 25-21 as follows:
- 20 (225 ILCS 454/1-10)
- 21 (Section scheduled to be repealed on January 1, 2010)
- 22 Sec. 1-10. Definitions. In this Act, unless the context
- 23 otherwise requires:
- 24 "Act" means the Real Estate License Act of 2000.

1	"Address of Record" means the designated address recorded
2	by the Department in the applicant's or licensee's application
3	file or license file as maintained by the Department's
4	licensure maintenance unit. It is the duty of the applicant or
5	licensee to inform the Department of any change of address, and
6	those changes must be made either through the Department's
7	website or by contacting the Department.
•	"COOLEGE OF Dy Confederating one Department."

"Advisory Council" means the Real Estate Education Advisory Council created under Section 30-10 of this Act.

"Agency" means a relationship in which a real estate broker or licensee, whether directly or through an affiliated licensee, represents a consumer by the consumer's consent, whether express or implied, in a real property transaction.

"Applicant" means any person, as defined in this Section, who applies to OBRE for a valid license as a real estate broker, real estate salesperson, or leasing agent.

"Blind advertisement" means any real estate advertisement that does not include the sponsoring broker's business name and that is used by any licensee regarding the sale or lease of real estate, including his or her own, licensed activities, or the hiring of any licensee under this Act. The broker's business name in the case of a franchise shall include the franchise affiliation as well as the name of the individual firm.

"Board" means the Real Estate Administration and Disciplinary Board of the Department as created by Section

1 25-10 of this Act OBRE.

- "Branch office" means a sponsoring broker's office other 2
- 3 than the sponsoring broker's principal office.
- 4 "Broker" means an individual, partnership, limited
- 5 liability company, corporation, or registered limited
- liability partnership other than a real estate salesperson or 6
- leasing agent who, whether in person or through any media or 7
- technology, for another and for compensation, or with the 8
- 9 intention or expectation of receiving compensation, either
- 10 directly or indirectly:
- 11 (1) Sells, exchanges, purchases, rents, or leases real
- 12 estate.
- (2) Offers to sell, exchange, purchase, rent, or lease 13
- 14 real estate.
- 15 (3) Negotiates, offers, attempts, or agrees
- 16 negotiate the sale, exchange, purchase, rental, or leasing
- 17 of real estate.
- (4) Lists, offers, attempts, or agrees to list real 18
- 19 estate for sale, lease, or exchange.
- 20 (5) Buys, sells, offers to buy or sell, or otherwise
- deals in options on real estate or improvements thereon. 21
- 22 Supervises the collection, offer, attempt, or
- 23 agreement to collect rent for the use of real estate.
- 24 (7) Advertises or represents himself or herself as
- 25 being engaged in the business of buying, selling,
- 26 exchanging, renting, or leasing real estate.

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- 1 (8) Assists or directs in procuring or referring of <u>leads or</u> prospects, intended to result in the sale, 2 3 exchange, lease, or rental of real estate.
 - (9) Assists or directs in the negotiation of any transaction intended to result in the sale, exchange, lease, or rental of real estate.
 - (10) Opens real estate to the public for marketing purposes.
- 9 (11) Sells, leases, or offers for sale or lease real 10 estate at auction.

"Brokerage agreement" means a written or oral agreement between a sponsoring broker and a consumer for licensed activities to be provided to a consumer in return for compensation or the right to receive compensation from another. Brokerage agreements may constitute either a bilateral or a unilateral agreement between the broker and the broker's client depending upon the content of the brokerage agreement. All exclusive brokerage agreements shall be in writing.

"Client" means a person who is being represented by a licensee.

"Commissioner" means the Commissioner of Banks and Real Estate or a person authorized by the Commissioner, the Office of Banks and Real Estate Act, or this Act to act in the Commissioner's stead.

"Compensation" means the valuable consideration given by one person or entity to another person or entity in exchange

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      for the performance of some activity or service. Compensation
              include the transfer
                                       of valuable consideration,
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      shall
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      including without limitation the following:
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              (1) commissions;
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              (2) referral fees;
              (3) bonuses;
 6
              (4) prizes;
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              (5) merchandise;
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              (6) finder fees;
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              (7) performance of services;
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              (8) coupons or gift certificates;
              (9) discounts;
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              (10) rebates;
              (11) a chance to win a raffle, drawing, lottery, or
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15
          similar game of chance not prohibited by any other law or
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          statute:
              (12) retainer fee; or
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18
              (13) salary.
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          "Confidential information" means information obtained by a
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      licensee from a client during the term of a brokerage agreement
      that (i) was made confidential by the written request or
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      written instruction of the client, (ii) deals with the
22
      negotiating position of the client, or (iii) is information the
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disclosure of which could materially harm the negotiating

(1) the client permits the disclosure of information

position of the client, unless at any time:

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- (2) the disclosure is required by law; or
- (3) the information becomes public from a source other 3 4 than the licensee.
- 5 "Confidential information" shall not be considered to include material information about the physical condition of 6 7 the property.
- "Consumer" means a person or entity seeking or receiving 8 9 licensed activities.
- "Continuing education school" means any person licensed by 10 the Department OBRE as a school for continuing education in 11 accordance with Section 30-15 of this Act. 12
- "Credit hour" means 50 minutes of classroom instruction in 13 14 course work that meets the requirements set forth in rules 15 adopted by the Department OBRE.
- 16 "Customer" means a consumer who is not being represented by the licensee but for whom the licensee is performing 17 ministerial acts. 18
- 19 "Department" means the Department of Financial and 20 Professional Regulation.
 - "Designated agency" means a contractual relationship between a sponsoring broker and a client under Section 15-50 of this Act in which one or more licensees associated with or employed by the broker are designated as agent of the client.
- 25 "Designated agent" means a sponsored licensee named by a 26 sponsoring broker as the legal agent of a client, as provided

1 for in Section 15-50 of this Act.

"Coordinator" "Director" means the <u>Coordinator</u> Director of the Real Estate, created by 25-15 of this Act Division, OBRE.

"Dual agency" means an agency relationship in which a licensee is representing both buyer and seller or both landlord and tenant in the same transaction. When the agency relationship is a designated agency, the question of whether there is a dual agency shall be determined by the agency relationships of the designated agent of the parties and not of the sponsoring broker.

"Employee" or other derivative of the word "employee", when used to refer to, describe, or delineate the relationship between a real estate broker and a real estate salesperson, another real estate broker, or a leasing agent, shall be construed to include an independent contractor relationship, provided that a written agreement exists that clearly establishes and states the relationship. All responsibilities of a broker shall remain.

"Escrow moneys" means all moneys, promissory notes or any other type or manner of legal tender or financial consideration deposited with any person for the benefit of the parties to the transaction. A transaction exists once an agreement has been reached and an accepted real estate contract signed or lease agreed to by the parties. Escrow moneys includes without limitation earnest moneys and security deposits, except those security deposits in which the person holding the security

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1 deposit is also the sole owner of the property being leased and 2 for which the security deposit is being held.

"Exclusive brokerage agreement" means a written brokerage agreement that provides that the sponsoring broker has the sole right, through one or more sponsored licensees, to act as the exclusive designated agent or representative of the client and that meets the requirements of Section 15-75 of this Act.

"Inoperative" means a status of licensure where licensee holds a current license under this Act, but the licensee is prohibited from engaging in licensed activities because the licensee is unsponsored or the license of the sponsoring broker with whom the licensee is associated or by whom he or she is employed is currently expired, revoked, suspended, or otherwise rendered invalid under this Act.

"Leads" means the name or names of a potential buyer, seller, lessor, lessee, or client of a licensee.

"Leasing Agent" means a person who is employed by a real estate broker to engage in licensed activities limited to leasing residential real estate who has obtained a license as provided for in Section 5-5 of this Act.

"License" means the document issued by the Department OBRE certifying that the person named thereon has fulfilled all requirements prerequisite to licensure under this Act.

"Licensed activities" means those activities listed in the definition of "broker" under this Section.

"Licensee" means any person, as defined in this Section,

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1 who holds a valid unexpired license as a real estate broker, real estate salesperson, or leasing agent. 2

"Listing presentation" means a communication between a real estate broker or salesperson and a consumer in which the licensee is attempting to secure a brokerage agreement with the consumer to market the consumer's real estate for sale or lease.

"Managing broker" means a broker who has supervisory responsibilities for licensees in one or, in the case of a multi-office company, more than one office and who has been appointed as such by the sponsoring broker.

"Medium of advertising" means any method of communication intended to influence the general public to use or purchase a particular good or service or real estate.

"Ministerial acts" means those acts that a licensee may perform for a consumer that are informative or clerical in nature and do not rise to the level of active representation on behalf of a consumer. Examples of these acts include without limitation (i) responding to phone inquiries by consumers as to the availability and pricing of brokerage services, (ii) responding to phone inquiries from a consumer concerning the price or location of property, (iii) attending an open house and responding to questions about the property from a consumer, (iv) setting an appointment to view property, (v) responding to questions of consumers walking into a licensee's office particular concerning brokerage services offered or

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- 1 properties, (vi) accompanying an appraiser, inspector, contractor, or similar third party on a visit to a property, 2 3 (vii) describing a property or the property's condition in response to a consumer's inquiry, (viii) completing business or 4 5 factual information for a consumer on an offer or contract to purchase on behalf of a client, (ix) showing a client through a 6 property being sold by an owner on his or her own behalf, or 7 (x) referral to another broker or service provider. 8
 - "OBRE" means the Office of Banks and Real Estate.

"Office" means a real estate broker's place of business where the general public is invited to transact business and where records may be maintained and licenses displayed, whether or not it is the broker's principal place of business.

"Person" means and includes individuals, entities, corporations, limited liability companies, registered limited liability partnerships, and partnerships, foreign or domestic, except that when the context otherwise requires, the term may refer to a single individual or other described entity.

"Personal assistant" means a licensed or unlicensed person who has been hired for the purpose of aiding or assisting a sponsored licensee in the performance of the sponsored licensee's job.

"Pocket card" means the card issued by the Department OBRE to signify that the person named on the card is currently licensed under this Act.

26 "Pre-license school" means a school licensed by the

- 1 Department OBRE offering courses in subjects related to real
- estate transactions, including the subjects upon which an 2
- applicant is examined in determining fitness to receive a 3
- 4 license.
- 5 "Pre-renewal period" means the period between the date of
- issue of a currently valid license and the license's expiration 6
- 7 date.
- "Proctor" means any person, including, but not limited to, 8
- 9 an instructor, who has a written agreement to administer
- 10 examinations fairly and impartially with a licensed
- pre-license school or a licensed continuing education school. 11
- "Real estate" means and includes leaseholds as well as any 12
- 13 other interest or estate in land, whether corporeal,
- incorporeal, freehold, or non-freehold, including timeshare 14
- 15 interests, and whether the real estate is situated in this
- 16 State or elsewhere.
- "Regular employee" means a person working an average of 20 17
- hours per week for a person or entity who would be considered 18
- 19 as an employee under the Internal Revenue Service eleven main
- 20 tests in three categories being behavioral control, financial
- control and the type of relationship of the parties, formerly 21
- 22 the twenty factor test.
- "Real Estate Administration and Disciplinary Board" or 23
- 24 "Board" means the Real Estate Administration and Disciplinary
- 25 Board created by Section 25 10 of this Act.
- "Salesperson" means any individual, other than a real 26

- 1 estate broker or leasing agent, who is employed by a real
- estate broker or is associated by written agreement with a real 2
- 3 estate broker as an independent contractor and participates in
- 4 any activity described in the definition of "broker" under this
- 5 Section.
- 6 "Secretary" means the Secretary of the Department of
- Financial and Professional Regulation, or a person authorized 7
- 8 by the Secretary to act in the Secretary's stead.
- 9 "Sponsoring broker" means the broker who has issued a
- 10 sponsor card to a licensed salesperson, another licensed
- 11 broker, or a leasing agent.
- "Sponsor card" means the temporary permit issued by the 12
- 13 sponsoring real estate broker certifying that the real estate
- 14 broker, real estate salesperson, or leasing agent named thereon
- 15 is employed by or associated by written agreement with the
- 16 sponsoring real estate broker, as provided for in Section 5-40
- 17 of this Act.
- (Source: P.A. 92-217, eff. 8-2-01; 93-957, eff. 8-19-04.) 18
- 19 (225 ILCS 454/5-5)
- 20 (Section scheduled to be repealed on January 1, 2010)
- 21 Sec. 5-5. Leasing agent license.
- 22 (a) The purpose of this Section is to provide for a limited
- 23 scope license to enable persons who wish to engage in
- 24 activities limited to the leasing of residential real property
- 25 for which a license is required under this Act, and only those

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1 activities, to do so by obtaining the license provided for under this Section. 2

- (b) Notwithstanding the other provisions of this Act, there is hereby created a leasing agent license that shall enable the licensee to engage only in residential leasing activities for which a license is required under this Act. Such activities include without limitation leasing or renting residential real property, or attempting, offering, or negotiating to lease or rent residential real property, or supervising the collection, offer, attempt, or agreement to collect rent for the use of residential real property. Nothing in this Section shall be construed to require a licensed real estate broker salesperson to obtain a leasing agent license in order to perform leasing activities for which a license is required under this Act. Licensed leasing agents must be sponsored and employed by a sponsoring broker.
- (c) The Department OBRE, by rule, with the advice of the Board, shall provide for the licensing of leasing agents, including the issuance, renewal, and administration of licenses.
- (d) Notwithstanding any other provisions of this Act to the contrary, a person may engage in residential leasing activities for which a license is required under this Act, for a period of 120 consecutive days without being licensed, so long as the person is acting under the supervision of a licensed real estate broker and the broker has notified the Department OBRE

- 1 that the person is pursuing licensure under this Section.
- 2 During the 120 day period all requirements of Sections 5-10 and
- 5-65 of this Act with respect to education, successful 3
- completion of an examination, and the payment of all required 4
- 5 fees must be satisfied. The Department OBRE may adopt rules to
- 6 ensure that the provisions of this subsection are not used in a
- manner that enables an unlicensed person to repeatedly or 7
- continually engage in activities for which a license is 8
- 9 required under this Act.
- 10 (Source: P.A. 91-245, eff. 12-31-99.)
- (225 ILCS 454/5-6 new)11
- 12 Sec. 5-6. Social Security Number or Tax Identification
- 13 Number on license application. In addition to any other
- 14 information required to be contained in the application, every
- 15 application for an original or renewal license under this Act
- shall include the applicant's Social Security Number or Tax 16
- 17 Identification Number.
- 18 (225 ILCS 454/5-7 new)
- 19 Sec. 5-7. Application for leasing agent license. Every
- 20 person who desires to obtain a leasing agent license shall
- apply to the Department in writing on forms provided by the 21
- 22 Department which application shall be accompanied by the
- 23 required non-refundable fee. Any such application shall
- require such information as in the judgment of the Department 24

1	will enable the Department	to	pass	on	the	qualifications	of	the
2	applicant for licensure.							

3 (225 ILCS 454/5-10)

4 (Section scheduled to be repealed on January 1, 2010)

Sec. 5-10. <u>Requirements for license as leasing agent.</u>

Application for leasing agent license.

- (a) Every applicant for licensure as a leasing agent must meet the following qualifications:
 - (1) Every person who desires to obtain a leasing agent license shall apply to OBRE in writing on forms provided by OBRE. In addition to any other information required to be contained in the application, every application for an original or renewed leasing agent license shall include the applicant's Social Security number. All application or license fees must accompany the application. Each applicant must be at least 18 years of age;
 - (2) , must be of good moral character; , shall have
 - (3) successfully complete completed a 4-year course of study in a high school or secondary school or an equivalent course of study approved by the Illinois State Board of Education; 7 and shall successfully complete
 - (4) personally take and pass a written examination authorized by the Department OBRE sufficient to demonstrate the applicant's knowledge of the provisions of this Act relating to leasing agents and the applicant's

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competence to engage in the activities of a licensed leasing agent; . Applicants must successfully complete

- (5) provide satisfactory evidence of having completed 15 hours of instruction in an approved course of study relating to the leasing of residential real property. The course of study shall, among other topics, cover the provisions of this Act applicable to leasing agents; fair issues relating to residential advertising and marketing issues; leases, applications, and credit reports; owner-tenant relationships and owner-tenant laws; the handling of funds; and environmental issues relating to residential real property; -
- (6) complete any other requirements as set forth by rule; and
 - (7) present a valid application for issuance of an initial license accompanied by a sponsor card and the fees specified by rule.
- (b) No applicant shall engage in any of the activities covered by this Act until a valid sponsor card has been issued to such applicant. The sponsor card shall be valid for a maximum period of 45 days after the date of issuance unless extended for good cause as provided by rule.
- (c) Successfully completed course work, completed pursuant to the requirements of this Section, may be applied to the course work requirements to obtain a real estate broker's or

- 1 salesperson's license as provided by rule. The Advisory Council
- may shall recommend through the Board to the Department OBRE 2
- and the Department may OBRE shall adopt requirements for 3
- 4 approved courses, course content, and the approval of courses,
- 5 instructors, and schools, as well as school and instructor
- 6 fees. The Department OBRE may establish continuing education
- requirements for licensed leasing agents, by rule, with the 7
- 8 advice of the Advisory Council and Board.
- 9 (Source: P.A. 91-245, eff. 12-31-99.)
- 10 (225 ILCS 454/5-15)
- (Section scheduled to be repealed on January 1, 2010) 11
- Sec. 5-15. Necessity of 12 managing broker, broker,
- 13 salesperson, or leasing agent license or sponsor
- 14 ownership restrictions.
- 15 (a) It is unlawful for any person, corporation, limited
- liability company, registered limited liability partnership, 16
- or partnership to act as a managing broker, real estate broker, 17
- 18 real estate salesperson, or leasing agent or to advertise or
- 19 assume to act as such broker, salesperson, or leasing agent
- 20 without a properly issued sponsor card or a license issued
- 21 under this Act by the Department OBRE, either directly or
- 22 through its authorized designee.
- 23 (b) No corporation shall be granted a license or engage in
- 24 the business or capacity, either directly or indirectly, of a
- 25 real estate broker, unless every officer of the corporation who

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1 actively participates in the real estate activities of the 2 corporation holds a license as a managing broker or real estate 3 broker and unless every employee who acts as a salesperson, or 4 leasing agent for the corporation holds a license as a real

estate broker, salesperson, or leasing agent.

(c) No partnership shall be granted a license or engage in 6 the business or serve in the capacity, either directly or 7 indirectly, of a real estate broker, unless every general 8 9 partner in the partnership holds a license as a managing broker 10 or real estate broker and unless every employee who acts as a 11 salesperson or leasing agent for the partnership holds a license as a real estate broker, salesperson, or leasing agent. 12 13 In the case of a registered limited liability partnership 14 (LLP), every partner in the LLP must hold a license as a 15 managing broker or real estate broker and every employee who 16 acts as a salesperson or leasing agent must hold a license as a

real estate broker, salesperson, or leasing agent.

(d) No limited liability company shall be granted a license or engage in the business or serve in the capacity, either directly or indirectly, of a real estate broker unless every manager in the limited liability company or every member in a member managed limited liability company holds a license as a managing broker or real estate broker and unless every other member and employee who acts as a salesperson or leasing agent for the limited liability company holds a license as a real estate broker, salesperson, or leasing agent.

- 1 partnership, limited liability company, (e) corporation shall be licensed to conduct a brokerage business 2 3 where an individual salesperson or leasing agent, or group of 4 salespersons or leasing agents, owns or directly or indirectly 5 controls more than 49% of the shares of stock or other 6 ownership in the partnership, limited liability company, or 7 corporation.
- 8 (Source: P.A. 91-245, eff. 12-31-99.)
- 9 (225 ILCS 454/5-20)
- 10 (Section scheduled to be repealed on January 1, 2010)
- Sec. 5-20. Exemptions from broker, salesperson, or leasing agent license requirement. The requirement for holding a license under this Article 5 shall not apply to:
- 14 (1) Any person, partnership, or corporation that as owner 15 or lessor performs any of the acts described in the definition of "broker" under Section 1-10 of this Act with reference to 16 17 property owned or leased by it, or to the regular employees 18 thereof with respect to the property so owned or leased, where 19 such acts are performed in the regular course of or as an 20 incident to the management, sale, or other disposition of such 21 property and the investment therein, provided that such regular employees do not perform any of the acts described in the 22 definition of "broker" under Section 1-10 of this Act in 23 24 connection with a vocation of selling or leasing any real 25 estate or the improvements thereon not so owned or leased.

- 1 (2) An attorney in fact acting under a duly executed and 2 recorded power of attorney to convey real estate from the owner 3 or lessor or the services rendered by an attorney at law in the 4 performance of the attorney's duty as an attorney at law.
 - (3) Any person acting as receiver, trustee in bankruptcy, administrator, executor, or guardian or while acting under a court order or under the authority of a will or testamentary trust.
 - (4) Any person acting as a resident manager for the owner or any employee acting as the resident manager for a broker managing an apartment building, duplex, or apartment complex, when the resident manager resides on the premises, the premises is his or her primary residence, and the resident manager is engaged in the leasing of the property of which he or she is the resident manager.
 - (5) Any officer or employee of a federal agency in the conduct of official duties.
 - (6) Any officer or employee of the State government or any political subdivision thereof performing official duties.
 - (7) Any multiple listing service or other <u>similar</u> information exchange that is engaged in the collection and dissemination of information concerning real estate available for sale, purchase, lease, or exchange <u>for the purpose of providing licensees with a system by which licensees may cooperatively share information</u> along with which no other licensed activities, as defined in Section 1-10 of this Act,

are provided.

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- (8) Railroads and other public utilities regulated by the State of Illinois, or the officers or full time employees thereof, unless the performance of any licensed activities is in connection with the sale, purchase, lease, or other disposition of real estate or investment therein not needing the approval of the appropriate State regulatory authority.
- (9) Any medium of advertising in the routine course of selling or publishing advertising along with which no other licensed activities, as defined in Section of this Act, are provided.
- (10) Any resident lessee of a residential dwelling unit who refers for compensation to the owner of the dwelling unit, or to the owner's agent, prospective lessees of dwelling units in the same building or complex as the resident lessee's unit, but only if the resident lessee (i) refers no more than 3 prospective lessees in any 12-month period, (ii) receives compensation of no more than \$1,000 or the equivalent of one month's rent, whichever is less, in any 12-month period, and (iii) limits his or her activities to referring prospective lessees to the owner, or the owner's agent, and does not show a residential dwelling unit to a prospective lessee, discuss terms or conditions of leasing a dwelling unit with a lessee, or otherwise participate prospective in the negotiation of the leasing of a dwelling unit.
 - (11) An exchange company registered under the Real Estate

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- 1 Timeshare Act of 1999 and the regular employees of that registered exchange company but only when conducting an 2 3 exchange program as defined in that Act.
 - (12) An existing timeshare owner who, for compensation, refers prospective purchasers, but only if the existing timeshare owner (i) refers no more than 20 prospective purchasers in any calendar year, (ii) receives no more than \$1,000, or its equivalent, for referrals in any calendar year and (iii) limits his or her activities to referring prospective purchasers of timeshare interests to the developer or the developer's employees or agents, and does not show, discuss terms or conditions of purchase or otherwise participate in negotiations with regard to timeshare interests.
 - (13) Any person who is licensed without examination under Section 10-25 (now repealed) of the Auction License Act is exempt from holding a broker's or salesperson's license under this Act for the limited purpose of selling or leasing real estate at auction, so long as:
 - (A) that person has made application for said exemption by July 1, 2000;
 - (B) that person verifies to the Department OBRE that he or she has sold real estate at auction for a period of 5 years prior to licensure as an auctioneer;
- 24 (C) the person has had no lapse in his or her license as an auctioneer; and 25
 - (D) the license issued under the Auction License

Act has not been disciplined for violation of those provisions of Article 20 of the Auction License Act dealing with or related to the sale or lease of real estate at auction.

- (14) A hotel operator who is registered with the Illinois Department of Revenue and pays taxes under the Hotel Operators' Occupation Tax Act and rents a room or rooms in a hotel as defined in the Hotel Operators' Occupation Tax Act for a period of not more than 30 consecutive days and not more than 60 days in a calendar year.
- 11 (Source: P.A. 91-245, eff. 12-31-99; 91-585, eff. 1-1-00;
- 12 91-603, eff. 1-1-00; 92-16, eff. 6-28-01; 92-217, eff. 8-2-01;
- 13 revised 10-24-08.)

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- 14 (225 ILCS 454/5-25)
- 15 (Section scheduled to be repealed on January 1, 2010)
- 16 Sec. 5-25. <u>Good moral character.</u> Application for and 17 <u>issuance of broker or salesperson license.</u>
- 18 (a) (Blank). Every person who desires to obtain a license 19 shall make application to OBRE in writing upon forms prepared 20 and furnished by OBRE. In addition to any other information 21 required to be contained in the application, every application 22 for an original or renewed license shall include the 23 applicant's Social Security number. Each applicant shall be at years of age, be of good moral character, and have 24 25 successfully completed a 4 year course of study in a high

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secondary school approved by the Illinois State of Education or an equivalent course of study as determined by an examination conducted by the Illinois State Board of Education and shall be verified under oath by the applicant. The minimum age of 21 years shall be waived for any person seeking a license as a real estate salesperson who has attained the age of 18 and can provide evidence of the successful completion of at least 4 semesters of post secondary school study as a full-time student or the equivalent, with major emphasis on real estate courses, in a school approved by OBRE.

(b) When an applicant has had his or her license revoked on a prior occasion or when an applicant is found to have committed any of the practices enumerated in Section 20-20 of this Act or when an applicant has been convicted of or enters of a plea of guilty or nolo contendre to forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any other similar offense or offenses or has been convicted of a felony involving moral turpitude in any court of competent jurisdiction in this or any other state, district, or territory of the United States or of a foreign country, the Board may consider the prior revocation, conduct, or conviction in its determination of the applicant's moral character and whether to grant the applicant a license. In its consideration of the prior revocation, conduct, or conviction, the Board shall take into account the nature of the conduct, any aggravating or extenuating circumstances, the time elapsed

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- since the revocation, conduct, or conviction, the rehabilitation or restitution performed by the applicant, and any other factors that the Board deems relevant. When an applicant has made a false statement of material fact on his or her application, the false statement may in itself be sufficient grounds to revoke or refuse to issue a license.
 - (c) (Blank). Every valid application for issuance of an initial license shall be accompanied by a sponsor card and the fees specified by rule.
 - (d) (Blank). No applicant shall engage in any of the activities covered by this Act until a valid sponsor card has been issued to such applicant. The sponsor card shall be valid for a maximum period of 45 days from the date of issuance unless extended for good cause as provided by rule.
 - (e) (Blank). OBRE shall issue to each applicant entitled thereto a license in such form and size as shall be prescribed by OBRE. The procedure for terminating a license shall be printed on the reverse side of the license. Each license shall bear the name of the person so qualified, shall specify whether the person is qualified to act in a broker or salesperson capacity, and shall contain such other information as shall be recommended by the Board and approved by OBRE. Each person licensed under this Act shall display his or her license conspicuously in his or her place of business.
- 25 (Source: P.A. 91-245, eff. 12-31-99.)

1	(225 ILCS 454/5-26 new)
2	Sec. 5-26. Requirements for license as a salesperson.
3	(a) Every applicant for licensure as a salesperson must
4	meet the following qualifications:
5	(1) Be at least 21 years of age. The minimum age of 21
6	years shall be waived for any person seeking a license as a
7	real estate salesperson who has attained the age of 18 and
8	can provide evidence of the successful completion of at
9	least 4 semesters of post secondary school study as a
10	full-time student or the equivalent, with major emphasis or
11	real estate courses, in a school approved by the
12	Department;
13	(2) Be of good moral character;
14	(3) Successfully complete a 4-year course of study in a
15	high school or secondary school approved by the Illinois
16	State Board of Education or an equivalent course of study
17	as determined by an examination conducted by the Illinois
18	State Board of Education, which shall be verified under
19	oath by the applicant.
20	(4) Provide satisfactory evidence of having completed
21	at least 45 hours of instruction in real estate courses
22	approved by the Advisory Council, except applicants who are
23	currently admitted to practice law by the Supreme Court of
24	Illinois and are currently in active standing.
25	(5) Shall personally take and pass a writter
26	examination authorized by the Department.

1	(6) Present a valid application for issuance of a
2	license accompanied by a sponsor card and the fees
3	specified by rule.
4	(b) No applicant shall engage in any of the activities
5	covered by this Act until a valid sponsor card has been issued
6	to the applicant. The sponsor card shall be valid for a maximum
7	period of 45 days after the date of issuance unless extended
8	for good cause as provided by rule.
9	(c) All licenses should be readily available to the public
10	at their sponsoring place of business.
11	(d) No new salesperson licenses shall be issued after April
12	30, 2011 and all existing salesperson licenses shall terminate
13	on May 1, 2012.
14	(225 ILCS 454/5-27 new)
15	Sec. 5-27. Requirements for licensure as a broker.
16	(a) Every applicant for licensure as a broker must meet the
17	following qualifications:
18	(1) Be at least 21 years of age. After April 30, 2011,
19	the minimum age of 21 years shall be waived for any persor
20	seeking a license as a broker who has attained the age of
21	18 and can provide evidence of the successful completion of
22	at least 4 semesters of post-secondary school study as a
23	full-time student or the equivalent, with major emphasis or
24	real estate courses, in a school approved by the
25	Department.

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(2) Be of good moral chara	acter.
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- (3) Successfully complete a 4 year course of study in a high school or secondary school approved by the Illinois State Board of Education or an equivalent course of study as determined by an examination conducted by the Illinois State Board of Education which shall be verified under oath by the applicant.
- (4) Prior to May 1, 2011, provide (i) satisfactory evidence of having completed at least 120 classroom hours, 45 of which shall be those hours required to obtain a salesperson's license plus 15 hours in brokerage administration courses, in real estate courses approved by the Advisory Council or (ii) for applicants who currently hold a valid real estate salesperson's license, give satisfactory evidence of having completed at least 75 hours in real estate courses, not including the courses that are required to obtain a salesperson's license, approved by the Advisory Council.
- (5) After April 30, 2011, provide satisfactory evidence of having completed 90 hours of instruction in real estate courses approved by the Advisory Council, 15 hours of which must consist of situational and case studies presented in the classroom or by other interactive delivery method presenting instruction and real time discussion between the instructor and the students.
 - (6) Personally take and pass a written examination

1	authorized by the Department.
2	(7) Present a valid application for issuance of a
3	license accompanied by a sponsor card and the fees
4	specified by rule.
5	(b) The requirements specified in items (4) and (5) of
6	subsection (a) of this Section do not apply to applicants who
7	are currently admitted to practice law by the Supreme Court of
8	Illinois and are currently in active standing.
9	(c) No applicant shall engage in any of the activities
10	covered by this Act until a valid sponsor card has been issued
11	to such applicant. The sponsor card shall be valid for a
12	maximum period of 45 days after the date of issuance unless
13	extended for good cause as provided by rule.
14	(d) All licenses should be readily available to the public
15	at their place of business.
16	(225 ILCS 454/5-28 new)
17	Sec. 5-28. Requirements for licensure as a managing broker.
18	(a) Effective May 1, 2012, every applicant for licensure as
19	a managing broker must meet the following qualifications:
20	(1) be at least 21 years of age;
21	(2) be of good moral character;
22	(3) have been licensed at least 2 out of the preceding
23	3 years as a real estate broker or salesperson;
24	(4) successfully complete a 4 year course of study in
25	high school or secondary school approved by the Illinois

1	State Board of Education or an equivalent course of study
2	as determined by an examination conducted by the Illinois
3	State Board of Education, which shall be verified under
4	oath by the applicant;
5	(5) provide satisfactory evidence of having completed
6	at least 165 hours, 120 of which shall be those hours
7	required pre and post-licensure to obtain a broker's
8	license, and 45 additional hours completed within the year
9	immediately preceding the filing of an application for a
10	managing broker license, which hours shall focus on
11	brokerage administration and management and include at
12	least 15 hours in the classroom or by other interactive
13	delivery method presenting instructional and real time
14	discussion between the instructor and the students;
15	(6) personally take and pass a written examination
16	authorized by the Department; and
17	(7) present a valid application for issuance of a
18	license accompanied by a sponsor card, an appointment as a
19	managing broker, and the fees specified by rule.
20	(b) The requirements specified in item (5) of subsection
21	(a) of this Section do not apply to applicants who are
22	currently admitted to practice law by the Supreme Court of
23	Illinois and are currently in active standing.
24	(c) No applicant shall act as a managing broker for more
25	than 90 days after an appointment as a managing broker has been

filed with the Department without obtaining a managing broker's

license.

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(225 ILCS 454/5-35) 2

3 (Section scheduled to be repealed on January 1, 2010)

4 Sec. 5-35. Examination; managing broker, or salesperson, 5

or leasing agent.

(a) The Department shall authorize Every person who makes application for an original license as a broker or salesperson shall personally take and pass a written examination authorized by OBRE and answer any questions that may be required to determine the good moral character of the applicant and the applicant's competency to transact the business of broker or salesperson, as the case may be, in such a manner as to safeguard the interests of the public. In determining this competency, OBRE shall require proof that the applicant has a good understanding and the knowledge to conduct real estate brokerage and of the provisions of this Act. The examination shall be prepared by an independent testing service designated by OBRE, subject to the approval of the examinations by the Board. The designated independent testing service shall conduct the examinations at such times and places as it may designate. The examination shall be of a character to give a fair test of the qualifications of the applicant to practice as a managing broker, broker, salesperson, or leasing agent. Applicants for examination as a managing broker, broker, salesperson, or leasing agent shall be required to pay, either

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to the Department or the designated testing service, a fee covering the cost of providing the examination. Failure to appear for the examination on the scheduled date, at the time and place specified, after the applicant's application for examination has been received and acknowledged by the Department or the designated testing service, shall result in the forfeiture of the examination fee. OBRE shall approve. In addition, every person who desires to take the written examination shall make application to do so to OBRE or to the designated independent testing service in writing upon forms approved by OBRE. An applicant shall be eliqible to take the examination only after successfully completing the education requirements, set forth in Section 5-30 of this Act, and attaining the minimum age provided for specified in Article 5 of this Act. Each applicant shall be required to establish compliance with the eligibility requirements in the manner provided by the rules promulgated for the administration of this Act.

- (b) If a person who has received a passing score on the written examination described in this Section fails to file an application and meet all requirements for a license under this Act within one year after receiving a passing score on the examination, credit for the examination shall terminate. The person thereafter may make a new application for examination.
- the applicant must repeat the pre-license education required to

- 1 sit for the examination. For the purposes of this Section, the
- fifth fourth attempt shall be the same as the first. Approved 2
- education, as prescribed by this Act for licensure as a 3
- 4 salesperson or broker, shall be valid for $4 - \frac{3}{2}$ years after the
- 5 date of satisfactory completion of the education.
- 6 (d) The Department may employ consultants for the purposes
- of preparing and conducting examinations. 7
- (Source: P.A. 91-245, eff. 12-31-99.) 8
- 9 (225 ILCS 454/5-40)
- 10 (Section scheduled to be repealed on January 1, 2010)
- Sec. 5-40. Sponsor card; termination indicated by license 11
- 12 endorsement; association with new broker.
- 13 (a) The sponsoring broker shall prepare upon forms provided
- 14 by the Department OBRE and deliver to each licensee employed by
- 15 or associated with the sponsoring broker a sponsor card
- 16 certifying that the person whose name appears thereon is in
- fact employed by or associated with the sponsoring broker. The 17
- 18 sponsoring broker shall send, by certified mail, return receipt
- 19 requested, or other delivery service requiring a signature upon
- 20 delivery, a duplicate of each sponsor card, along with a valid
- 21 license or other authorization as provided by rule and the
- 22 appropriate fee, to the Department OBRE within 24 hours of
- 23 issuance of the sponsor card. It is a violation of this Act for
- 24 any broker to issue a sponsor card to any licensee or applicant
- 25 unless the licensee or applicant presents in hand a valid

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license or other authorization as provided by rule.

- (b) When a licensee terminates his or her employment or association with a sponsoring broker or the employment is terminated by the sponsoring broker, the licensee shall obtain from the sponsoring broker his or her license endorsed by the sponsoring broker indicating the termination. The sponsoring broker shall surrender to the Department OBRE a copy of the license of the licensee within 2 days of the termination or shall notify the Department OBRE in writing of the termination and explain why a copy of the license is not surrendered. Failure of the sponsoring broker to surrender the license shall subject the sponsoring broker to discipline under Section 20-20 of this Act. The license of any licensee whose association with a sponsoring broker is terminated shall automatically become inoperative immediately upon the termination unless licensee accepts employment or becomes associated with a new sponsoring broker pursuant to subsection (c) of this Section.
- (c) When a licensee accepts employment or association with a new sponsoring broker, the new sponsoring broker shall send to the Department, by certified mail, return receipt requested, or other delivery service requiring a signature upon delivery, to OBRE a duplicate sponsor card, along with the licensee's endorsed license or an affidavit of the licensee of why the endorsed license is not surrendered, and shall pay the appropriate fee prescribed by rule to cover administrative expenses attendant to the changes in the registration of the

- 1 licensee.
- 2 (Source: P.A. 91-245, eff. 12-31-99.)
- 3 (225 ILCS 454/5-41 new)
- 4 Sec. 5-41. Change of address. A licensee shall notify the
- 5 Department of the address or addresses, and of every change of
- address, where the licensee practices as a leasing agent, 6
- salesperson, broker or managing broker. 7
- 8 (225 ILCS 454/5-45)
- 9 (Section scheduled to be repealed on January 1, 2010)
- Sec. 5-45. Offices. 10
- 11 (a) If a sponsoring broker maintains more than one office
- 12 within the State, the sponsoring broker shall apply for a
- 13 branch office license for each office other than the sponsoring
- 14 broker's principal place of business. The branch office license
- shall be displayed conspicuously in each branch office. The 15
- name of each branch office shall be the same as that of the 16
- sponsoring broker's principal office or 17 shall clearly
- 18 delineate the branch office's relationship with the principal
- office. 19
- (b) The sponsoring broker shall name a managing broker for 20
- 21 each branch office and the sponsoring broker shall be
- 22 for supervising all managing responsible brokers. The
- 23 sponsoring broker shall notify the Department OBRE in writing
- 24 of the name of all managing brokers of the sponsoring broker

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- 1 and the office or offices they manage. Any person initially named as a managing broker after April 30, 2011 must either (i) 2 be licensed as a managing broker or (ii) meet all the 3 4 requirements to be licensed as a managing broker except the 5 required education and examination and secure the managing broker license within 90 days of being named as a managing 6 broker. Any changes in managing brokers shall be reported to 7 OBRE in writing within 15 days of the change. Failure to do so 8 9 shall subject the sponsoring broker to discipline under Section 10 20-20 of this Act.
 - (c) The sponsoring broker shall immediately notify the Department OBRE in writing of any opening, closing, or change in location of any principal or branch office.
 - (d) Except as provided in this Section, each sponsoring broker shall maintain a definite office, or place of business within this State for the transaction of real estate business, shall conspicuously display an identification sign on the outside of his or her office of adequate size and visibility, and shall conspicuously display his or her license in his her office or place of business and also the licenses of all persons associated with or employed by the sponsoring broker who primarily work at that location. The office or place of business shall not be located in any retail or financial business establishment unless it is separated from the other business by a separate and distinct area within the establishment. A broker who is licensed in this State by

- examination or pursuant to the provisions of Section 5-60 of 1 this Act shall not be required to maintain a definite office or 2 3 place of business in this State provided all of the following
- 4 conditions are met:

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- (1) the broker maintains an active broker's license in the broker's state of domicile;
 - (2) the broker maintains an office in the broker's state of domicile; and
 - (3) the broker has filed with the Department OBRE written statements appointing the Commissioner to act as the broker's agent upon whom all judicial and other process or legal notices directed to the licensee may be served and agreeing to abide by all of the provisions of this Act with respect to his or her real estate activities within the State of Illinois and submitting to the jurisdiction of the Department OBRE.

The statements under subdivision (3) of this Section shall be in form and substance the same as those statements required under Section 5-60 of this Act and shall operate to the same extent.

(e) Upon the loss of a managing broker who is not replaced by the sponsoring broker or in the event of the death or adjudicated disability of the sole proprietor of an office, a written request for authorization allowing the continued operation of the office may be submitted to the Department OBRE within 15 days of the loss. The Department OBRE may issue a 1 written authorization allowing the continued operation, provided that a licensed broker, or in the case of the death or 2 adjudicated disability of a sole proprietor, 3 4 representative of the estate, assumes responsibility, 5 writing, for the operation of the office and agrees to personally supervise the operation of the office. No such 6 written authorization shall be valid for more than 60 days 7 unless extended by the Department OBRE for good cause shown and 8 9 upon written request by the broker or representative.

10 (Source: P.A. 91-245, eff. 12-31-99.)

- (225 ILCS 454/5-46 new) 11
- 12 Sec. 5-46. Transition from salesperson to broker license.
- 13 (a) No new salesperson licenses shall be issued by the 14 Department after April 30, 2011 and existing salespersons licenses shall end as of 11:59 p.m. on April 30, 2012. The 15 following transition rules shall apply to individuals holding a 16 salesperson's license as of April 30, 2011 and seeking to 17
- 18 obtain a broker's license:
- 19 (1) provide evidence of having completed 30 hours of post-license education in courses approved by the Advisory 20 21 Council and having passed a written examination approved by 22 the Department and administered by a licensed pre-license 23 school; or
- 24 (2) provide evidence of passing a Department approved proficiency examination administered by a licensed 25

1	pre-license school, which proficiency examination may only
2	be taken one time by any one individual salesperson; and
3	(3) present a valid application for a broker's license
4	no later than April 30, 2012 accompanied by a sponsor card
5	and the fees specified by rule.
6	(b) The education requirements specified in clause (1) of
7	subsection (a) of this Section do not apply to applicants who
8	are currently admitted to practice law by the Supreme Court of
9	Illinois and are currently in active standing.
10	(c) No applicant may engage in any of the activities
11	covered by this Act until a valid sponsor card has been issued
12	to such applicant. The sponsor card shall be valid for a
13	maximum period of 45 days after the date of issuance unless
14	extended for good cause as provided by rule.
15	(225 ILCS 454/5-47 new)
16	Sec. 5-47. Transition to managing broker license.
17	(a) A new license for managing brokers is created effective
18	May 1, 2011. The following transition rules shall apply for
19	those brokers listed as managing brokers with the Department as
20	of April 30, 2011. Those individuals licensed as brokers and
21	listed as managing brokers with the Department as of April 30,
22	2011 must meet the following qualifications to obtain a
22	2011 must meet the following qualifications to obtain a managing broker's license:

of broker management education approved by the Advisory

1	Council and having passed a written examination approved by
2	the Department and administered by a licensed pre-license
3	school; or
4	(2) provide evidence of passing a Department approved
5	proficiency examination administered by a licensed
6	pre-license school, which proficiency examination may only
7	be taken one time by any one individual broker; and
8	(3) present a valid application for a managing broker's
9	license no later than April 30, 2012 accompanied by a
10	sponsor card and the fees specified by rule.
11	(b) The education requirements specified in item (1) of
12	subsection (a) of this Section do not apply to applicants who
13	are currently admitted to practice law by the Supreme Court of
14	Illinois and are currently in active standing.
15	(225 ILCS 454/5-50)
16	(Section scheduled to be repealed on January 1, 2010)
17	Sec. 5-50. Expiration date and renewal period of managing
18	<pre>broker, broker, salesperson, or leasing agent license;</pre>
19	sponsoring broker; register of licensees; pocket card.
20	(a) The expiration date and renewal period for each license
21	issued under this Act shall be set by rule, except that the
22	first renewal period ending after the effective date of this
23	Act for those licensed as a salesperson shall be extended
24	through April 30, 2012. Except as otherwise provided in this

Section $\frac{5}{5}$ of this Act, the holder of a license may renew the

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license within 90 days preceding the expiration date thereof by completing the continuing education required by this Act and paying the fees specified by rule. Upon written request from the sponsoring broker, OBRE shall prepare and mail to sponsoring broker a listing of licensees under this Act who, according to the records of OBRE, are sponsored by that broker. Every licensee associated with or employed by a broker whose license is revoked, suspended, terminated, or expired shall be considered as inoperative until such time as the sponsoring broker's license is reinstated or renewed, or the licensee changes employment as set forth in subsection 5-40 of this Act.

(b) An individual whose first license is that of a broker received after April 30, 2011, must provide evidence of having completed 30 hours of post-license education in courses approved by the Advisory Council, 15 hours of which must consist of situational and case studies presented in the classroom or by other interactive delivery method presenting instruction and real time discussion between the instructor and the students, and personally take and pass an examination approved by the Department prior to the first renewal of their broker's license. The Department OBRE shall establish and maintain a register of all persons currently licensed by the State and shall issue and prescribe a form of pocket card. Upon payment by a licensee of the appropriate fee as prescribed by rule for engagement in the activity for which the licensee is

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qualified and holds a license for the current period, the Department OBRE shall issue a pocket card to the licensee. The pocket card shall be verification that the required fee for the current period has been paid and shall indicate that the person named thereon is licensed for the current renewal period as a managing broker, broker, salesperson, or leasing agent as the case may be. The pocket card shall further indicate that the person named thereon is authorized by the Department OBRE to engage in the licensed activity appropriate for his or her (managing broker, broker, salesperson, or leasing status agent). Each licensee shall carry on his or her person his or her pocket card or, if such pocket card has not yet been issued, a properly issued sponsor card when engaging in any licensed activity and shall display the same on demand.

(c) Any managing broker, broker, salesperson or leasing agent whose license under this Act has expired shall be eligible to renew the license during the 2 year period following the expiration date, provided the managing broker, broker, salesperson or leasing agent pays the fees as prescribed by rule and completes continuing education and other requirements provided for by the Act or by rule. A managing broker, broker, salesperson or leasing agent whose license has been expired for more than 2 years shall be required to meet the requirements for a new license. Any person licensed as a broker shall be entitled at any renewal date to change his or her license status from broker to salesperson.

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- (d) Notwithstanding any other provisions of this Act to the contrary, any managing broker, broker, salesperson or leasing agent whose license expired while he or she was (i) on active duty with the Armed Forces of the United States or called into service or training by the state militia, (ii) engaged in training or education under the supervision of the United States preliminary to induction into military service, or (iii) serving as the Coordinator of Real Estate in the State of Illinois or as an employee of the Department may have his or her license renewed, reinstated or restored without paying any lapsed renewal fees if within 2 years after the termination of the service, training or education by furnishing the Department with satisfactory evidence of service, training, or education and it has been terminated under honorable conditions.
- (e) The Department shall prepare and mail to the sponsoring broker at the sponsoring broker's address of record a notice of renewal for all sponsored licensees.
- (f) Upon written request from the sponsoring broker the Department shall prepare and mail to the sponsoring broker a listing of licensees under this Act who, according to the records of the Department, are sponsored by that broker. Every licensee associated with or employed by a broker whose license is revoked, suspended, terminated, or expired shall be considered as inoperative until such time as the sponsoring broker's license is reinstated or renewed, or the licensee changes employment as set forth in subsection (c) of Section

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- 2 (Source: P.A. 93-957, eff. 8-19-04.)
- 3 (225 ILCS 454/5-60)
- 4 (Section scheduled to be repealed on January 1, 2010)
- 5 Sec. 5-60. Managing broker Broker—licensed in another
- state; broker licensed in another state; nonresident 6
- salesperson licensed in another state; reciprocal agreements; 7
- 8 agent for service of process.
- 9 (a) Effective May 1, 2011, a managing broker's license may
- 10 be issued by the Department to a managing broker or its
- equivalent licensed under the laws of another state of the 11
- 12 United States, under the following conditions:
- 13 (1) the managing broker holds a managing broker's
- 14 license in a state that has entered into a reciprocal
- agreement with the Department; 15
- 16 (2) the standards for that state for licensing as a
- managing broker are substantially equal to or greater than 17
- 18 the minimum standards in the State of Illinois;
- 19 (3) the managing broker has been actively practicing as
- 20 a managing broker in the managing broker's state of
- 21 licensure for a period of not less than 2 years,
- immediately prior to the date of application if the 22
- 23 application is made prior to May 1, 2012;
- 24 (4) the managing broker furnishes the Department with a
- 25 statement under seal of the proper licensing authority of

1	the state in which the managing broker is licensed showing
2	that the managing broker has an active managing broker's
3	license, that the managing broker is in good standing, and
4	that no complaints are pending against the managing broker
5	in that state;
6	(5) the managing broker passes a test on Illinois
7	specific real estate brokerage laws; and
8	(6) the broker was licensed by an examination in the
9	state that has entered into a reciprocal agreement with the
10	Department.
11	(b) A broker's license may be issued by the Department OBRE
12	to a broker or its equivalent licensed under the laws of
13	another state of the United States, under the following
14	conditions:
15	(1) the broker holds a broker's license in a state that
16	has entered into a reciprocal agreement with the Department
17	his or her state of domicile;
18	(2) the standards for that state for licensing as a
19	broker are substantially equivalent to or greater than the
20	minimum standards in the State of Illinois;
21	(3) if the application is made prior to May 1, 2012,
22	then the broker has been actively practicing as a broker in
23	the broker's state of <u>licensure</u> domicile for a period of
24	not less than 2 years, immediately prior to the date of
25	application;

(4) the broker furnishes the Department OBRE with a

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statement under seal of the proper licensing authority of
the state in which the broker is licensed showing that the
broker has an active broker's license, that the broker is
in good standing, and that no complaints are pending
against the broker in that state;

- (5) the broker completes a course of education and passes a test on Illinois specific real estate brokerage laws; and
- (6) OBRE has a reciprocal agreement with that state that includes the provisions of this Section.
- (b) Prior to May 1, 2011, a salesperson A nonresident salesperson employed by or associated with a nonresident broker holding a broker's license in this State pursuant to this Section may, in the discretion of the Department OBRE, be issued a nonresident salesperson's license under nonresident broker provided all of the following conditions are met:
 - (1) the salesperson maintains an active license in the state that has entered into a reciprocal agreement with the Department in which he or she is domiciled;
 - (2) the salesperson passes a test on Illinois specific real estate brokerage laws; and is domiciled in the same state as the broker with whom he or she is associated;
 - (3) the salesperson was licensed by an examination in the state that has entered into a reciprocal agreement with the Department. completes a course of education and passes

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on Illinois specific real estate brokerage laws; and

(4) (Blank). OBRE has a reciprocal agreement with that state that includes the provisions of this Section.

The nonresident broker with whom the salesperson is associated shall comply with the provisions of this Act and issue the salesperson a sponsor card upon the form provided by the Department OBRE.

- (d) (e) As a condition precedent to the issuance of a license to a managing broker, nonresident broker or salesperson pursuant to this Section, the managing broker or salesperson shall agree in writing to abide by all the provisions of this Act with respect to his or her real estate activities within the State of Illinois and submit to the jurisdiction of the Department OBRE as provided in this Act. The agreement shall be filed with the Department OBRE and shall remain in force for so long as the managing broker, nonresident broker or salesperson is licensed by this State and thereafter with respect to acts omissions committed while licensed as a broker salesperson in this State.
- (e) (d) Prior to the issuance of any license to any managing broker, broker, or salesperson licensed pursuant to this Section nonresident, verification of active licensure issued for the conduct of such business in any other state must be filed with the Department OBRE by the managing broker, broker, or salesperson nonresident, and the same fees must be paid as provided in this Act for the obtaining of a managing

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broker's, broker's or salesperson's license in this State.

(f) (e) Licenses previously granted under reciprocal agreements with other states shall remain in force so long as the Department OBRE has a reciprocal agreement with the state that includes the requirements of this Section, unless that license is suspended, revoked, or terminated by the Department OBRE for any reason provided for suspension, revocation, or termination of a resident licensee's license. Licenses granted under reciprocal agreements may be renewed in the same manner as a resident's license.

(q) (f) Prior to the issuance of a license to a nonresident managing broker, broker or salesperson, the managing broker, broker or salesperson shall file with the Department OBRE a designation in writing that appoints the Secretary Commissioner to act as his or her agent upon whom all judicial and other process or legal notices directed to the managing broker, broker or salesperson may be served. Service upon the agent so designated shall be equivalent to personal service upon the licensee. Copies of the appointment, certified by the Secretary Commissioner, shall be deemed sufficient evidence thereof and shall be admitted in evidence with the same force and effect as the original thereof might be admitted. In the written designation, the managing broker, broker salesperson shall agree that any lawful process against the licensee that is served upon the agent shall be of the same legal force and validity as if served upon the licensee and

- 1 that the authority shall continue in force so long as any
- liability remains outstanding in this State. Upon the receipt 2
- of any process or notice, the Secretary Commissioner shall 3
- 4 forthwith mail a copy of the same by certified mail to the last
- 5 known business address of the licensee.
- 6 (h) (q) Any person holding a valid license under this
- Section shall be eligible to obtain a resident managing broker, 7
- broker's or, prior to May 1, 2011, a salesperson's license 8
- 9 without examination should that person change their state of
- 10 domicile to Illinois and that person otherwise meets the
- 11 qualifications or licensure under this Act.
- (Source: P.A. 91-245, eff. 12-31-99; 91-702, eff. 5-12-00.) 12
- (225 ILCS 454/5-65) 13
- 14 (Section scheduled to be repealed on January 1, 2010)
- 15 Sec. 5-65. Fees. The Department OBRE shall provide by rule
- for fees to be paid by applicants and licensees to cover the 16
- reasonable costs of the Department OBRE in administering and 17
- enforcing the provisions of this Act. The Department OBRE may 18
- 19 also provide by rule for general fees to cover the reasonable
- 20 expenses of carrying out other functions and responsibilities
- under this Act. 21
- (Source: P.A. 91-245, eff. 12-31-99.) 22
- 23 (225 ILCS 454/5-70)
- 24 (Section scheduled to be repealed on January 1, 2010)

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- 1 Sec. 5-70. Continuing education requirement; managing broker, broker or salesperson. 2
 - (a) The requirements of this Section apply to all licensees managing brokers, brokers and salespersons licensees.
 - (b) Except as otherwise provided in this Section, each person who applies for renewal of his or her license as a managing broker, real estate broker or real estate salesperson must successfully complete 6 hours of real estate continuing education courses approved by the Advisory Council for each year of the pre-renewal period. Broker licensees must successfully complete a 6-hour broker management continuing education course approved by the Department for the pre-renewal period ending April 30, 2010 at the rate of 6 hours per year or its equivalent. In addition, beginning with the pre-renewal period for managing broker licensees that begins after the effective date of this Act, those licensees renewing or obtaining a managing amendatory Act of the 93rd General Assembly, to renew a real estate broker's license, the licensee successfully complete a 6-hour broker management continuing education course approved by Department each pre-renewal period. The broker management continuing education course must be completed in the classroom or by other interactive delivery method presenting instruction and real time discussion between the instructor and the students OBRE. Successful completion of the course shall include achieving a passing score as provided by rule on a test developed and

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administered in accordance with rules adopted by the Department OBRE. Beginning on the first day of the pre-renewal period for broker licensees that begins after the effective date of this amendatory Act of the 93rd General Assembly, the 6-hour broker management continuing education course must be completed by all persons receiving their initial broker's license within 180 days after the date of initial licensure as a broker. No license may be renewed except upon the successful completion of the required courses or their equivalent or upon a waiver of those requirements for good cause shown as determined by the Secretary Commissioner with the recommendation of the Advisory Council. The requirements of this Article are applicable to all managing brokers, brokers and salespersons except those brokers and salespersons who, during the pre-renewal period:

- (1) serve in the armed services of the United States;
- (2) serve as an elected State or federal official;
- (3) serve as a full-time employee of the Department OBRE; or
 - (4) are admitted to practice law pursuant to Illinois Supreme Court rule.
- (c) A person licensed as a salesperson as of April 30, 2011 who is issued an initial license as a real estate salesperson less than one year prior to the expiration date of that license shall not be required to complete the 18 hours of continuing education for the pre-renewal period ending April 30, 2012 if that person takes the 30 hour post-licensing course to obtain a

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broker license. A person licensed as a broker as of April 30, 2011 shall not be required to complete the 12 hours of broker management continuing education for the pre-renewal period ending April 30, 2012, unless that person passes the proficiency exam provided for in Section 5-47 of this Act to qualify for a managing broker license continuing education as a condition of license renewal. A person who is issued an initial license as a real estate broker less than one year prior to the expiration date of that license and who has not been licensed as a real estate salesperson during the pre-renewal period shall not be required to complete continuing education as a condition of license renewal. A person receiving an initial license as a real estate broker during the 90 days before the broker renewal date shall not be required to complete the broker management continuing education courses course provided for in subsection (b) of this Section as a condition of initial license renewal.

(d) The continuing education requirement for salespersons, brokers and managing brokers shall consist of a core curriculum and an elective curriculum, to be established by the Advisory Council. In meeting the continuing education requirements of this Act, at least 3 hours per year or their equivalent, 6 hours for each two year pre-renewal period, shall be required to be completed in the core curriculum. In establishing the core curriculum, the Advisory Council shall consider subjects that will educate licensees on recent changes in applicable

- 1 laws and new laws and refresh the licensee on areas of the license law and the Department OBRE policy that the Advisory 2 3 Council deems appropriate, and any other areas that the 4 Advisory Council deems timely and applicable in order to 5 prevent violations of this Act and to protect the public. In establishing the elective curriculum, the Advisory Council 6 shall consider subjects that cover the various aspects of the 7 8 practice of real estate that are covered under the scope of 9 this Act. However, the elective curriculum shall not include
- 11 The subject areas of continuing education courses approved by the Advisory Council may include without limitation 12 13 the following:

any offerings referred to in Section 5-85 of this Act.

- (1) license law and escrow; 14
- 15 (2) antitrust;
- 16 (3) fair housing;
- 17 (4) agency;

- 18 (5) appraisal;
- 19 (6) property management;
- 20 (7) residential brokerage;
- 2.1 (8) farm property management;
- 22 (9) rights and duties of sellers, buyers, and brokers;
- 23 (10) commercial brokerage and leasing; and
- 24 (11) real estate financing.
- 2.5 (f) In lieu of credit for those courses listed in 26 subsection (e) of this Section, credit may be earned for

- 1 serving as a licensed instructor in an approved course of
- 2 continuing education. The amount of credit earned for teaching
- a course shall be the amount of continuing education credit for 3
- 4 which the course is approved for licensees taking the course.
- 5 (g) Credit hours may be earned for self-study programs approved by the Advisory Council.
- (h) A broker or salesperson may earn credit for a specific 7
- continuing education course only once during the prerenewal 8
- 9 period.

- 10 (i) No more than 6 hours of continuing education credit may
- 11 be taken or earned in one calendar day.
- (j) To promote the offering of a uniform and consistent 12
- 13 course content, the Department OBRE may provide for the
- 14 development of a single broker management course to be offered
- 15 by all continuing education providers who choose to offer the
- 16 broker management continuing education course. The Department
- OBRE may contract for the development of the 6-hour broker 17
- management continuing education course with an outside vendor 18
- or consultant and, if the course is developed in this manner, 19
- 20 the Department or the outside consultant OBRE shall license the
- 21 use of that course to all approved continuing education
- 22 providers who wish to provide the course.
- 23 (k) Except as specifically provided in this Act, continuing
- 24 education credit hours may not be earned for completion of pre
- 25 or post-license courses. The approved 30 hour post-license
- course for broker licensees shall satisfy the continuing 26

- 1 education requirement for the pre-renewal period in which the
- course is taken. The approved 45 hour brokerage administration 2
- and management course shall satisfy the 12 hour broker 3
- 4 management continuing education requirement for the
- 5 pre-renewal period in which the course is taken.
- (Source: P.A. 93-957, eff. 8-19-04.) 6
- 7 (225 ILCS 454/5-80)
- 8 (Section scheduled to be repealed on January 1, 2010)
- 9 Sec. 5-80. Evidence of compliance with continuing
- 10 education requirements.
- (a) Each renewal applicant shall certify, on his or her 11
- 12 renewal application, full compliance with continuing education
- requirements set forth in Section 5-70. The continuing 13
- 14 education school shall retain and submit to the Department OBRE
- 15 after the completion of each course evidence of those
- successfully completing the course as provided by rule. 16
- (b) The Department OBRE may require additional evidence 17
- 18 demonstrating compliance with the continuing education
- 19 requirements. The renewal applicant shall retain and produce
- 20 the evidence of compliance upon request of the Department OBRE.
- (Source: P.A. 91-245, eff. 12-31-99.) 21
- 22 (225 ILCS 454/5-85)
- 23 (Section scheduled to be repealed on January 1, 2010)
- Sec. 5-85. Offerings not meeting continuing education 24

- 1 requirements. The following offerings do not meet the 2 continuing education requirements:
- 3 Examination preparation offerings, except provided in Section 5-70 of this Act. 4
- 5 (2) Offerings in mechanical office and business skills such as typing, speed reading, memory improvement, 6 advertising, or psychology of sales. 7
- 8 Sales promotion or other meetings held in conjunction with the general business of the attendee or 9 10 his or her employer.
- 11 (4) Meetings that are a normal part of in-house staff or employee training. 12
- 13 The offerings listed in this Section do not limit the Advisory Council's authority to disapprove any course that 14 15 fails to meet the standards of this Article 5 or rules adopted 16 by the Department OBRE.
- (Source: P.A. 91-245, eff. 12-31-99.) 17
- (225 ILCS 454/10-15) 18
- 19 (Section scheduled to be repealed on January 1, 2010)
- 2.0 Sec. 10-15. No compensation to persons in violation of Act; 21 compensation to unlicensed persons; consumer.
- 22 (a) No compensation may be paid to any unlicensed person in 23 exchange for the person performing licensed activities in 2.4 violation of this Act.
- 25 (b) No action or suit shall be instituted, nor recovery

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- therein be had, in any court of this State by any person, partnership, registered limited liability partnership, limited liability company, or corporation for compensation for any act done or service performed, the doing or performing of which is prohibited by this Act to other than licensed managing brokers, brokers, salespersons, or leasing agents unless the person, partnership, registered limited liability partnership, limited liability company, or corporation was duly licensed hereunder as a managing brokers, broker, salesperson, or leasing agent under this Act at the time that any such act was done or service performed that would give rise to a cause of action for compensation.
 - (c) A licensee may offer compensation, including prizes, merchandise, services, rebates, discounts, or consideration to an unlicensed person who is a party to a contract to buy or sell real estate or is a party to a contract for the lease of real estate, so long as the offer complies with the provisions of subdivision (26) of subsection (h) of Section 20-20 of this Act.
 - (d) A licensee may offer cash, gifts, prizes, awards, coupons, merchandise, rebates or chances to win a game of chance, if not prohibited by any other law or statute, to a consumer as an inducement to that consumer to use the services of the licensee even if the licensee and consumer do not ultimately enter into a broker-client relationship so long as the offer complies with the provisions of subdivision (26) of

- 1 subsection (h) of Section 20-20 of this Act.
- (Source: P.A. 91-245, eff. 12-31-99.) 2
- 3 (225 ILCS 454/10-30)

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- 4 (Section scheduled to be repealed on January 1, 2010)
- 5 Sec. 10-30. Advertising.
- (a) No advertising, whether in print, Internet, or through 6 any other media, shall be fraudulent, deceptive, inherently 7 8 misleading, or proven to be misleading in practice. Advertising 9 It shall be considered misleading or untruthful if, when taken 10 as a whole, there is a distinct and reasonable possibility that it will be misunderstood or will deceive the ordinary 11 12 purchaser, seller, lessee, lessor, or owner. Advertising shall 13 contain all information necessary to communicate the 14 information contained therein to the public in an accurate a direct and readily comprehensible manner. 15
 - (b) No blind advertisements may be used by any licensee, in any media, except as provided for in this Section.
 - (c) A licensee shall disclose, in writing, to all parties in a transaction his or her status as a licensee and any and all interest the licensee has or may have in the real estate constituting the subject matter thereof, directly indirectly, according to the following guidelines:
- 23 (1) On broker yard signs or in broker advertisements, 24 no disclosure of ownership is necessary. However, the 25 ownership shall be indicated on any property data form and

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disclosed to persons responding to any advertisement or any sign. The term "broker owned" or "agent owned" sufficient disclosure.

- (2) A sponsored or inoperative licensee selling or leasing property, owned solely by the sponsored or inoperative licensee, without utilizing brokerage services of their sponsoring broker or any other licensee, may advertise "By Owner". For purposes of this property is "solely owned" by a sponsored or inoperative licensee if he or she (i) has a 100% ownership interest alone, (ii) has ownership as a joint tenant or tenant by the entirety, or (iii) holds a 100% beneficial interest in a land trust. Sponsored or inoperative licensees selling or leasing "By Owner" shall comply with the following if advertising by owner:
 - (A) On "By Owner" yard signs, the sponsored or inoperative licensee shall indicate "broker owned" or "agent owned." "By Owner" advertisements used in any medium of advertising shall include the term "broker owned" or "agent owned."
 - (B) If a sponsored or inoperative licensee runs advertisements, for the purpose of purchasing or leasing real estate, he or she shall disclose in the advertisements his or her status as a licensee.
 - (C) A sponsored or inoperative licensee shall not use the sponsoring broker's name or the sponsoring

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broker's company name in connection with the sale, lease, or advertisement of the property nor utilize the sponsoring broker's or company's name in connection with the sale, lease, or advertising of the property in a manner likely to create confusion among the public as to whether or not the services of a real estate company are being utilized or whether or not a real estate company has an ownership interest in the property.

- (d) A sponsored licensee may not advertise under his or her own name. Advertising in any media shall be under the direct supervision of the sponsoring or managing broker and in the sponsoring broker's business name, which in the case of a franchise shall include the franchise affiliation as well as the name of the individual firm. This provision does not apply under the following circumstances:
 - (1) When a licensee enters into a brokerage agreement relating to his or her own real estate, or real estate in which he or she has an ownership interest, with another licensed broker; or
 - (2) When a licensee is selling or leasing his or her own real estate or buying or leasing real estate for himself or herself, after providing the appropriate written disclosure of his or her ownership interest as required in paragraph (2) of subsection (c) of this Section.
 - (e) No licensee shall list his or her name under the

- 1 heading or title "Real Estate" in the telephone directory or
- 2 otherwise advertise in his or her own name to the general
- public through any medium of advertising as being in the real 3
- 4 estate business without listing his or her sponsoring broker's
- 5 business name.
- 6 (f) The sponsoring broker's business name and the name of
- the licensee must appear in all advertisements, including 7
- business cards. Nothing in this Act shall be construed to 8
- 9 require specific print size as between the broker's business
- 10 name and the name of the licensee.
- 11 (q) Those individuals licensed as a managing broker and
- designated with the Department as a managing broker by their 12
- 13 sponsoring broker shall identify themselves to the public in
- 14 advertising as a managing broker. No other individuals holding
- 15 a managing broker's license may hold themselves out to the
- 16 public or other licensees as a managing broker.
- (Source: P.A. 91-245, eff. 12-31-99.) 17
- (225 ILCS 454/10-35 new) 18
- Sec. 10-35. Internet and related advertising. 19
- (a) Licensees intending to sell or share consumer 20
- 21 information gathered from or through the Internet or other
- electronic communication media shall disclose that intention 22
- 23 to consumers in a timely and readily apparent manner.
- 24 (b) A licensee using Internet or other similar electronic
- 25 advertising media must not:

(225 ILCS 454/15-15)

1	(1) use a URL or domain name that is deceptive or
2	misleading;
3	(2) deceptively or without authorization frame another
4	real estate brokerage or multiple listing service website;
5	<u>or</u>
6	(3) engage in the deceptive use of metatags, keywords
7	or other devices and methods to direct, drive or divert
8	Internet traffic or otherwise mislead consumers.
9	(225 ILCS 454/10-40 new)
10	Sec. 10-40. Company policy. Every brokerage company or
11	entity, other than a sole proprietorship with no other
12	sponsored licensees, shall adopt a company or office policy
13	dealing with topics such as:
14	(1) the agency policy of the entity;
15	(2) fair housing, nondiscrimination and harassment;
16	(3) confidentiality of client information;
17	(4) advertising;
18	(5) training and supervision of sponsored licensees;
19	(6) required disclosures and use of forms;
20	(7) handling of risk management matters; and
21	(8) handling of earnest money and escrows.
22	These topics are provided as an example and are not
23	intended to be inclusive or exclusive of other topics.

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1	(Section scheduled to be repealed on January 1, 2010)
2	Sec. 15-15. Duties of licensees representing clients.
3	(a) A licensee representing a client shall:
4	(1) Perform the terms of the brokerage agreement
5	between a broker and the client.
6	(2) Promote the best interest of the client by:
7	(A) Seeking a transaction at the price and terms
8	stated in the brokerage agreement or at a price and
9	terms otherwise acceptable to the client.
10	(B) Timely presenting all offers to and from the
11	client, unless the client has waived this duty.
12	(C) Disclosing to the client material facts
13	concerning the transaction of which the licensee has
14	actual knowledge, unless that information is
15	confidential information. Material facts do not
16	include the following when located on or related to
17	real estate that is not the subject of the transaction:
18	(i) physical conditions that do not have a substantial
19	adverse effect on the value of the real estate, (ii)
20	fact situations, or (iii) occurrences.
21	(D) Timely accounting for all money and property
22	received in which the client has, may have, or should
23	have had an interest.
24	(E) Obeying specific directions of the client that

are not otherwise contrary to applicable statutes,

ordinances, or rules.

1	(F) Acting in a manner consistent with promoting
2	the client's best interests as opposed to a licensee's
3	or any other person's self-interest.

- (3) Exercise reasonable skill and care in the performance of brokerage services.
- (4) Keep confidential all confidential information received from the client.
- (5) Comply with all requirements of this Act and all applicable statutes and regulations, including without limitation fair housing and civil rights statutes.
- (b) A licensee representing a client does not breach a duty or obligation to the client by showing alternative properties to prospective buyers or tenants, or by making or preparing contemporaneous offers or tenants, or by making or preparing contemporaneous offers or contracts to purchase or lease the same property. However, a licensee shall provide written disclosure to all clients for whom the licensee is preparing or making contemporaneous offers or contracts to purchase or lease the same property and shall refer to another designated agent any client that requests such referral.
- (c) A licensee representing a buyer or tenant client will not be presumed to have breached a duty or obligation to that client by working on the basis that the licensee will receive a higher fee or compensation based on higher selling price or lease cost.

- 1 (d) A licensee shall not be liable to a client for providing false information to the client if the false 2 3 information was provided to the licensee by a customer unless
- 4 the licensee knew or should have known the information was
- 5 false.
- (e) Nothing in the Section shall be construed as changing a 6
- licensee's duty under common law as to negligent or fraudulent 7
- 8 misrepresentation of material information.
- 9 (Source: P.A. 91-245, eff. 12-31-99.)
- 10 (225 ILCS 454/15-35)
- (Section scheduled to be repealed on January 1, 2010) 11
- 12 Sec. 15-35. Agency relationship disclosure.
- 13 (a) A licensee shall advise a consumer in writing shall be
- 14 advised of the following no later than beginning to work as a
- designated agent on behalf of the consumer entering into a 15
- brokerage agreement with the sponsoring broker: 16
- 17 That a designated agency relationship exists,
- unless there is written agreement between the sponsoring 18
- 19 broker and the consumer providing for a different brokerage
- 20 relationship.
- 21 (2) The name or names of his or her designated agent or
- 22 agents. The written disclosure can be included in a
- 23 brokerage agreement or be a separate document, a copy of
- 24 which is retained by the sponsoring broker for the licensee
- 25 in writing.

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1	(3)	The	licen	see	repres	enting	the	consum	er	shall
2	discuss	with	the	con	sumer	the	spor	soring	bro	ker's
3	compensa	tion	and po	olicy	with	regard	to	cooperat	ting	with
4	brokers	who re	preser	nt ot	her pai	rties in	a tı	ransacti	on.	

- (b) A licensee shall disclose in writing to a customer that the licensee is not acting as the agent of the customer at a intended to prevent disclosure of confidential information from a customer to a licensee, but in no event later than the preparation of an offer to purchase or lease real property. This subsection (b) does not apply to residential lease or rental transactions unless the lease rental agreement includes an option to purchase real estate. (Source: P.A. 91-245, eff. 12-31-99.)
- 14 (225 ILCS 454/15-45)
- 15 (Section scheduled to be repealed on January 1, 2010)
- 16 Sec. 15-45. Dual agency.
- (a) A licensee may act as a dual agent only with the 17 informed written consent of all clients. Informed written 18 19 consent shall be presumed to have been given by any client who 20 signs a document that includes the following:

21 "The undersigned (insert name(s)), ("Licensee"), may 22 undertake a dual representation (represent both the seller 23 or landlord and the buyer or tenant) for the sale or lease The undersigned acknowledge they were 24 of property. 25 informed of the possibility of this type of representation.

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Before signing this document please read the following: Representing more than one party to a transaction presents a conflict of interest since both clients may rely upon Licensee's advice and the client's respective interests may be adverse to each other. Licensee will undertake this representation only with the written consent of ALL clients in the transaction. Any agreement between the clients as to a final contract price and other terms is a result of negotiations between the clients acting in their own best interests and on their own behalf. You acknowledge that implications Licensee has explained the dual representation, including the risks involved, and understand that you have been advised to seek independent advice from your advisors or attorneys before signing any documents in this transaction.

WHAT A LICENSEE CAN DO FOR CLIENTS

WHEN ACTING AS A DUAL AGENT

- 18 1. Treat all clients honestly.
- 19 2. Provide information about the property to the buyer or 20 tenant.
- 2.1 3. Disclose all latent material defects in the property that are known to the Licensee. 22
- 23 4. Disclose financial qualification of the buyer or tenant 24 to the seller or landlord.
- 2.5 5. Explain real estate terms.
- 26 6. Help the buyer or tenant to arrange for property

1 inspections.

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- Explain closing costs and procedures.
- 3 8. Help the buyer compare financing alternatives.
- 9. Provide information about comparable properties that
- 5 have sold so both clients may make educated decisions on
- 6 what price to accept or offer.

7 WHAT LICENSEE CANNOT DISCLOSE TO CLIENTS WHEN

ACTING AS A DUAL AGENT

- 9 1. Confidential information that Licensee may know about a client, without that client's permission.
- 11 2. The price or terms the seller or landlord will take
- 12 other than the listing price without permission of the
- 13 seller or landlord.
- 14 3. The price <u>or terms</u> the buyer or tenant is willing to pay
- without permission of the buyer or tenant.
- 4. A recommended or suggested price or terms the buyer or
- 17 tenant should offer.
- 18 5. A recommended or suggested price or terms the seller or
- 19 landlord should counter with or accept.
- 20 If either client is uncomfortable with this disclosure
- 21 and dual representation, please let Licensee know. You are
- not required to sign this document unless you want to allow
- Licensee to proceed as a Dual Agent in this transaction. By
- 24 signing below, you acknowledge that you have read and
- 25 understand this form and voluntarily consent to Licensee
- acting as a Dual Agent (that is, to represent BOTH the

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1 seller or landlord and the buyer or tenant) should that become necessary." 2

- The dual agency disclosure form provided for in subsection (a) of this Section must be presented by a licensee, who offers dual representation, to the client at the time the brokerage agreement is entered into and may be signed by the client at that time or at any time before the licensee acts as a dual agent as to the client.
- (c) A licensee acting in a dual agency capacity in a transaction must obtain a written confirmation from the licensee's clients of their prior consent for the licensee to act as a dual agent in the transaction. This confirmation should be obtained at the time the clients are executing any offer or contract to purchase or lease in a transaction in which the licensee is acting as a dual agent. This confirmation may be included in another document, such as a contract to purchase, in which case the client must not only sign the document but also initial the confirmation of dual agency provision. That confirmation must state, at a minimum, the following:

"The undersigned confirm that they have previously consented to (insert name(s)), ("Licensee"), acting as a Dual Agent in providing brokerage services on their behalf and specifically consent to Licensee acting as a Dual Agent in regard to the transaction referred to in this document." (d) No cause of action shall arise on behalf of any person

- 1 against a dual agent for making disclosures allowed or required
- by this Article, and the dual agent does not terminate any 2
- 3 agency relationship by making the allowed or
- 4 disclosures.
- 5 (e) In the case of dual agency, each client and the
- 6 licensee possess only actual knowledge and information. There
- shall be no imputation of knowledge or information among or 7
- between clients, brokers, or their affiliated licensees. 8
- (f) In any transaction, a licensee may without liability 9
- 10 withdraw from representing a client who has not consented to a
- 11 disclosed dual agency. The withdrawal shall not prejudice the
- ability of the licensee to continue to represent the other 12
- 13 client in the transaction or limit the licensee from
- 14 representing the client in other transactions.
- 15 withdrawal as contemplated in this subsection (f) occurs, the
- 16 licensee shall not receive a referral fee for referring a
- client to another licensee unless written disclosure is made to 17
- 18 both the withdrawing client and the client that continues to be
- 19 represented by the licensee.
- 20 (Source: P.A. 91-245, eff. 12-31-99.)
- 21 (225 ILCS 454/15-65)
- 22 (Section scheduled to be repealed on January 1, 2010)
- 23 Sec. 15-65. Regulatory enforcement. Nothing contained in
- 24 this Article limits the Department OBRE in its regulation of
- licensees under other Articles of this Act and the substantive 25

- 1 rules adopted by the Department OBRE. The Department OBRE, with
- 2 the advice of the Board, is authorized to promulgate any rules
- 3 that may be necessary for the implementation and enforcement of
- 4 this Article 15.
- 5 (Source: P.A. 91-245, eff. 12-31-99.)
- 6 (225 ILCS 454/20-5)
- 7 (Section scheduled to be repealed on January 1, 2010)
- 8 Sec. 20-5. Index of decisions. The Department OBRE shall
- 9 maintain an index of formal decisions regarding the issuance,
- 10 refusal to issue, renewal, refusal to renew, revocation, and
- 11 suspension of licenses and probationary or other disciplinary
- 12 action taken under this Act on or after December 31, 1999. The
- 13 decisions shall be indexed according to the Sections of
- 14 statutes and the administrative rules, if any, that are the
- 15 basis for the decision. The index shall be available to the
- 16 public during regular business hours.
- 17 (Source: P.A. 91-245, eff. 12-31-99.)
- 18 (225 ILCS 454/20-10)
- 19 (Section scheduled to be repealed on January 1, 2010)
- Sec. 20-10. Unlicensed practice; civil penalty.
- 21 (a) Any person who practices, offers to practice, attempts
- 22 to practice, or holds oneself out to practice as a real estate
- broker, real estate salesperson, or leasing agent without being
- licensed under this Act shall, in addition to any other penalty

- 1 provided by law, pay a civil penalty fine to the Department
- 2 OBRE in an amount not to exceed \$25,000 for each offense as
- 3 determined by the Department OBRE. The civil penalty fine shall
- be assessed by the Department OBRE after a hearing is held in 4
- 5 accordance with the provisions set forth in this Act regarding
- 6 the provision of a hearing for the discipline of a license.
- (b) The Department OBRE has the authority and power to 7
- 8 investigate any and all unlicensed activity.
- (c) The civil fine shall be paid within 60 days after the 9
- 10 effective date of the order imposing the civil fine. The order
- 11 shall constitute a judgement and may be filed and execution had
- thereon in the same manner from any court of record. 12
- 13 (Source: P.A. 91-245, eff. 12-31-99.)
- 14 (225 ILCS 454/20-20)
- 15 (Section scheduled to be repealed on January 1, 2010)
- Sec. 20-20. Grounds for <u>discipline</u> Disciplinary actions; 16
- 17 causes.
- (a) The Department OBRE may refuse to issue or renew a 18
- 19 license, may place on probation, suspend, or revoke any
- license, or may censure, reprimand, or take any other 20
- 21 disciplinary or non-disciplinary action as the Department may
- 22 deem proper otherwise discipline or impose a civil fine not to
- 23 exceed \$25,000 upon any licensee issued under this Act or
- 24 against a licensee in handling his or her own property, whether
- held by deed, option, or otherwise, hereunder for any one or 25

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any combination of the following causes:

- (1) Fraud or misrepresentation in applying for, or procuring, a license under this Act or in connection with applying for renewal of a license under this Act. (a) When the applicant or licensee has, by false or fraudulent representation, obtained or sought to obtain a license.
- (2) The conviction of, plea of guilty or plea of nolo contendre to a felony or misdemeanor (b) When the applicant or licensee has been convicted of any crime, an essential element of which is dishonesty or fraud or larceny, embezzlement, or obtaining money, property, or credit by false pretenses or by means of a confidence game, in has been convicted in this or another state of a crime that is a felony under the laws of this State, or any other jurisdiction has been convicted of a felony in a federal court.
- (3) Inability to practice the profession with reasonable judgment, skill, or safety as a result of a physical illness, including, but not limited to, deterioration through the aging process or loss of motor skill, or a mental illness or disability (c) When the applicant or licensee has been adjudged to be a person under legal disability or subject to involuntary admission or to meet the standard for judicial admission as provided in the Mental Health and Developmental Disabilities Code.
 - (4) Practice under this Act as a (d) When the licensee

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or attempts to perform any act as a broker salesperson in a retail sales establishment from an office, desk, or space that is not separated from the main retail business by a separate and distinct area within the establishment.

- (5) Disciplinary action of another state or jurisdiction against the license or other authorization to practice as a managing broker, broker, salesperson, or leasing agent (e) Discipline of a licensee by another state, the District of Columbia, a territory, a foreign nation, a governmental agency, or any other entity authorized to impose discipline if at least one of the grounds for that discipline is the same as or the equivalent of one of the grounds for discipline set forth in this Act. A certified copy of the record of the action by the other state or jurisdiction shall be prima facie evidence thereof, in which case the only issue will be whether one of the grounds for that discipline is the same or equivalent to one of the grounds for discipline under this Act.
- (6) Engaging in the practice of (f) When the applicant or licensee has engaged in real estate brokerage activity without a license or after the licensee's license was expired or while the license was inoperative.
- (7) Cheating on or attempting (g) When the applicant or licensee attempts to subvert or cheat on the Real Estate

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License	Exam	or	continuing	education	exam.

- (8) Aiding or abetting aids and abets an applicant to subvert or cheat on the Real Estate License Exam or continuing education exam administered pursuant to this Act.
- (9) Advertising that is inaccurate, misleading, or contrary to the provisions of the Act. (h) When the licensee in performing, attempting to perform, pretending to perform any act as a broker, salesperson, or leasing agent or when the licensee in handling his or her own property, whether held by deed, option, or otherwise, is found guilty of:
- (10) (1) Making any substantial misrepresentation or untruthful advertising.
- (11) $\frac{(2)}{(2)}$ Making any false promises of a character likely to influence, persuade, or induce.
- (12) (3) Pursuing a continued and flagrant course of misrepresentation or the making of false promises through licensees, employees, agents, advertising, or otherwise.
- (13) $\frac{(4)}{(4)}$ Any misleading or untruthful advertising, or using any trade name or insignia of membership in any real estate organization of which the licensee is not a member.
- (14) $\frac{(5)}{(5)}$ Acting for more than one party in a transaction without providing written notice to all parties for whom the licensee acts.
 - (15) (6) Representing or attempting to represent a

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broker other than the sponsoring broker.

- (16) (7) Failure to account for or to remit any moneys or documents coming into his or her possession that belong to others.
- (17) Failure to maintain and deposit in a special account, separate and apart from personal and other business accounts, all escrow moneys belonging to others entrusted to a licensee while acting as a real estate broker, escrow agent, or temporary custodian of the funds of others or failure to maintain all escrow moneys on deposit in the account until the transactions are consummated or terminated, except to the extent that the moneys, or any part thereof, shall be:
 - disbursed prior to the consummation termination (i) in accordance with the direction of the principals to the transaction or their duly authorized agents, (ii) in accordance with directions providing for the release, payment, or distribution of escrow moneys contained in any written contract signed by the principals to the transaction or their duly authorized agents, or (iii) pursuant to an order of a court of competent jurisdiction; or
 - (B) deemed abandoned and transferred to the Office of the State Treasurer to be handled as unclaimed property pursuant to the Uniform Disposition of Unclaimed Property Act. Escrow moneys may be deemed

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abandoned under this subparagraph (B) only: (i) in the absence of disbursement under subparagraph (A); (ii) in the absence of notice of the filing of any claim in a court of competent jurisdiction; and (iii) if 6 months have elapsed after the receipt of a written demand for the escrow moneys from one of the principals to the transaction or the principal's duly authorized agent.

The account shall be noninterest bearing, unless character of the deposit is such that payment of interest thereon is otherwise required by law or unless the principals to the transaction specifically require, in writing, that the deposit be placed in an interest bearing account.

- (18) (9) Failure to make available to the Department real estate enforcement personnel of OBRE during normal business hours all escrow records and related documents maintained in connection with the practice of real estate within 24 hours of a request for those documents by OBRE personnel.
- (19) (10) Failing to furnish copies upon request of all documents relating to a real estate transaction to a party who has executed that document all parties executing them.
- (20) $\frac{(11)}{(11)}$ Failure of a sponsoring broker to timely provide information, sponsor cards, or termination of licenses to the Department OBRE.

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1	(21) (12) Engaging in dishonorable, unethical, or
2	unprofessional conduct of a character likely to deceive,
3	defraud, or harm the public.
4	(22) (13) Commingling the money or property of others
5	with his or her own money or property.
6	(23) (14) Employing any person on a purely temporary or
7	single deal basis as a means of evading the law regarding
8	payment of commission to nonlicensees on some contemplated
9	transactions.
10	(24) (15) Permitting the use of his or her license as a
11	broker to enable a salesperson or unlicensed person to
12	operate a real estate business without actual
13	participation therein and control thereof by the broker.
14	(25) (16) Any other conduct, whether of the same or a
15	different character from that specified in this Section,
16	that constitutes dishonest dealing.
17	$\underline{(26)}$ $\overline{(17)}$ Displaying a "for rent" or "for sale" sign on
18	any property without the written consent of an owner or his
19	or her duly authorized agent or advertising by any means
20	that any property is for sale or for rent without the
21	written consent of the owner or his or her authorized
22	agent.
23	(27) (18) Failing to provide information requested by
24	the Department, or otherwise respond to that request OBRE,

within 30 days of the request, either as the result of a

formal or informal complaint to OBRE or as a result of a

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- (28) $\frac{(19)}{(19)}$ Advertising by means of a blind advertisement, except as otherwise permitted in Section 10-30 of this Act.
- (29) (20) Offering guaranteed sales plans, as defined in clause (A) of this subdivision (29) (20), except to the extent hereinafter set forth:
 - (A) A "guaranteed sales plan" is any real estate purchase or sales plan whereby a licensee enters into a conditional or unconditional written contract with a seller, prior to entering into a brokerage agreement with the Seller, by the terms of which a licensee agrees to purchase a property of the seller within a specified period of time at a specific price in the event the property is not sold in accordance with the terms of a contract brokerage agreement to be entered into listing contract between the sponsoring broker and the seller or on other terms acceptable to the seller.
 - (B) A licensee offering a guaranteed sales plan shall provide the details and conditions of the plan in writing to the party to whom the plan is offered.
 - (C) A licensee offering a guaranteed sales plan shall provide to the party to whom the plan is offered evidence of sufficient financial resources to satisfy

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the commitment to purchase undertaken by the broker in the plan.

- (D) Any licensee offering a guaranteed sales plan shall undertake to market the property of the seller subject to the plan in the same manner in which the broker would market any other property, unless the agreement with the seller provides otherwise.
- (E) The licensee cannot purchase Seller's property until the brokerage agreement has ended according to its terms or is otherwise terminated.
- (F) Any licensee who fails to perform on a quaranteed sales plan in strict accordance with its terms shall be subject to all the penalties provided in this Act for violations thereof and, in addition, shall be subject to a civil fine payable to the party injured by the default in an amount of up to \$25,000.
- (30) (21) Influencing or attempting to influence, by any words or acts, a prospective seller, purchaser, occupant, landlord, or tenant of real estate, in connection with viewing, buying, or leasing real estate, so as to promote or tend to promote the continuance or maintenance of racially and religiously segregated housing or so as to retard, obstruct, or discourage racially integrated housing on or in any street, block, neighborhood, or community.
 - (31) $\frac{(22)}{(22)}$ Engaging in any act that constitutes a

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violation of any provision of Article 3 of the Illinois Human Rights Act, whether or not a complaint has been filed with or adjudicated by the Human Rights Commission.

- (32) Inducing any party to a contract of sale or lease or brokerage agreement to break the contract of sale lease or brokerage agreement for the purpose of substituting, in lieu thereof, a new contract for sale or lease or brokerage agreement with a third party.
- (33) (24) Negotiating a sale, exchange, or lease of real estate directly with any person if the licensee knows that the person has a written exclusive brokerage agreement with another broker, unless specifically authorized by that broker.
- (34) (25) When a licensee is also an attorney, acting as the attorney for either the buyer or the seller in the same transaction in which the licensee is acting or has acted as a broker or salesperson.
- (35) (26) Advertising or offering merchandise or services as free if any conditions or obligations necessary for receiving the merchandise or services are not disclosed in the same advertisement or offer. These conditions or obligations include without limitation the requirement that the recipient attend a promotional activity or visit a real estate site. As used in this subdivision (35) $\frac{(26)}{(26)}$, "free" includes terms such as "award", "prize", "no charge", "free of charge", "without charge", and similar

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words or phrases that reasonably lead a person to believe that he or she may receive or has been selected to receive something of value, without any conditions or obligations on the part of the recipient.

- (36) $\frac{(27)}{(27)}$ Disregarding or violating any provision of the Land Sales Registration Act of 1989, the Illinois Real Estate Time-Share Act, or the published rules promulgated by the Department OBRE to enforce those Acts.
- (37) (28) Violating the terms of a disciplinary order issued by the Department OBRE.
- (38) $\frac{(29)}{(29)}$ Paying or failing to disclose compensation in violation of Article 10 of this Act.
- 39 (30) Requiring a party to a transaction who is not a client of the licensee to allow the licensee to retain a portion of the escrow moneys for payment of the licensee's commission or expenses as a condition for release of the escrow moneys to that party.
- (40) (31) Disregarding or violating any provision of this Act or the published rules promulgated by the Department OBRE to enforce this Act or aiding or abetting any individual, partnership, registered limited liability partnership, limited liability company, or corporation in disregarding any provision of this Act or the published rules promulgated by the Department OBRE to enforce this Act.
 - (41) $\frac{(32)}{}$ Failing to provide the minimum services

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1 required by Section 15-75 of this Act when acting under an 2 exclusive brokerage agreement.

- (42) Habitual or excessive use or addiction to alcohol, narcotics, stimulants, or any other chemical agent or drug that results in a managing broker, broker, salesperson, or leasing agent's inability to practice with reasonable skill or safety.
- (b) The Department may refuse to issue or renew or may suspend the license of any person who fails to file a return, pay the tax, penalty or interest shown in a filed return, or pay any final assessment of tax, penalty, or interest, as required by any tax Act administered by the Department of Revenue, until such time as the requirements of that tax Act are satisfied in accordance with subsection (q) of Section 2105-15 of the Civil Administrative Code of Illinois.
 - (c) The Department shall deny a license or renewal authorized by this Act to a person who has defaulted on an educational loan or scholarship provided or guaranteed by the Illinois Student Assistance Commission or any governmental agency of this State in accordance with item (5) of subsection (g) of Section 2105-15 of the Civil Administrative Code of Illinois.
 - (d) In cases where the Department of Healthcare and Family Services (formerly Department of Public Aid) has previously determined that a licensee or a potential licensee is more than 30 days delinquent in the payment of child support and has

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1 subsequently certified the delinquency to the Department may refuse to issue or renew or may revoke or suspend that person's 2 license or may take other disciplinary action against that 3 4 person based solely upon the certification of delinquency made 5 by the Department of Healthcare and Family Services in accordance with item (5) of subsection (q) of Section 2105-15 6

of the Civil Administrative Code of Illinois.

(e) In enforcing this Section, the Department or Board upon a showing of a possible violation may compel an individual licensed to practice under this Act, or who has applied for licensure under this Act, to submit to a mental or physical examination, or both, as required by and at the expense of the Department. The Department or Board may order the examining physician to present testimony concerning the mental or physical examination of the licensee or applicant. No information shall be excluded by reason of any common law or statutory privilege relating to communications between the licensee or applicant and the examining physician. The examining physicians shall be specifically designated by the Board or Department. The individual to be examined may have, at his or her own expense, another physician of his or her choice present during all aspects of this examination. Failure of an individual to submit to a mental or physical examination, when directed, shall be grounds for suspension of his or her license until the individual submits to the examination if the Department finds, after notice and hearing, that the refusal to

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submit to the examination was without reasonable cause.

If the Department or Board finds an individual unable to practice because of the reasons set forth in this Section, the Department or Board may require that individual to submit to care, counseling, or treatment by physicians approved or designated by the Department or Board, as a condition, term, or restriction for continued, reinstated, or renewed licensure to practice; or, in lieu of care, counseling, or treatment, the Department may file, or the Board may recommend to the Department to file, a complaint to immediately suspend, revoke, or otherwise discipline the license of the individual. An individual whose license was granted, continued, reinstated, renewed, disciplined or supervised subject to such terms, conditions, or restrictions, and who fails to comply with such terms, conditions, or restrictions, shall be referred to the Secretary for a determination as to whether the individual shall have his or her license suspended immediately, pending a hearing by the Department.

In instances in which the Secretary immediately suspends a person's license under this Section, a hearing on that person's license must be convened by the Department within 30 days after the suspension and completed without appreciable delay. The Department and Board shall have the authority to review the subject individual's record of treatment and counseling regarding the impairment to the extent permitted by applicable federal statutes and regulations safeguarding the

- confidentiality of medical records. 1
- An individual licensed under this Act and affected under 2
- this Section shall be afforded an opportunity to demonstrate to 3
- 4 the Department or Board that he or she can resume practice in
- 5 compliance with acceptable and prevailing standards under the
- provisions of his or her license. 6
- (Source: P.A. 95-851, eff. 1-1-09.) 7
- 8 (225 ILCS 454/20-21 new)
- Sec. 20-21. Injunctions; cease and desist order. 9
- 10 (a) If any person violates the provisions of this Act, the
- Secretary may, in the name of the People of the State of 11
- 12 Illinois, through the Attorney General of the State of Illinois
- 13 or the State's Attorney for any county in which the action is
- 14 brought, petition for an order enjoining the violation or for
- 15 an order enforcing compliance with this Act. Upon the filing of
- a verified petition in court, the court may issue a temporary 16
- restraining order, without notice or condition, and may 17
- 18 preliminarily and permanently enjoin the violation. If it is
- 19 established that the person has violated or is violating the
- 20 injunction, the Court may punish the offender for contempt of
- 21 court. Proceedings under this Section shall be in addition to,
- and not in lieu of, all other remedies and penalties provided 22
- 23 by this Act.
- 24 (b) Whenever in the opinion of the Department a person
- violates a provision of this Act, the Department may issue a 25

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1 rule to show cause why an order to cease and desist should not

be entered against that person. The rule shall clearly set

forth the grounds relied upon by the Department and shall allow

at least 7 days from the date of the rule to file an answer to

the satisfaction of the Department. Failure to answer to the

satisfaction of the Department shall cause an order to cease

and desist to be issued immediately.

- (c) Other than as provided in Section 5-20 of this Act, if any person practices as a real estate broker, real estate salesperson or leasing agent or holds himself or herself out as a licensed sponsoring broker, managing broker, real estate broker, real estate salesperson or leasing agent under this Act without being issued a valid existing license by the Department, then any licensed sponsoring broker, managing broker, real estate broker, real estate salesperson, leasing agent, any interested party, or any person injured thereby may, in addition to the Secretary, petition for relief as provided in subsection (a) of this Section.
- 19 (225 ILCS 454/20-22 new)

Sec. 20-22. Violations. Any person who is found working or 2.0 acting as a managing broker, real estate broker, real estate 21 22 salesperson, or leasing agent or holding himself or herself out as a licensed sponsoring broker, managing broker, real estate 23 24 broker, real estate salesperson, or leasing agent without being 25 issued a valid existing license is guilty of a Class A

- 1 misdemeanor and on conviction of a second or subsequent offense
- the violator shall be quilty of a Class 4 felony. 2
- 3 (225 ILCS 454/20-25)
- 4 (Section scheduled to be repealed on January 1, 2010)

5 Sec. 20-25. Returned checks; fees. Any person who delivers 6 a check or other payment to the Department OBRE that is 7 returned to the Department OBRE unpaid by the financial 8 institution upon which it is drawn shall pay to the Department 9 OBRE, in addition to the amount already owed to OBRE, a fee of 10 \$50. The Department OBRE shall notify the person that payment of fees and fines shall be paid to the Department OBRE by 11 12 certified check or money order within 30 calendar days of the notification. If, after the expiration of 30 days from the date 13 14 of the notification, the person has failed to submit the 15 necessary remittance, the Department OBRE shall automatically terminate the license or deny the application, without hearing. 16 If, after termination or denial, the person seeks a license, he 17 18 or she shall apply to the Department OBRE for restoration or 19 issuance of the license and pay all fees and fines due to the 20 Department OBRE. The Department OBRE may establish a fee for 21 the processing of an application for restoration of a license 22 to pay all expenses of processing this application. The Commissioner may waive the fees due under this Section in 23 24 individual cases where the Commissioner finds that the fees 25 would be unreasonable or unnecessarily burdensome.

1 (Source: P.A. 91-245, eff. 12-31-99; 92-146, eff. 1-1-02.)

2 (225 ILCS 454/20-50)

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(Section scheduled to be repealed on January 1, 2010)

Sec. 20-50. Illegal discrimination. When there has been an adjudication in a civil or criminal proceeding that a licensee has illegally discriminated while engaged in any activity for which a license is required under this Act, the Department OBRE, upon the recommendation of the Board as to the extent of the suspension or revocation, shall suspend or revoke the license of that licensee in a timely manner, unless the adjudication is in the appeal process. When there has been an order in an administrative proceeding finding that a licensee has illegally discriminated while engaged in any activity for which a license is required under this Act, the Department OBRE, upon recommendation of the Board as to the nature and extent of the discipline, shall take one or more of the disciplinary actions provided for in Section 20-20 of this Act in a timely manner, unless the administrative order is in the appeal process.

- (Source: P.A. 91-245, eff. 12-31-99.) 20
- 21 (225 ILCS 454/20-55)
- 22 (Section scheduled to be repealed on January 1, 2010)
- 23 Sec. 20-55. Illinois Administrative Procedure Act.
- 24 Illinois Administrative Procedure Act is hereby expressly

adopted and incorporated herein as if all of the provisions of 1 2 that Act were included in this Act, except that the provision subsection (d) of Section 10-65 of the 3 ofIllinois 4 Administrative Procedure Act that provides that at hearings the 5 licensee has the right to show compliance with all lawful 6 requirements for retention, continuation, or renewal of the license is specifically excluded. For the purposes of this Act, 7 Illinois 8 notice required under the Administrative 9 Procedure Act is deemed sufficient when mailed to the last

(Source: P.A. 91-245, eff. 12-31-99.) 11

known address of record a party.

12 (225 ILCS 454/20-60)

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13 (Section scheduled to be repealed on January 1, 2010)

Sec. 20-60. Investigations; Hearing; investigation; notice and hearing; disciplinary consent order. The Department may investigate the actions of any applicant or of any person or persons rendering or offering to render services or any person holding or claiming to hold a license under this Act. The Department shall, before revoking, (a) OBRE may conduct hearings through the Board or a duly appointed hearing officer on proceedings to suspend, revoke, or to refuse to issue or renew licenses of persons applying for licensure or licensed under this Act or to censure, reprimand, or impose a civil fine exceed \$25,000 upon any licensee hereunder and revoke, suspend, or refuse to issue or renew these licenses or

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censure, reprimand, or impose a civil fine not to exceed \$25,000 upon any licensee hereunder. (b) Upon the motion of either OBRE or the Board or upon the verified complaint in writing of any persons setting forth facts that if proven would constitute grounds for suspension or revocation under this Act, OBRE, the Board, or its subcommittee shall cause to be investigated the actions of any person so accused who holds a license or is holding himself or herself out to be a licensee. This person is hereinafter called the accused. (c) Prior to initiating any formal disciplinary proceedings resulting from an investigation conducted pursuant to subsection (b) of this Section, that matter shall be reviewed by a subcommittee of the Board according to procedures established by rule. The subcommittee shall make a recommendation to the full Board as to the validity of the complaint and may recommend that the Board not proceed with formal disciplinary proceedings if the complaint is determined to be frivolous or without merit. (d) Except as provided for in Section 20 65 of this Act, OBRE shall, before suspending, revoking, placing on probation, reprimanding probationary status, or taking any other disciplinary action under Section 20-20 of this Act, at least 30 days before the date set for the hearing, (i) as OBRE may deem proper with regard to any license: (1) notify the accused in writing of the at least 30 days prior to the date set for the hearing of any charges made and the time and place for the hearing on of the charges, (ii) direct him or her to file a

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written answer to the charges with to be heard before the Board under oath within 20 days after the service on him or her of the notice, and (iii); and (2) inform the accused that if he or she fails to answer upon failure to file an answer and request a hearing before the date originally set for the hearing, default will be taken against him or her or that the accused and his or her license may be suspended, revoked, or placed on probationary status, or other disciplinary action taken with regard to the license, including limiting the scope, nature, or extent of his or her practice, as the Department may consider proper. At the time and place fixed in the notice, the Board shall proceed to hear the charges and the parties or their counsel shall be accorded ample opportunity to present any pertinent statements, testimony, evidence and arguments. The Board may continue the hearing from time to time. In case the person, after receiving the the accused's practice, as OBRE may deem proper, may be taken with regard thereto. In case the person fails to file an answer after receiving notice, fails to file an answer, his or her license may, in the discretion of the Department OBRE, be suspended, revoked, or placed on probationary status, or the Department OBRE may take whatever disciplinary action considered deemed proper, limiting the scope, nature, or extent of the person's practice or the imposition of a fine, without a hearing, if the act or acts charged constitute sufficient grounds for that such action under this Act. The written notice may be served by personal

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delivery or by certified mail to the address specified by the accused in his or her last notification with the Department.

(e) (Blank). At the time and place fixed in the notice, the Board shall proceed to hearing of the charges and both the accused person and the complainant shall be accorded ample opportunity to present in person or by counsel such statements, testimony, evidence and argument as may be pertinent to the charges or to any defense thereto. The Board or its hearing officer may continue a hearing date upon its own motion or upon an accused's motion for one period not to exceed 30 days. The Board or its hearing officer may grant further continuances for periods not to exceed 30 days only upon good cause being shown by the moving party. The non-moving party shall have the opportunity to object to a continuance on the record at hearing upon the motion to continue. All motions for continuances and any denial or grant thereof shall be in writing. All motions shall be submitted not later than 48 hours before the scheduled hearing unless made upon an emergency basis. In determining whether good cause for a continuance is shown, the Board or its hearing officer shall consider such factors as the volume of cases pending, the nature and complexity of legal issues raised, the diligence of the party making the request, the availability of party's legal representative or witnesses, and the number of previous requests for continuance.

(f) (Blank). Any unlawful act or violation of any of the

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- provisions of this Act upon the part of any licensees employed by a real estate broker or associated by written agreement with the real estate broker, or unlicensed employee of a licensed broker, shall not be cause for the revocation of the license of any such broker, partial or otherwise, unless it appears to the satisfaction of OBRE that the broker had knowledge thereof.
- (g) (Blank). OBRE or the Board has power to subpoens any persons or documents for the purpose of investigation or hearing with the same fees and mileage and in the same manner as prescribed by law for judicial procedure in civil cases in courts of this State. The Commissioner, the Director, any member of the Board, a certified court reporter, or a hearing officer shall each have power to administer oaths to witnesses at any hearing which OBRE is authorized under this Act to conduct.
- (h) (Blank). Any circuit court or any judge thereof, upon the application of the accused person, complainant, OBRE, or the Board, may, by order entered, require the attendance of witnesses and the production of relevant books and papers before the Board in any hearing relative to the application for or refusal, recall, suspension, or revocation of a license, and the court or judge may compel obedience to the court's or the judge's order by proceedings for contempt.
- (i) (Blank). OBRE, at its expense, shall preserve a record of all proceedings at the formal hearing of any case involving the refusal to issue or the revocation, suspension, or other

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discipline of a licensee. The notice of hearing, complaint and all other documents in the nature of pleadings and written motions filed in the proceedings, the transcript of testimony, the report of the Board, and the orders of OBRE shall be the record of the proceeding. At all hearings or pre hearing conferences, OBRE and the accused shall be entitled to have a court reporter in attendance for purposes of transcribing the proceeding or pre hearing conference at the expense of the party requesting the court reporter's attendance. A copy of the transcribed proceeding shall be available to the other party for the cost of a copy of the transcript.

(j) (Blank). The Board shall present to the Commissioner its written report of its findings and recommendations. A copy of the report shall be served upon the accused, either personally or by certified mail as provided in this Act for the service of the citation. Within 20 days after the service, the accused may present to the Commissioner a motion in writing for a rehearing that shall specify the particular grounds therefor. If the accused shall order and pay for a transcript of the record as provided in this Act, the time clapsing thereafter and before the transcript is ready for delivery to the accused shall not be counted as part of the 20 days. Whenever the Commissioner is satisfied that substantial justice has not been done, the Commissioner may order a rehearing by the Board or other special committee appointed by the Commissioner or may remand the matter to the Board for their reconsideration of the

matter based on the pleadings and evidence presented to the
Board. In all instances, under this Act, in which the Board has
rendered a recommendation to the Commissioner with respect to a
particular licensee or applicant, the Commissioner shall, in
the event that he or she disagrees with or takes action
contrary to the recommendation of the Board, file with the
Board and the Secretary of State his specific written reasons
of disagreement with the Board. The reasons shall be filed
within 60 days of the Board's recommendation to the
Commissioner and prior to any contrary action. At the
expiration of the time specified for filing a motion for a
rehearing, the Commissioner shall have the right to take the
action recommended by the Board. Upon the suspension or
revocation of a license, the licensee shall be required to
surrender his or her license to OBRE, and upon failure or
refusal to do so, OBRE shall have the right to seize the
license.

- (k) (Blank). At any time after the suspension, temporary suspension, or revocation of any license, OBRE may restore it to the accused without examination, upon the written recommendation of the Board.
- (1) An order of revocation or suspension or a certified copy thereof, over the seal of OBRE and purporting to be signed by the Commissioner, shall be prima facie proof that:
- (1) The signature is the genuine signature of the Commissioner.

1	(2) The Commissioner is duly appointed and qualified.
2	(3) The Board and the members thereof are qualified.
3	Such proof may be rebutted.
4	(m) (Blank). Notwithstanding any provisions concerning the
5	conduct of hearings and recommendations for disciplinary
6	actions, OBRE as directed by the Commissioner has the authority
7	to negotiate agreements with licensees and applicants
8	resulting in disciplinary consent orders. These consent orders
9	may provide for any of the forms of discipline provided in this
10	Act. These consent orders shall provide that they were not
11	entered into as a result of any coercion by OBRE. Any such
12	consent order shall be filed with the Commissioner along with
13	the Board's recommendation and accepted or rejected by the
14	Commissioner within 60 days of the Board's recommendation.
15	(Source: P.A. 91-245, eff. 12-31-99; 92-217, eff. 8-2-01.)
16	(225 ILCS 454/20-62 new)
17	Sec. 20-62. Record of proceedings; transcript. The
18	Department, at its expense, shall preserve a record of all
19	proceedings at the formal hearing of any case. The notice of
20	hearing, complaint, all other documents in the nature of
21	pleadings, written motions filed in the proceedings, the
22	transcripts of testimony, the report of the Board, and orders
23	of the Department shall be in the record of the proceeding.

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Sec. 20-63. Subpoenas; depositions; oaths. The Department has the power to subpoena documents, books, records, or other materials and to bring before it any person and to take testimony either orally or by deposition, or both, with the same fees and mileage and in the same manner as prescribed in civil cases in the courts of this State. The Secretary, the designated hearing officer, and every member of the Board has the power to administer oaths to witnesses at any hearing that the Department is authorized to conduct, and any other oaths authorized in an Act that is administered by the Department.

(225 ILCS 454/20-64 new)

Sec. 20-64. Board; rehearing. At the conclusion of a hearing, a copy of the Board's report shall be served upon the applicant or licensee by the Department, either personally or as provided in this Act for the service of a notice of hearing. Within 20 days after the service, the applicant or licensee may present to the Department a motion in writing for a rehearing, which shall specify the grounds for the rehearing. The Department may respond to the motion, or if a motion for rehearing is denied, then upon denial, and except as provided in Section 20-65 of this Act, the Secretary may enter an order in accordance with the recommendations of the Board. If the applicant or licensee orders from the reporting service and pays for a transcript of the record within the time for filing a motion for rehearing, then the 20-day period within which a

- 1 motion may be filed shall commence upon the delivery of the
- transcript to the applicant or licensee. 2
- 3 (225 ILCS 454/20-65)
- 4 (Section scheduled to be repealed on January 1, 2010)
- 5 20-65. Temporary suspension. The Secretary Commissioner may temporarily suspend the license of a licensee 6 without a hearing, simultaneously with the institution of 7 8 proceedings for a hearing provided for in Section 20-61 20-60 9 of this Act, if the Secretary Commissioner finds that the 10 evidence indicates that the public interest, safety, or welfare imperatively requires emergency action. In the event that the 11 12 Secretary Commissioner temporarily suspends the license 13 without a hearing before the Board, a hearing shall be 14 commenced held within 30 days after the suspension has 15 occurred. The suspended licensee may seek a continuance of the
- 17 proceeding shall be concluded without appreciable delay.
- (Source: P.A. 91-245, eff. 12-31-99.) 18
- 19 (225 ILCS 454/20-66 new)

20 Sec. 20-66. Appointment of a hearing officer. The Secretary

hearing during which the suspension shall remain in effect. The

- 21 has the authority to appoint any attorney licensed to practice
- 22 law in the State of Illinois to serve as the hearing officer in
- 23 any action for refusal to issue, restore, or renew a license or
- to discipline a licensee. The hearing officer has full 24

- authority to conduct the hearing. A board member or member may 1 attend hearings. The hearing officer shall report his or her 2 findings of fact, conclusion of law, and recommendations to the 3 4 Board. The Board shall review the report of the hearing officer 5 and present its findings of fact, conclusions of law, and 6 recommendations to the Secretary and all parties to the proceeding. If the Secretary disagrees with the recommendation 7 of the Board or of the hearing officer, then the Secretary may 8 9 issue an order in contravention of the recommendation.
- 10 (225 ILCS 454/20-67 new)
- Sec. 20-67. Order or certified copy; prima facie proof. An 11 12 order, or certified copy of an order, over the seal of the 13 Department and purporting to be signed by the Secretary is 14 prima facie proof that (i) the signature is the genuine signature of the Secretary, (ii) the Secretary is duly 15 appointed and qualified, and (iii) the Board and its members 16 17 are qualified to act.
- 18 (225 ILCS 454/20-68 new)
- Sec. 20-68. Surrender of license. Upon the revocation or 19 suspension of a license, the licensee shall immediately 20 21 surrender his or her license to the Department. If the licensee 22 fails to do so, the Department has the right to seize the
- 23 license.

- 1 (225 ILCS 454/20-69 new)
- Sec. 20-69. Restoration of a suspended or revoked license. 2
- At any time after the successful completion of a term of 3
- 4 suspension or revocation of a license, the Department may
- 5 restore it to the licensee, upon the written recommendation of
- the Board, unless after an investigation and a hearing the 6
- Board determines that restoration is not in the public 7
- interest.
- 9 (225 ILCS 454/20-72 new)
- 10 Sec. 20-72. Secretary; rehearing. If the Secretary
- believes that substantial justice has not been done in the 11
- 12 revocation, suspension, or refusal to issue, restore, or renew
- 13 a license, or any other discipline of an applicant or licensee,
- 14 then he or she may order a rehearing by the same or other
- 15 examiners.
- 16 (225 ILCS 454/20-73 new)
- Sec. 20-73. Certifications of record; costs. 17
- 18 Department shall not be required to certify any record to the
- court, to file an answer in court, or to otherwise appear in 19
- 20 any court in a judicial review proceeding unless there is filed
- in the court, with the complaint, a receipt from the Department 21
- 22 acknowledging payment of the costs of furnishing and certifying
- 23 the record, which costs shall be determined by the Department.
- 24 Failure on the part of the plaintiff to file the receipt in

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court is grounds for dismissal of the action.

(225 ILCS 454/20-75) 2

3 (Section scheduled to be repealed on January 1, 2010)

4 Sec. 20-75. Administrative Review venue Law; certification

fee; summary report of final disciplinary actions.

- (a) All final administrative decisions of the Department are OBRE shall be subject to judicial review under pursuant to the provisions of the Administrative Review Law and its the rules adopted pursuant thereto. The term "administrative decision" is defined in Section 3-101 of the Code of Civil Procedure Administrative Review Law.
- (b) Proceedings for judicial review shall be commenced in the circuit court of the court in which the party applying for review resides, but if the party is not a resident of Illinois, the venue shall be in Sangamon County. OBRE shall not be required to certify any record or file any answer or otherwise appear unless the party filing the complaint pays to OBRE the certification fee provided for by rule representing costs of the certification. Failure on the part of the plaintiff to make such a deposit shall be grounds for dismissal of the action. OBRE shall prepare from time to time, but in no event less often than once every other month, a summary report of final disciplinary actions taken since the previous summary report. The summary report shall contain a brief description of the action that brought about the discipline and the final

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- 2 available upon request.
- (Source: P.A. 91-245, eff. 12-31-99.) 3
- 4 (225 ILCS 454/20-82 new)
- 5 Sec. 20-82. Fines and penalties; Real Estate Recovery Fund.
- All fines and penalties collected by the Department shall be 6
- 7 deposited in the Real Estate Recovery Fund.
- 8 (225 ILCS 454/20-85)
- 9 (Section scheduled to be repealed on January 1, 2010)
- Sec. 20-85. Recovery from Real Estate Recovery Fund. The 10 11 Department OBRE shall maintain a Real Estate Recovery Fund from 12 which any person aggrieved by an act, representation, 13 transaction, or conduct of a licensee or unlicensed employee of 14 a licensee that is in violation of this Act or the rules promulgated pursuant thereto, constitutes embezzlement of 15 16 money or property, or results in money or property being 17 unlawfully obtained from any person by false pretenses, 18 artifice, trickery, or forgery or by reason of any fraud, 19 misrepresentation, discrimination, or deceit by or on the part 20 of any such licensee or the unlicensed employee of a licensee 21 and that results in a loss of actual cash money, as opposed to
- 22 losses in market value, may recover. The aggrieved person may
- 23 recover, by order of the circuit court of the county where the
- 24 violation occurred, an amount of not more than \$25,000 \$10,000

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from the Fund for damages sustained by the act, representation, transaction, or conduct, together with costs of suit and attorney's fees incurred in connection therewith of not to exceed 15% of the amount of the recovery ordered paid from the Fund. However, no licensee licensed broker or salesperson may recover from the Fund unless the court finds that the person suffered a loss resulting from intentional misconduct. The court order shall not include interest on the judgment. The maximum liability against the Fund arising out of any one act shall be as provided in this Section, and the judgment order shall spread the award equitably among all co-owners or otherwise aggrieved persons, if any. The maximum liability against the Fund arising out of the activities of any one licensee or one unlicensed employee of a licensee, since January 1, 1974, shall be \$100,000 \$50,000. Nothing in this Section shall be construed to authorize recovery from the Fund unless the loss of the aggrieved person results from an act or omission of a <u>licensee under this Act</u> licensed broker, salesperson, or unlicensed employee who was at the time of the act or omission acting in such capacity or was apparently acting in such capacity and unless the aggrieved person has obtained a valid judgment as provided in Section 20-90 of this Act. No person aggrieved by an act, representation, transaction that is in violation of the Illinois Real Estate Time-Share Act or the Land Sales Registration Act of 1989 may recover from the Fund.

1 (Source: P.A. 91-245, eff. 12-31-99.)

2 (225 ILCS 454/20-90)

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- 3 (Section scheduled to be repealed on January 1, 2010)
- 4 Sec. 20-90. Collection from Real Estate Recovery Fund; 5 procedure.
 - (a) No action for a judgment that subsequently results in an order for collection from the Real Estate Recovery Fund shall be started later than 2 years after the date on which the aggrieved person knew, or through the use of reasonable diligence should have known, of the acts or omissions giving rise to a right of recovery from the Real Estate Recovery Fund.
 - (b) When any aggrieved person commences action for a judgment that may result in collection from the Real Estate Recovery Fund, the aggrieved person must name as parties defendant to that action any and all individual licensees real estate brokers, real estate salespersons, or their employees who allegedly committed or are responsible for acts or omissions giving rise to a right of recovery from the Real Estate Recovery Fund. Failure to name as parties defendant such licensees individual brokers, salespersons, or their employees shall preclude recovery from the Real Estate Recovery Fund of any portion of any judgment received in such an action. The aggrieved party may also name as additional parties defendant any corporations, limited liability companies, partnerships, registered limited liability partnership, or other business

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- 1 associations that may be responsible for acts giving rise to a right of recovery from the Real Estate Recovery Fund. 2
 - (c) When any aggrieved person commences action for a judgment that may result in collection from the Real Estate Recovery Fund, the aggrieved person must notify the Department OBRE in writing to this effect within 7 days of the commencement of the action. Failure to so notify the Department OBRE shall preclude recovery from the Real Estate Recovery Fund of any portion of any judgment received in such an action. After receiving notice of the commencement of such an action, the Department OBRE upon timely application shall be permitted to intervene as a party defendant to that action.
 - (d) When any aggrieved person commences action for a judgment that may result in collection from the Real Estate Recovery Fund, and the aggrieved person is unable to obtain legal and proper service upon the defendant under the provisions of Illinois law concerning service of process in civil actions, the aggrieved person may petition the court where the action to obtain judgment was begun for an order to allow service of legal process on the Secretary Commissioner. Service of process on the Secretary Commissioner shall be taken and held in that court to be as valid and binding as if due service had been made upon the defendant. In case any process mentioned in this Section is served upon the Secretary Commissioner, the Secretary Commissioner shall forward a copy of the process by certified mail to the licensee's last address

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- 1 on record with the Department OBRE. Any judgment obtained after service of process on the Commissioner under this Act shall 2 3 apply to and be enforceable against the Real Estate Recovery 4 Fund only. OBRE may intervene in and defend any such action.
 - (e) When an aggrieved party commences action for a judgment that may result in collection from the Real Estate Recovery Fund, and the court before which that action is commenced enters judgment by default against the defendant and in favor of the aggrieved party, the court shall upon motion of the Department OBRE set aside that judgment by default. After such a judgment by default has been set aside, the Department OBRE shall appear as party defendant to that action, and thereafter the court shall require proof of the allegations in the pleadings upon which relief is sought.
 - (f) The aggrieved person shall give written notice to the Department OBRE within 30 days of the entry of any judgment that may result in collection from the Real Estate Recovery Fund. The aggrieved person shall provide OBRE within 20 days prior written notice of all supplementary proceedings so as to allow the Department OBRE to participate in all efforts to collect on the judgment.
 - (q) When any aggrieved person recovers a valid judgment in any court of competent jurisdiction against any licensee or an unlicensed employee of any broker, upon the grounds of fraud, misrepresentation, discrimination, or deceit, the aggrieved person may, upon the termination of all proceedings, including

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review and appeals in connection with the judgment, file a verified claim in the court in which the judgment was entered and, upon 30 days' written notice to the Department OBRE, and to the person against whom the judgment was obtained, may apply to the court for an order directing payment out of the Real Estate Recovery Fund of the amount unpaid upon the judgment, not including interest on the judgment, and subject to the limitations stated in Section 20-85 of this Act. The aggrieved person must set out in that verified claim and at an evidentiary hearing to be held by the court upon the application the aggrieved party shall be required to show that the aggrieved person:

- (1) Is not a spouse of the debtor or the personal representative of such spouse.
- (2) Has complied with all the requirements of this Section.
- (3) Has obtained a judgment stating the amount thereof and the amount owing thereon, not including interest thereon, at the date of the application.
- (4) Has made all reasonable searches and inquiries to ascertain whether the judgment debtor is possessed of real or personal property or other assets, liable to be sold or applied in satisfaction of the judgment.
- (5) By such search has discovered no personal or real property or other assets liable to be sold or applied, or has discovered certain of them, describing them as owned by

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the judgment debtor and liable to be so applied and has taken all necessary action and proceedings for realization thereof, and the amount thereby realized was insufficient to satisfy the judgment, stating the amount so realized and the balance remaining due on the judgment after application of the amount realized.

(6) Has diligently pursued all remedies against all the judgment debtors and all other persons liable to the aggrieved person in the transaction for which recovery is sought from the Real Estate Recovery Fund, including the filing of an adversary action to have the debts declared non-dischargeable in any bankruptcy petition matter filed by any judgment debtor or person liable to the aggrieved person.

The aggrieved person shall also be required to prove the amount of attorney's fees sought to be recovered and the reasonableness of those fees up to the maximum allowed pursuant to Section 20-85 of this Act.

(h) The court shall make an order directed to Department OBRE requiring payment from the Real Estate Recovery Fund of whatever sum it finds to be payable upon the claim, pursuant to and in accordance with the limitations contained in Section 20-85 of this Act, if the court is satisfied, upon the hearing, of the truth of all matters required to be shown by the aggrieved person under subsection (q) of this Section and that the aggrieved person has fully pursued and exhausted all

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- 1 remedies available for recovering the amount awarded by the 2 judgment of the court.
- 3 (i) Should the Department OBRE pay from the Real Estate 4 Recovery Fund any amount in settlement of a claim or toward 5 satisfaction of a judgment against a licensed broker or salesperson or an unlicensed employee of a broker, the 6 licensee's license shall be automatically terminated upon the 7 8 issuance of a court order authorizing payment from the Real 9 Estate Recovery Fund. No petition for restoration of a license 10 shall be heard until repayment has been made in full, plus 11 interest at the rate prescribed in Section 12-109 of the Code of Civil Procedure of the amount paid from the Real Estate 12 13 Recovery Fund on their account. A discharge in bankruptcy shall 14 not relieve a person from the penalties and disabilities 15 provided in this subsection (i).
 - (j) If, at any time, the money deposited in the Real Estate Recovery Fund is insufficient to satisfy any duly authorized claim or portion thereof, the Department OBRE shall, when sufficient money has been deposited in the Real Estate Recovery Fund, satisfy such unpaid claims or portions thereof, in the order that such claims or portions thereof were originally filed, plus accumulated interest at the rate prescribed in Section 12-109 of the Code of Civil Procedure.
- 24 (Source: P.A. 91-245, eff. 12-31-99.)

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          (Section scheduled to be repealed on January 1, 2010)
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Sec. 20-95. Power of the Department $\frac{OBRE}{OBRE}$ to defend. When the Department OBRE receives any process, notice, order, or other document provided for or required under Section 20-90 of this Act, it may enter an appearance, file an answer, appear at the court hearing, defend the action, or take whatever other action it deems appropriate on behalf and in the name of the defendant and take recourse through any appropriate method of review on behalf of and in the name of the defendant.

10 (Source: P.A. 91-245, eff. 12-31-99.)

(225 ILCS 454/20-100) 11

(Section scheduled to be repealed on January 1, 2010)

Sec. 20-100. Subrogation of the Department OBRE to rights of judgment creditor. When, upon the order of the court, the Department OBRE has paid from the Real Estate Recovery Fund any sum to the judgment creditor, the Department OBRE shall be subrogated to all of the rights of the judgment creditor and the judgment creditor shall assign all rights, title, and interest in the judgment to the Department OBRE and any amount and interest so recovered by the Department OBRE on the judgment shall be deposited in the Real Estate Recovery Fund.

23 (225 ILCS 454/20-110)

(Section scheduled to be repealed on January 1, 2010)

(Source: P.A. 91-245, eff. 12-31-99.)

1 Sec. 20-110. Disciplinary actions of the Department OBRE not limited. Nothing contained in Sections 20-80 through 20-100 2 3 of this Act limits the authority of the Department OBRE to take 4 disciplinary action against any licensee for a violation of 5 this Act or the rules of the Department OBRE, nor shall the 6 repayment in full of all obligations to the Real Estate Recovery Fund by any licensee nullify or modify the effect of 7 8 any other disciplinary proceeding brought pursuant to this Act. 9 (Source: P.A. 91-245, eff. 12-31-99.)

- 10 (225 ILCS 454/20-115)
- (Section scheduled to be repealed on January 1, 2010) 11
- 12 Sec. 20-115. Time limit on action. No action may be taken
- by the Department OBRE against any person for violation of the 13
- 14 terms of this Act or its rules unless the action is commenced
- within 5 years after the occurrence of the alleged violation. 15
- (Source: P.A. 91-245, eff. 12-31-99.) 16
- 17 (225 ILCS 454/25-5)
- 18 (Section scheduled to be repealed on January 1, 2010)
- Sec. 25-5. The Department OBRE; powers and duties. The 19 20 Department OBRE shall exercise the powers and duties prescribed 21 by the Civil Administrative Code of Illinois for the 22 administration of licensing acts and shall exercise such other 23 powers and duties as are prescribed by this Act. The Department 24 OBRE may contract with third parties for services or the

- 1 development of courses necessary for the proper administration
- of this Act. 2
- (Source: P.A. 91-245, eff. 12-31-99.) 3
- 4 (225 ILCS 454/25-10)
- 5 (Section scheduled to be repealed on January 1, 2010)
- Sec. 25-10. Real Estate Administration and Disciplinary 6
- 7 Board; duties. There is created the Real Estate Administration
- 8 and Disciplinary Board. The Board shall be composed of 9
- 9 persons appointed by the Governor. Members shall be appointed
- 10 to the Board subject to the following conditions:
- (1) All members shall have been residents and citizens 11
- 12 of this State for at least 6 years prior to the date of
- 13 appointment.
- 14 (2) Six members shall have been actively engaged as
- 15 brokers or salespersons or both for at least the 10 years
- 16 prior to the appointment.
- 17 (3) Three members of the Board shall be public members
- 18 who represent consumer interests.
- 19 None of these members shall be (i) a person who is licensed
- 20 under this Act or a similar Act of another jurisdiction, (ii)
- 21 the spouse or family member of a licensee, (iii) , the spouse
- 22 of a person licensed under this Act, or a person who has an
- 23 ownership interest in a real estate brokerage business, or (iv)
- 24 a person the Department determines to have any other connection
- 25 with a real estate brokerage business or a licensee. The

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members' terms shall be 4 years or until their successor is appointed, and the expiration of their terms shall staggered. Appointments to fill vacancies shall be for the unexpired portion of the term. No A member shall be reappointed to the Board for a term that would cause his or her service on the Board to be longer than 12 years in a lifetime $\frac{may}{}$ be reappointed for successive terms but no person shall be appointed to more than 2 terms or any part thereof in his her lifetime. Persons holding office as members of the Board immediately prior to December 31, 1999 under the Real Estate License Act of 1983 shall continue as members of the Board until the expiration of the term for which they were appointed and until their successors are appointed and qualified. membership of the Board should reasonably reflect the geographic distribution of the licensee population in this State. In making the appointments, the Governor shall give due recommendations consideration to the by members organizations of the profession. The Governor may terminate the appointment of any member for cause that in the opinion of the Governor reasonably justifies the termination. Cause for termination shall include without limitation misconduct, incapacity, neglect of duty, or missing 4 board meetings during any one calendar year. Each member of the Board may shall receive a per diem stipend in an amount to be determined by the Secretary Commissioner. Each member shall be paid his or her necessary expenses while engaged in the performance of his or

1 her duties. Such compensation and expenses shall be paid out of 2 the Real Estate License Administration Fund. The Secretary Commissioner shall consider the recommendations of the Board on 3 4 questions involving standards of professional conduct, 5 discipline, and examination of candidates under this Act. The 6 after notifying and considering Department OBRE, recommendations of the Board, if any, may issue rules, 7 8 consistent with the provisions of this Act, for 9 administration and enforcement thereof and may prescribe forms 10 that shall be used in connection therewith. A majority of the 11 Board members shall constitute a quorum. A vacancy in the membership of the Board shall not impair the right of a quorum 12 13 to exercise all the rights and perform all the duties of the 14 Board None of the functions, powers, or duties enumerated in 15 Sections 20 20 and 30 5 and subsections (a) and (j) of Section 16 20 60 of this Act shall be exercised by OBRE except upon 17 action and report in writing of the Board.

(Source: P.A. 91-245, eff. 12-31-99.) 18

19 (225 ILCS 454/25-13)

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20 (Section scheduled to be repealed on January 1, 2010)

Sec. 25-13. Rules. The Department OBRE, after notifying and considering the recommendations of the Board, if any, shall adopt, promulgate, and issue any rules that may be necessary for the implementation and enforcement of this Act. Rulemaking authority to implement this Act is conditioned on the rules

- 1 being adopted in accordance with all provisions of and
- procedures and rules implementing the Illinois Administrative 2
- Procedure Act. Any rule not so adopted, for whatever reason, is 3
- 4 unauthorized.
- 5 (Source: P.A. 91-245, eff. 12-31-99.)
- (225 ILCS 454/25-14) 6
- 7 (Section scheduled to be repealed on January 1, 2010)
- 8 Sec. 25-14. Reliance on advisory letters. Licensees or
- 9 their representatives may seek an advisory letter from the
- 10 Department OBRE as to matters arising under this Act or the
- rules promulgated pursuant to this Act. The Department OBRE 11
- 12 shall promulgate rules as to the process of seeking and
- 13 obtaining an advisory letter and topics and areas on which
- 14 advisory rules will be issued by the Department OBRE. A
- 15 licensee is entitled to rely upon an advisory letter from the
- <u>Department</u> OBRE and will not be disciplined by the Department 16
- 17 OBRE for actions taken in reliance on the advisory letter.
- (Source: P.A. 92-217, eff. 8-2-01.) 18
- 19 (225 ILCS 454/25-15)
- 20 (Section scheduled to be repealed on January 1, 2010)
- 21 Sec. 25-15. Director of Real Estate Coordinator; duties.
- 22 There shall be in the Department OBRE a Director and a Deputy
- 23 Director of Real Estate Coordinator, appointed by the Secretary
- 24 Commissioner, who shall hold a currently valid broker's

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1	license, which shall be surrendered to the Department OBRE
2	during the appointment. The Director of Real Estate <u>Coordinator</u>
3	shall <u>have</u> report to the Commissioner and shall do the
4	following duties and responsibilities:
5	(1) act as Chairperson of the Board, ex-officio,

- (1) act as Chairperson of the Board, ex-officio, without vote;
 - (2) be the direct liaison between the Department OBRE, the profession, and real estate organizations associations;
 - (3) prepare and circulate to licensees any educational and informational material that the Department OBRE deems necessary for providing quidance or assistance licensees;
 - (4) appoint any necessary committees to assist in the performance of the functions and duties of the Department OBRE under this Act: and
 - (5) subject to the administrative approval of the Secretary Commissioner, supervise all real estate activities of OBRE.

The Commissioner shall appoint, for a term of 4 years, a Deputy Director of Real Estate who shall hold a currently valid broker's license, which shall be surrendered to OBRE during the appointment. Under direction of the Director of Real Estate, the Deputy Director of Real Estate shall be responsible for the administration of the licensing, disciplinary, and education provisions of this Act. The Deputy Director shall also assist

- 1
- 2 duties.
- 3 In designating the Director and Deputy Director of Real
- 4 Estate Coordinator, the Secretary Commissioner shall give due
- 5 consideration to recommendations by members and organizations
- 6 of the profession.
- (Source: P.A. 91-245, eff. 12-31-99.) 7
- 8 (225 ILCS 454/25-20)
- 9 (Section scheduled to be repealed on January 1, 2010)
- 10 Sec. 25-20. Staff. The Department OBRE shall employ a
- minimum of one investigator per 5,000 licensees and one 11
- 12 prosecutor per 10,000 licensees in order to have sufficient
- 13 staff to perform the Department's obligations under the Act.
- 14 Further, the Department shall dedicate at least one of the
- 15 investigators and one of the prosecutors to investigate and
- prosecute complaints and situations involving unlicensed 16
- practice of real estate brokerage activities carry out the 17
- 18 provisions of this Act.
- 19 (Source: P.A. 91-245, eff. 12-31-99.)
- 20 (225 ILCS 454/25-21 new)
- 21 Sec. 25-21. Peer review advisors. The Department may
- 22 contract with licensees meeting qualifications established by
- 23 the Department to serve as peer review advisors for complaints
- and alleged violations of the Act. A peer review advisor is 24

1 authorized to investigate and determine the facts of a complaint. The peer review advisor shall interview witnesses, 2 the complainant and any licensees involved in the alleged 3 4 matter and make a recommendation as to the findings of fact. 5 The Department shall have 30 days from receipt of the recommendation to accept, reject or modify the recommended 6 findings of fact. Peer review advisors shall be compensated 7 from the Real Estate Audit Fund at a rate of not to exceed 8 9 \$15,000.00 per advisor annually. A peer review advisor shall 10 not investigate a complaint from a marketplace in which the peer review advisor does business. 11

12 (225 ILCS 454/25-25)

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(Section scheduled to be repealed on January 1, 2010)

Sec. 25-25. Real Estate Research and Education Fund. A special fund to be known as the Real Estate Research and Education Fund is created and shall be held in trust in the State Treasury. Annually, on September 15th, the State Treasurer shall cause a transfer of \$125,000 to the Real Estate Research and Education Fund from the Real Estate License Administration Fund. The Real Estate Research and Education Fund shall be administered by the Department OBRE. Money deposited in the Real Estate Research and Education Fund may be used for research and education at state institutions of higher education or other organizations for research and the advancement of education in the real estate industry. Of the

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\$125,000 annually transferred into the Real Estate Research and Education Fund, \$15,000 shall be used to fund a scholarship program for persons of minority racial origin who wish to pursue a course of study in the field of real estate. For the purposes of this Section, "course of study" means a course or courses that are part of a program of courses in the field of real estate designed to further an individual's knowledge or expertise in the field of real estate. These courses shall include without limitation courses that a salesperson licensed under this Act must complete to qualify for a real estate broker's license, courses that a broker licensed under this Act must complete to qualify for a managing broker's license, courses required to obtain the Graduate Realtors Institute designation, and any other courses or programs offered by accredited colleges, universities, or other institutions of higher education in Illinois. The scholarship program shall be administered by the Department OBRE or its designee. Moneys in the Real Estate Research and Education Fund may be invested and reinvested in the same manner as funds in the Real Estate Recovery Fund and all earnings, interest, and dividends received from such investments shall be deposited in the Real Estate Research and Education Fund and may be used for the same purposes as moneys transferred to the Real Estate Research and Education Fund. Moneys in the Real Estate Research and Education Fund may be transferred to the Professions Indirect Cost Fund as authorized under Section 2105-300 of

- 1 Department of Professional Regulation Law of the Civil
- Administrative Code of Illinois. 2
- (Source: P.A. 94-91, eff. 7-1-05.) 3
- 4 (225 ILCS 454/25-30)
- 5 (Section scheduled to be repealed on January 1, 2010)
- 25-30. Real Estate License Administration Fund; 6 7 audit. A special fund to be known as the Real Estate License Administration Fund is created in the State Treasury. All fees 8 9 received by the Department OBRE under this Act shall be 10 deposited in the Real Estate License Administration Fund. The moneys deposited in the Real Estate License Administration Fund 11 12 shall be appropriated to the Department OBRE for expenses of 13 the Department OBRE and the Board in the administration of this 14 Act and for the administration of any Act administered by OBRE 15 providing revenue to this Fund. Moneys in the Real Estate License Administration Fund may be invested and reinvested in 16 17 the same manner as funds in the Real Estate Recovery Fund. All 18 earnings received from such investment shall be deposited in 19 the Real Estate License Administration Fund and may be used for 2.0 the same purposes as fees deposited in the Real Estate License 21 Administration Fund. Moneys in the Real Estate License Administration Fund may be transferred to the Professions 22 23 Indirect Cost Fund as authorized under Section 2105-300 of the 24 Department of Professional Regulation Law of the Civil 25 Administrative Code of Illinois. Upon the completion of any

- 1 audit of the Department OBRE, as prescribed by the Illinois
- State Auditing Act, which includes an audit of the Real Estate 2
- License Administration Fund, the Department OBRE shall make the 3
- 4 audit open to inspection by any interested person.
- 5 (Source: P.A. 94-91, eff. 7-1-05.)
- 6 (225 ILCS 454/25-35)
- 7 (Section scheduled to be repealed on January 1, 2010)
- 8 Sec. 25-35. Real Estate Recovery Fund. A special fund to be
- 9 known as the Real Estate Recovery Fund is created in the State
- 10 Treasury. All fines and penalties The sums received by the
- Department OBRE pursuant to Article 20 the provisions of 11
- 12 Sections 20-20, 20-30, and 20-80 through 20-100 of this Act
- 13 shall be deposited into the State Treasury and held in the Real
- 14 Estate Recovery Fund. The money in the Real Estate Recovery
- 15 Fund shall be used by OBRE exclusively for carrying out the
- purposes established by this Act. If, at any time, the balance 16
- remaining in the Real Estate Recovery Fund is less than 17
- \$750,000, the State Treasurer shall cause a transfer of moneys 18
- 19 to the Real Estate Recovery Fund from the Real Estate License
- 20 Administration Fund in an amount necessary to establish a
- 21 balance of \$800,000 in the Real Estate Recovery Fund. These
- 22 funds may be invested and reinvested in the same manner as
- authorized for pension funds in Article 1 14 of the Illinois 23
- 24 Pension Code. All earnings, interest, and dividends received
- 25 from investment of funds in the Real Estate Recovery Fund shall

- 1 be deposited into the Real Estate License Administration Fund
- and shall be used for the same purposes as other moneys 2
- deposited in the Real Estate License Administration Fund. 3
- 4 (Source: P.A. 91-245, eff. 12-31-99.)
- 5 (225 ILCS 454/25-37)
- (Section scheduled to be repealed on January 1, 2010) 6
- 7 Sec. 25-37. Real Estate Audit Fund; audit of special 8 accounts; audit of fund.
- 9 (a) A special fund to be known as the Real Estate Audit
- 10 Fund is created in the State Treasury. The State Treasurer
- shall cause a transfer of \$200,000 from the Real Estate License 11
- 12 Administration Fund to the Real Estate Audit Fund on January 1,
- 13 2002. If, at any time, the balance in the Real Estate Audit
- 14 Fund is less than \$25,000, the State Treasurer shall cause a
- 15 transfer of \$200,000 from the Real Estate License
- Administration Fund to the Real Estate Audit Fund. The moneys 16
- 17 held in the Real Estate Audit Fund shall be used exclusively by
- the Department OBRE to conduct audits of special accounts of 18
- 19 moneys belonging to others held by a broker.
- 20 (b) Upon receipt of a complaint or evidence by the
- 21 Department OBRE sufficient to cause the Department OBRE to
- 22 reasonably believe that funds required to be maintained in a
- 23 special account by a broker have been misappropriated, the
- 24 broker shall, within 30 days of written notice, submit to an
- 25 audit of all special accounts. Such audit shall be performed by

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a licensed certified public accountant, shall result in a written report by the accountant, and shall specifically refer to the escrow and record-keeping requirements of this Act and the rules adopted under this Act. If it is found, pursuant to an order issued by the Secretary Commissioner, that moneys required to be maintained in a special account by a broker were misappropriated, as further defined by rule, the broker shall reimburse the Department OBRE, in addition to any other discipline or civil penalty imposed, for the cost of the audit performed pursuant to this Section. The Department OBRE may file in circuit court for a judgment to enforce the collection reimbursement of the cost of such audit. reimbursement collected by the Department OBRE shall be deposited into the Real Estate Audit Fund.

(c) Moneys in the Real Estate Audit Fund may be invested and reinvested in the same manner as funds in the Real Estate Recovery Fund. All earnings received from such investment shall be deposited in the Real Estate Audit Fund and may be used for the same purpose as other moneys deposited in the Real Estate Audit Fund. Moneys in the Real Estate Audit Fund may be transferred to the Professions Indirect Cost Fund as authorized under Section 2105-300 of the Department of Professional Regulation Law of the Civil Administrative Code of Illinois. Upon completion of any audit of the Department OBRE, prescribed by the Illinois State Auditing Act, which includes an audit of the Real Estate Audit Fund, the Department OBRE shall make the

- 1 audit open to inspection by any interested person.
- 2 (Source: P.A. 94-91, eff. 7-1-05.)
- 3 (225 ILCS 454/30-5)
- 4 (Section scheduled to be repealed on January 1, 2010)
- 5 30-5. Licensing of pre-license schools, school
- 6 branches, and instructors.

7 (a) No person shall operate a pre-license school or school 8 branch without possessing a valid pre-license school or school 9 branch license issued by the Department OBRE. No person shall 10 act as a pre-license instructor at a pre-license school or 11 school branch without possessing a valid pre-license 12 instructor license issued by the Department OBRE. Every person 13 who desires to obtain a pre-license school, school branch, or 14 pre-license instructor license shall make application to the 15 Department OBRE in writing in form and substance satisfactory to the Department OBRE and pay the required fees prescribed by 16 rule. In addition to any other information required to be 17 contained in the application, every application for an original 18 19 or renewed license shall include the applicant's Social 20 Security number. OBRE shall issue a pre-license school, school 21 branch, or pre-license instructor license to applicants who 22 qualification criteria established by The 23 Department OBRE may refuse to issue, suspend, revoke, or 24 otherwise discipline a pre-license school, school branch, or

pre-license instructor license or may withdraw approval of a

- 1 course offered by a pre-license school for good cause.
- 2 Disciplinary proceedings shall be conducted by the Board in the
- 3 same manner as other disciplinary proceedings under this Act.
- 4 (b) All pre-license instructors must teach at least one
- 5 course within the period of licensure or take an instructor
- training program approved by the Department OBRE in lieu 6
- thereof. A pre-license instructor may teach at more than one 7
- 8 licensed pre-license school.
- 9 (c) The term of license for pre-license schools, branches,
- 10 and instructors shall be 2 years as established by rule.
- 11 (d) The Department OBRE or the Advisory Council may, after
- notice, cause a pre-license school to attend an informal 12
- 13 conference before the Advisory Council for failure to comply
- 14 with any requirement for licensure or for failure to comply
- 15 with any provision of this Act or the rules for the
- 16 administration of this Act. The Advisory Council shall make a
- recommendation to the Board as a result of its findings at the 17
- 18 conclusion of any such informal conference.
- 19 (e) For purposes of this Section, the term "pre-license"
- 20 shall also include the 30 hour post-license course required to
- 21 be taken to retain a broker's license.
- (Source: P.A. 91-245, eff. 12-31-99.) 22
- 23 (225 ILCS 454/30-10)
- 24 (Section scheduled to be repealed on January 1, 2010)
- 25 Sec. 30-10. Advisory Council; powers and duties. There is

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created within the Department OBRE an Advisory Council to be comprised of 5 $\frac{7}{}$ members appointed by the Governor. The members' terms shall be 4 years or until their successor is appointed and the expiration of their terms shall be staggered for 4 year staggered terms. No member shall be reappointed to the Board for a term that would cause his or her service on the Board to be longer than 12 serve more than 8 years in a lifetime. Two Three of the members shall be licensees who are current members of the Board, one member shall be representative of an Illinois real estate trade organization who is not a member of the Board, one member shall be a representative of a licensed pre-license school or continuing education school, and one member shall be a representative of an institution of higher education that offers pre-license and continuing education courses. The Real Estate Coordinator Director shall serve as the chairman of the Advisory Council, ex officio, without vote. A majority of the Board members shall constitute a quorum. A vacancy in the membership of the Board shall not impair the right of a quorum to exercise all the rights and perform all the duties of the Board. The Advisory Council shall recommend criteria for the licensing and renewal of pre-license schools, pre-license instructors, continuing education schools, and continuing education instructors; review applications for these licenses to determine if the applicants meet the qualifications for licensure established in this Act and by rule; approve pre-license school and

- 1 continuing education curricula; and make recommendations to
- 2 the Board regarding rules to be adopted for the conduct of
- schools and instructors and the administration of the education 3
- 4 provisions of this Act.
- 5 (Source: P.A. 91-245, eff. 12-31-99.)
- (225 ILCS 454/30-15) 6
- 7 (Section scheduled to be repealed on January 1, 2010)
- 8 Sec. 30-15. Licensing of continuing education schools;
- 9 approval of courses.
- 10 (a) Only continuing education schools in possession of a
- valid continuing education school license may provide real 11
- estate continuing education courses that will satisfy the 12
- requirements of this Act. Pre-license schools licensed to offer 13
- 14 pre-license education courses for salespersons, brokers and
- 15 managing brokers shall qualify for a continuing education
- school license upon completion of an application and the 16
- submission of the required fee. Every entity that desires to 17
- obtain a continuing education school license shall make 18
- 19 application to the Department OBRE in writing in forms
- 20 prescribed by the Department OBRE and pay the fee prescribed by
- rule. In addition to any other information required to be 21
- contained in the application, every application for an original 22
- 23 or renewed license shall include the applicant's Social
- 24 Security number.
- (b) The criteria for a continuing education license shall 25

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- sound financial base (1)for establishing, promoting, and delivering the necessary courses. Budget planning for the School's courses should be clearly projected.
- (2) A sufficient number of qualified, licensed instructors as provided by rule.
 - Adequate support personnel to assist administrative matters and technical assistance.
 - (4)Maintenance and availability of records of participation for licensees.
 - The ability to provide each participant who successfully completes an approved program with certificate of completion signed by the administrator of a licensed continuing education school on forms provided by the Department OBRE.
 - (6) The continuing education school must have a written policy dealing with procedures for the management of grievances and fee refunds.
 - (7) The continuing education school shall maintain lesson plans and examinations for each course.
 - (8) The continuing education school shall require a 70% passing grade for successful completion of any continuing education course.
 - (9) The continuing education school shall identify and use instructors who will teach in a planned program.

1	Suggested criteria for instructor selections include:
2	(A) appropriate credentials;
3	(B) competence as a teacher;
4	(C) knowledge of content area; and
5	(D) qualification by experience.
6	(10) The continuing education school shall provide a
7	proctor or an electronic means of proctoring for each
8	examination. The continuing education school shall be
9	responsible for the conduct of the proctor. The duties and
10	responsibilities of a proctor shall be established by rule.
11	(11) The continuing education school must provide for
12	closed book examinations for each course unless the
13	Advisory Council excuses this requirement based on the
14	complexity of the course material.
15	(c) Advertising and promotion of continuing education
16	activities must be carried out in a responsible fashion,
17	clearly showing the educational objectives of the activity, the
18	nature of the audience that may benefit from the activity, the
19	cost of the activity to the participant and the items covered
20	by the cost, the amount of credit that can be earned, and the
21	credentials of the faculty.
22	(d) <u>The Department</u> OBRE may or upon request of the Advisory
23	Council shall, after notice, cause a continuing education
24	school to attend an informal conference before the Advisory
25	Council for failure to comply with any requirement for
26	licensure or for failure to comply with any provision of this

- 1 Act or the rules for the administration of this Act. The
- Advisory Council shall make a recommendation to the Board as a 2
- result of its findings at the conclusion of any such informal 3
- 4 conference.
- 5 (e) All continuing education schools shall maintain these
- 6 minimum criteria and pay the required fee in order to retain
- their continuing education school license. 7
- 8 (f) All continuing education schools shall submit, at the
- 9 time of initial application and with each license renewal, a
- 10 list of courses with course materials to be offered by the
- 11 continuing education school. The Department OBRE, however,
- shall establish a mechanism whereby continuing education 12
- 13 schools may apply for and obtain approval for continuing
- 14 education courses that are submitted after the time of initial
- 15 application or renewal. The Department OBRE shall provide to
- 16 each continuing education school a certificate for each
- approved continuing education course. All continuing education 17
- 18 courses shall be valid for the period coinciding with the term
- of license of the continuing education school. All continuing 19
- 20 education schools shall provide a copy of the certificate of
- the continuing education course within the course materials 21
- 22 given to each student or shall display a copy of
- 23 certificate of the continuing education course in a conspicuous
- 24 place at the location of the class.
- 25 (g) Each continuing education school shall provide to the
- 26 Department OBRE a monthly report in a format determined by the

- Department OBRE, with information concerning students who 1
- successfully completed all approved continuing education 2
- courses offered by the continuing education school for the 3
- 4 prior month.
- 5 (h) The Department OBRE, upon the recommendation of the
- 6 Advisory Council, may temporarily suspend а licensed
- continuing education school's approved courses without hearing 7
- and refuse to accept successful completion of or participation 8
- 9 in any of these continuing education courses for continuing
- 10 education credit from that school upon the failure of that
- 11 continuing education school to comply with the provisions of
- this Act or the rules for the administration of this Act, until 12
- such time as the Department OBRE receives satisfactory 13
- assurance of compliance. The Department OBRE shall notify the 14
- 15 continuing education school of the noncompliance and may
- 16 initiate disciplinary proceedings pursuant to this Act. The
- Department OBRE may refuse to issue, suspend, revoke, or 17
- otherwise discipline the license of a continuing education 18
- school or may withdraw approval of a continuing education 19
- 20 course for good cause. Failure to comply with the requirements
- 21 of this Section or any other requirements established by rule
- 22 shall be deemed to be good cause. Disciplinary proceedings
- 23 shall be conducted by the Board in the same manner as other
- 24 disciplinary proceedings under this Act.
- 25 (Source: P.A. 91-245, eff. 12-31-99.)

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1 (225 ILCS 454/30-20) (Section scheduled to be repealed on January 1, 2010) 2 Sec. 30-20. Fees for continuing education school license; 3 4 renewal; term. All applications for a continuing education 5 school license shall be accompanied by a nonrefundable application fee in an amount established by rule. All 6 continuing education schools shall be required to submit a 7 8 renewal application, the required fee as established by rule, 9 and a listing of the courses to be offered during the year to 10 renew their continuing education school licenses. The term for 11 a continuing education school license shall be 2 years and as established by rule. The fees collected under this Article 30 12 13 shall be deposited in the Real Estate License Administration Fund and shall be used to defray the cost of administration of 14 15 the program and per diem of the Advisory Council as determined 16 by the Secretary Commissioner. (Source: P.A. 91-245, eff. 12-31-99.) 17 (225 ILCS 454/30-25) 18 19 (Section scheduled to be repealed on January 1, 2010) 20 Sec. 30-25. Licensing of continuing education instructors. 21 (a) No such person shall act as a continuing education instructor at a continuing education school or branch without 22 23 possessing Only persons approved by the Advisory Council and in

possession of a valid continuing education instructor license

and satisfying any other qualification criteria established by

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the Department by rule issued by OBRE may 1 2 education courses.

- (b) After the effective date of this Act, every person who desires to obtain a continuing education instructor's license shall attend and successfully complete a one-day instructor development workshop, as approved by the Department. The term of licensure for a continuing education instructor shall be 2 years and as established by rule. Every person who desires to obtain a continuing education instructor license shall make application to the Department OBRE in writing on forms prescribed by the Office, accompanied by the fee prescribed by rule. In addition to any other information required to be contained in the application, every application for an original or renewed license shall include the applicant's Social Security number. The Department OBRE shall issue a continuing instructor license to applicants who education qualification criteria established by this Act or rule.
- (c) The Department OBRE may refuse to issue, suspend, or otherwise discipline a continuing education instructor for good cause. Disciplinary proceedings shall be conducted by the Board in the same manner as other disciplinary proceedings under this Act. All The term of a license for a continuing education instructors instructor shall be 2 years and as established by rule. All Continuing Education Instructors must teach at least one course within the period of licensure or take an instructor training program approved by

- 1 the Department OBRE in lieu thereof.
- 2 (Source: P.A. 91-245, eff. 12-31-99.)
- 3 Section 25. The Code of Civil Procedure is amended by
- 4 changing Sections 15-1503 and 15-1508 as follows:
- (735 ILCS 5/15-1503) (from Ch. 110, par. 15-1503) 5
- 6 Sec. 15-1503. Notice of Foreclosure.
- 7 (a) A notice of foreclosure, whether the foreclosure is 8 initiated by complaint or counterclaim, made in accordance with 9 this Section and recorded in the county in which the mortgaged real estate is located shall be constructive notice of the 10 11 pendency of the foreclosure to every person claiming an 12 interest in or lien on the mortgaged real estate, whose 13 interest or lien has not been recorded prior to the recording 14 of such notice of foreclosure. Such notice of foreclosure must be executed by any party or any party's attorney and shall 15 include (i) the names of all plaintiffs and the case number, 16 (ii) the court in which the action was brought, (iii) the names 17 18 of title holders of record, (iv) a legal description of the 19 real estate sufficient to identify it with reasonable 20 certainty, (v) a common address or description of the location 21 of the real estate and (vi) identification of the mortgage 22 sought to be foreclosed. An incorrect common address or 23 description of the location, or an immaterial error in the

identification of a plaintiff or title holder of record, shall

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1 not invalidate the lis pendens effect of the notice under this 2 Section. A notice which complies with this Section shall be deemed to comply with Section 2-1901 of the Code of Civil 3 4 Procedure and shall have the same effect as a notice filed pursuant to that Section; however, a notice which complies with 5 6 Section 2-1901 shall not be constructive notice unless it also complies with the requirements of this Section. 7

(b) With respect to residential real estate, a copy of the notice of foreclosure described in subsection (a) of Section 15-1503 shall be sent by first class mail, postage prepaid, to the municipality within the boundary of which the mortgaged real estate is located, or to the county within the boundary of which the mortgaged real estate is located if the mortgaged real estate is located in an unincorporated territory. A municipality or county must clearly publish on its website a single address to which such notice shall be sent. If a municipality or county does not maintain a website, then the municipality or county must publicly post in its main office a single address to which such notice shall be sent. In the event that a municipality or county has not complied with the publication requirement in this subsection (b), then such notice to the municipality or county shall be provided pursuant to Section 2-211 of the Code of Civil Procedure.

24 (Source: P.A. 86-974.)

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- 1 Sec. 15-1508. Report of Sale and Confirmation of Sale.
 - (a) Report. The person conducting the sale shall promptly make a report to the court, which report shall include a copy of all receipts and, if any, certificate of sale.
 - (b) Hearing. Upon motion and notice in accordance with court rules applicable to motions generally, which motion shall not be made prior to sale, the court shall conduct a hearing to confirm the sale. Unless the court finds that (i) a notice required in accordance with subsection (c) of Section 15-1507 was not given, (ii) the terms of sale were unconscionable, (iii) the sale was conducted fraudulently or (iv) that justice was otherwise not done, the court shall then enter an order confirming the sale. The confirmation order shall include a name, address, and telephone number of the holder of the certificate of sale or deed issued pursuant to that certificate or, if no certificate or deed was issued, the purchaser, whom a municipality or county may contact with concerns about the real estate. The confirmation order may also:
 - (1) approve the mortgagee's fees and costs arising between the entry of the judgment of foreclosure and the confirmation hearing, those costs and fees to be allowable to the same extent as provided in the note and mortgage and in Section 15-1504;
 - (2) provide for a personal judgment against any party for a deficiency; and
 - (3) determine the priority of the judgments of parties

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1 who deferred proving the priority pursuant to subsection (h) of Section 15-1506, but the court shall not defer 2 confirming the sale pending the determination of such 3 4 priority.

(b-5) Notice with respect to residential real estate.

With respect to residential real estate, the notice required under subsection (b) of this Section shall be sent to the mortgagor even if the mortgagor has previously been held in default. In the event the mortgagor has filed an appearance, the notice shall be sent to the address indicated on the appearance. In all other cases, the notice shall be sent to the mortgagor at the common address of the foreclosed property. The notice shall be sent by first class mail. Unless the right to possession has been previously terminated by the court, the notice shall include the following language in 12-point boldface capitalized type:

IF YOU ARE THE MORTGAGOR (HOMEOWNER), YOU HAVE THE RIGHT TO REMAIN IN POSSESSION FOR 30 DAYS AFTER ENTRY OF AN ORDER OF POSSESSION, IN ACCORDANCE WITH SECTION 15-1701(c) OF THE ILLINOIS MORTGAGE FORECLOSURE LAW.

(b-10) Notice of confirmation order sent to municipality or county. A copy of the confirmation order required under subsection (b) shall be sent to the municipality in which the foreclosed property is located, or to the county within the boundary of which the foreclosed property is located if the foreclosed property is located in an unincorporated territory.

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- A municipality or county must clearly publish on its website a single address to which such notice shall be sent. If a municipality or county does not maintain a website, then the municipality or county must publicly post in its main office a single address to which such notice shall be sent. In the event that a municipality or county has not complied with the publication requirement in this subsection (b-10), then such notice to the municipality or county shall be provided pursuant to Section 2-211 of the Code of Civil Procedure.
 - (c) Failure to Give Notice. If any sale is held without compliance with subsection (c) of Section 15-1507 of this Article, any party entitled to the notice provided for in paragraph (3) of that subsection (c) who was not so notified may, by motion supported by affidavit made prior confirmation of such sale, ask the court which entered the judgment to set aside the sale, provided that such party shall quarantee or secure by bond a bid equal to the successful bid at the prior sale. Any subsequent sale is subject to the same notice requirement as the original sale.
- (d) Validity of Sale. Except as provided in subsection (c) of Section 15-1508, no sale under this Article shall be held invalid or be set aside because of any defect in the notice thereof or in the publication of the same, or in the proceedings of the officer conducting the sale, except upon good cause shown in a hearing pursuant to subsection (b) of Section 15-1508. At any time after a sale has occurred, any

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- party entitled to notice under paragraph (3) of subsection (c) of Section 15-1507 may recover from the mortgagee any damages caused by the mortgagee's failure to comply with such paragraph (3). Any party who recovers damages in a judicial proceeding brought under this subsection may also recover from the mortgagee the reasonable expenses of litigation, including reasonable attorney's fees.
 - (e) Deficiency Judgment. In any order confirming a sale pursuant to the judgment of foreclosure, the court shall also enter a personal judgment for deficiency against any party (i) if otherwise authorized and (ii) to the extent requested in the complaint and proven upon presentation of the report of sale in accordance with Section 15-1508. Except as otherwise provided in this Article, a judgment may be entered for any balance of money that may be found due to the plaintiff, over and above the proceeds of the sale or sales, and enforcement may be had for the collection of such balance, the same as when the judgment is solely for the payment of money. Such judgment may be entered, or enforcement had, only in cases where personal service has been had upon the persons personally liable for the mortgage indebtedness, unless they have entered appearance in the foreclosure action.
 - (f) Satisfaction. Upon confirmation of the sale, the judgment stands satisfied to the extent of the sale price less expenses and costs. If the order confirming the sale includes a deficiency judgment, the judgment shall become a lien in the

manner of any other judgment for the payment of money.

(g) The order confirming the sale shall include, notwithstanding any previous orders awarding possession during the pendency of the foreclosure, an award to the purchaser of possession of the mortgaged real estate, as of the date 30 days after the entry of the order, against the parties to the foreclosure whose interests have been terminated.

An order of possession authorizing the removal of a person from possession of the mortgaged real estate shall be entered and enforced only against those persons personally named as individuals in the complaint or the petition under subsection (h) of Section 15-1701 and in the order of possession and shall not be entered and enforced against any person who is only generically described as an unknown owner or nonrecord claimant or by another generic designation in the complaint.

Notwithstanding the preceding paragraph, the failure to personally name, include, or seek an award of possession of the mortgaged real estate against a person in the confirmation order shall not abrogate any right that the purchaser may have to possession of the mortgaged real estate and to maintain a proceeding against that person for possession under Article 9 of this Code or subsection (h) of Section 15-1701; and possession against a person who (1) has not been personally named as a party to the foreclosure and (2) has not been provided an opportunity to be heard in the foreclosure proceeding may be sought only by maintaining a proceeding under

- 1 Article 9 of this Code or subsection (h) of Section 15-1701.
- 2 (Source: P.A. 95-826, eff. 8-14-08.)
- 3 Section 30. The Residential Real Property Disclosure Act is
- 4 amended by changing Section 70 as follows:
- (765 ILCS 77/70) 5
- 6 Sec. 70. Predatory lending database program.
- 7 (a) As used in this Article:
- 8 "Adjustable rate mortgage" or "ARM" means a closed-end
- 9 mortgage transaction that allows adjustments of the loan
- interest rate during the first 3 years of the loan term. 10
- 11 "Borrower" means a person seeking a mortgage loan.
- "Broker" means a "broker" or "loan broker", as defined in 12
- 13 subsection (p) of Section 1-4 of the Residential Mortgage
- 14 License Act of 1987.
- "Closing agent" means an individual assigned by a title 15
- 16 insurance company or a broker or originator to ensure that the
- 17 execution of documents related to the closing of a real estate
- 18 sale or the refinancing of a real estate loan and the
- disbursement of closing funds are in conformity with the 19
- 20 instructions of the entity financing the transaction.
- 21 "Counseling" means in-person counseling provided by a
- 22 counselor employed by a HUD-certified counseling agency to all
- 23 borrowers, or documented telephone counseling where a hardship
- 24 would be imposed on one or more borrowers. A hardship shall

- 1 exist in instances in which the borrower is confined to his or
- 2 her home due to medical conditions, as verified in writing by a
- 3 physician, or the borrower resides 50 miles or more from the
- 4 nearest participating HUD-certified housing counseling agency.
- 5 In instances of telephone counseling, the borrower must supply
- 6 all necessary documents to the counselor at least 72 hours
- 7 prior to the scheduled telephone counseling session.
- 8 "Counselor" means a counselor employed by a HUD-certified
- 9 housing counseling agency.
- 10 "Credit score" means a credit risk score as defined by the
- 11 Fair Isaac Corporation, or its successor, and reported under
- such names as "BEACON", "EMPIRICA", and "FAIR ISAAC RISK SCORE" 12
- 13 by one or more of the following credit reporting agencies or
- 14 successors: Equifax, Inc., Experian Information
- 15 Solutions, Inc., and TransUnion LLC. If the borrower's credit
- 16 report contains credit scores from 2 reporting agencies, then
- the broker or loan originator shall report the lower score. If 17
- 18 the borrower's credit report contains credit scores from 3
- 19 reporting agencies, then the broker or loan originator shall
- 20 report the middle score.
- 21 "Department" means the Department of Financial and
- 22 Professional Regulation.
- "Exempt person" means that term as it is defined in 23
- 24 subsections (d)(1) and (d)(1.5) of Section 1-4 of the
- 25 Residential Mortgage License Act of 1987.
- 26 "First-time homebuyer" means a borrower who has not held an

- 1 ownership interest in residential property.
- "HUD-certified counseling" or "counseling" 2 means
- 3 counseling given to a borrower by a counselor employed by a
- 4 HUD-certified housing counseling agency.
- 5 "Interest only" means a closed-end loan that permits one or
- more payments of interest without any reduction of the 6
- principal balance of the loan, other than the first payment on 7
- 8 the loan.
- 9 "Lender" means that term as it is defined in subsection (q)
- 10 of Section 1-4 of the Residential Mortgage License Act of 1987.
- 11 "Licensee" means that term as it is defined in subsection
- (e) of Section 1-4 of the Residential Mortgage License Act of 12
- 13 1987.
- 14 "Mortgage loan" means that term as it is defined in
- 15 subsection (f) of Section 1-4 of the Residential Mortgage
- 16 License Act of 1987.
- "Negative amortization" means an amortization method under 17
- 18 which the outstanding balance may increase at any time over the
- 19 course of the loan because the regular periodic payment does
- 20 not cover the full amount of interest due.
- "Originator" means a "loan originator" as defined in 21
- subsection (hh) of Section 1-4 of the Residential Mortgage 22
- 23 License Act of 1987, except an exempt person.
- 24 "Points and fees" has the meaning ascribed to that term in
- 25 Section 10 of the High Risk Home Loan Act.
- 26 "Prepayment penalty" means a charge imposed by a lender

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1 under a mortgage note or rider when the loan is paid before the expiration of the term of the loan. 2

"Refinancing" means a loan secured by the borrower's or borrowers' primary residence where the proceeds are not used as purchase money for the residence.

"Title insurance company" means any domestic company organized under the laws of this State for the purpose of conducting the business of guaranteeing or insuring titles to real estate and any title insurance company organized under the laws of another State, the District of Columbia, or a foreign government and authorized to transact the business of quaranteeing or insuring titles to real estate in this State.

(a-5) A predatory lending database program shall be established within Cook County. The program shall be administered in accordance with this Article. The inception date of the program shall be July 1, 2008. A predatory lending database program shall be expanded to include Kane, Peoria, and Will counties. The inception date of the expansion of the program as it applies to Kane, Peoria, and Will counties shall be January 1, 2010. Until the inception date, none of the duties, obligations, contingencies, or consequences of or from the program shall be imposed. The program shall apply to all mortgage applications that are governed by this Article and that are made or taken on or after the inception of the program.

(b) The database created under this program shall be

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1 maintained and administered by the Department. The database shall be designed to allow brokers, originators, counselors, 2 title insurance companies, and closing agents to submit 3 4 information to the database online. The database shall not be 5 designed to allow those entities to retrieve information from 6 the database, except as otherwise provided in this Article. Information submitted by the broker or originator to the 7 8 Department may be used to populate the online form submitted by

a counselor, title insurance company, or closing agent.

(c) Within 10 days after taking a mortgage application, the broker or originator for any mortgage on residential property within the program area must submit to the predatory lending database all of the information required under Section 72 and any other information required by the Department by rule. Within 7 days after receipt of the information, the Department shall compare that information to the housing counseling standards in Section 73 and issue to the borrower and the broker or originator a determination of whether counseling is recommended for the borrower. The borrower may not waive counseling. If at any time after submitting the information required under Section 72 the broker or originator (i) changes the terms of the loan or (ii) issues a new commitment to the borrower, then, within 5 days thereafter, the broker or originator shall re-submit all of the information required under Section 72 and, within 4 days after receipt of the information re-submitted by the broker or originator, the

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Department shall compare that information to the housing counseling standards in Section 73 and shall issue to the borrower and the broker or originator a new determination of whether re-counseling is recommended for the borrower based on the information re-submitted by the broker or originator. The Department shall require re-counseling if the loan terms have been modified to meet another counseling standard in Section 73, or if the broker has increased the interest rate by more than 200 basis points.

If the Department recommends counseling for the (d) borrower under subsection (c), then the Department shall notify the borrower of all participating HUD-certified counseling agencies located within the State and direct the borrower to interview with a counselor associated with one of those agencies. Within 10 days after receipt of the notice of HUD-certified counseling agencies, the borrower shall select one of those agencies and shall engage in an interview with a counselor associated with that agency. Within 7 days after interviewing the borrower, the counselor must submit to the predatory lending database all of the information required under Section 74 and any other information required by the Department by rule. Reasonable and customary costs not to exceed \$300 associated with counseling provided under the program shall be paid by the broker or originator. Department shall annually calculate to the nearest dollar an adjusted rate for inflation. A counselor shall not recommend or

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- a borrower contact any specific mortgage suggest that origination company, financial institution, or entity that deals in mortgage finance to obtain a loan, another quote, or for any other reason related to the specific transaction; however, a counselor may suggest that the borrower seek an opinion or a quote from another mortgage origination company, financial institution, or entity that deals in mortgage finance. A counselor or housing counseling agency that in good faith provides counseling shall not be liable to a broker or originator or borrower for civil damages, except for willful or wanton misconduct on the part of the counselor in providing the counseling.
 - (e) The broker or originator and the borrower may not take any legally binding action concerning the loan transaction until the later of the following:
 - (1) the Department issues a determination not to recommend HUD-certified counseling for the borrower in accordance with subsection (c); or
 - (2) the Department issues a determination HUD-certified counseling is recommended for the borrower and the counselor submits all required information to the database in accordance with subsection (d).
 - (f) Within 10 days after closing, the title insurance company or closing agent must submit to the predatory lending database all of the information required under Section 76 and any other information required by the Department by rule.

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- (q) The title insurance company or closing agent shall attach to the mortgage a certificate of compliance with the requirements of this Article, as generated by the database. If the title insurance company or closing agent fails to attach the certificate of compliance, then the mortgage is not recordable. In addition, if any lis pendens for a residential mortgage foreclosure is recorded on the property within the program area, a certificate of service must be simultaneously recorded that affirms that a copy of the lis pendens was filed with the Department. If the certificate of service is not recorded, then the lis pendens pertaining to the residential mortgage foreclosure in question is not recordable and is of no force and effect.
- (h) All information provided to the predatory lending database under the program is confidential and is not subject to disclosure under the Freedom of Information Act, except as otherwise provided in this Article. Information or documents obtained by employees of the Department in the course of maintaining and administering the predatory lending database are deemed confidential. Employees are prohibited from making disclosure of such confidential information or documents. Any request for production of information from the predatory lending database, whether by subpoena, notice, or any other source, shall be referred to the Department of Financial and Professional Regulation. Any borrower may authorize in writing the release of database information. The Department may use the

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activity.

- 1 information in the database without the consent of the borrower: (i) for the purposes of administering and enforcing 2 3 the program; (ii) to provide relevant information to a 4 counselor providing counseling to a borrower under the program; 5 or (iii) to the appropriate law enforcement agency or the applicable administrative agency if the database information 6 demonstrates criminal, fraudulent, or otherwise illegal 7
 - (i) Nothing in this Article is intended to prevent a borrower from making his or her own decision as to whether to proceed with a transaction.
 - (j) Any person who violates any provision of this Article commits an unlawful practice within the meaning of the Consumer Fraud and Deceptive Business Practices Act.
 - (k) During the existence of the program, the Department shall submit semi-annual reports to the Governor and to the General Assembly by May 1 and November 1 of each year detailing its findings regarding the program. The report shall include, by county, at least the following information for each reporting period:
 - (1) the number of loans registered with the program;
 - (2) the number of borrowers receiving counseling;
- 23 (3) the number of loans closed;
- 24 (4) the number of loans requiring counseling for each 25 of the standards set forth in Section 73;
- 26 (5) the number of loans requiring counseling where the

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          mortgage originator changed the loan terms subsequent to
          counseling; -
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              (6) the number of licensed mortgage brokers and loan
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          originators entering information into the database;
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              (7) the number of investigations based on information
          obtained from the database, including the number of
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          licensees fined, the number of licenses suspended, and the
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          number of licenses revoked;
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              (8) a summary of the types of non-traditional mortgage
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          products being offered; and
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              (9) a summary of how the Department is actively
          utilizing the program to combat mortgage fraud.
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      (Source: P.A. 94-280, eff. 1-1-06; 94-1029, eff. 7-14-06;
      95-691, eff. 6-1-08; revised 11-6-08.)
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          (225 ILCS 454/5-30 rep.)
          (225 ILCS 454/5-55 rep.)
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          (225 ILCS 454/20-30 rep.)
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          (225 ILCS 454/20-35 rep.)
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          (225 ILCS 454/20-40 rep.)
          (225 ILCS 454/20-45 rep.)
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          (225 ILCS 454/20-80 rep.)
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          (225 ILCS 454/20-120 rep.)
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          (225 ILCS 454/30-30 rep.)
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          Section 95. The Real Estate License Act of 2000 is amended
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by repealing Sections 5-30, 5-55, 20-30, 20-35, 20-40, 20-45,

- 20-80, 20-120, and 30-30. 1
- Section 97. Severability. The provisions of this Act are 2
- severable under Section 1.31 of the Statute on Statutes. 3
- Section 99. Effective date. This Act takes effect upon 4
- becoming law, except that Sections 5, 20, and 95 take effect on 5
- December 31, 2009.". 6