



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB1227

Introduced 2/8/2011, by Sen. David Koehler

SYNOPSIS AS INTRODUCED:

See Index

Creates the Conveyance and Encumbrance of Manufactured Homes as Real Property and Severance Act. Provides that manufactured homes are deemed to be real property. Sets forth certain conditions that must be met to convey or voluntarily encumber a manufactured home as real property. Contains provisions concerning affidavits of affixation and affidavits of severance. Contains provisions concerning security interests and liens. Amends the Use Tax Act and the Retailers' Occupation Tax Act. Provides that the tax imposed on new mobile homes or new manufactured homes located outside of mobile home parks shall be calculated against 40% of the selling price of the home and against 100% of the selling price of any other building materials. Amends the Property Tax Code and the Mobile Home Local Services Tax Act. Makes changes concerning the taxation of mobile homes and manufactured homes located outside of mobile home parks. Amends various Acts to define and include "manufactured homes" and to make changes to provisions concerning registration of manufactured homes and security interests in or liens on manufactured homes. Contains other provisions.

LRB097 07200 HLH 47306 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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

4 Article 5. CONVEYANCE AND ENCUMBRANCE OF MANUFACTURED HOMES AS
5 REAL PROPERTY AND SEVERANCE ACT

6 Section 5-1. Short title. This Act may be cited as the
7 Conveyance and Encumbrance of Manufactured Homes as Real
8 Property and Severance Act. All references in this Article to
9 "this Act" mean this Article.

10 Section 5-2. Findings and purpose.

11 (a) The General Assembly finds that there is a need to
12 clarify the legal status of manufactured homes affixed or to be
13 affixed to real property in the State.

14 (b) The purpose of this Act is to establish a clear
15 statutory procedure for converting to real property
16 manufactured homes located outside of mobile home parks that
17 are affixed to real property and for the severance of
18 manufactured homes from real property.

19 Section 5-5. Manufactured home; permanently affixed to
20 real property. For the purposes of this Act, "manufactured
21 home" means a manufactured home as defined in subdivision (53)

1 of Section 9-102 of the Uniform Commercial Code.
2 Notwithstanding the foregoing, for the purposes of subsection
3 (b)(2) of Section 1322 of the federal Bankruptcy Code (11
4 U.S.C. § 1322(b)(2)), a manufactured home shall be deemed to be
5 real property. For the purposes of this Act, a manufactured
6 home is "permanently affixed" if it is anchored to real
7 property by attachment to a permanent foundation, constructed
8 in accordance with applicable state and local building codes
9 and manufacturer's specifications as provided in 24 C.F.R. Part
10 3285, and connected to residential utilities (such as water,
11 gas, electricity, or sewer or septic service).

12 Section 5-10. Act not mandatory; record notice. The owner
13 of a manufactured home that is personal property or a fixture
14 may, but need not, cause that manufactured home to be deemed to
15 be real property by satisfying the requirements of Section 5-30
16 of this Act and the requirements of Section 3-116.1 or 3-116.2
17 of the Illinois Vehicle Code, as applicable.

18 To convey or voluntarily encumber a manufactured home as
19 real property, the following conditions must be met:

20 (1) the manufactured home must be permanently affixed
21 to real property;

22 (2) the ownership interests in the manufactured home
23 and the real property to which the manufactured home is
24 permanently affixed must be identical, or, if the
25 manufactured home is not located in a mobile home park as

1 defined in Section 2.5 of the Mobile Home Park Act, and if
2 the owner of the manufactured home, if not the owner of the
3 real property, is in possession of the real property
4 pursuant to the terms of a lease in recordable form that
5 has a term that continues for at least 20 years after the
6 date of execution, then the consent of the lessor of the
7 real property must be given;

8 (3) the person (all, if more than one) having an
9 ownership interest in such manufactured home shall execute
10 and record with the recording officer of the county in
11 which the real property is located an affidavit of
12 affixation as provided in Section 5-15 of this Act and
13 satisfy the other applicable requirements of this Act; and

14 (4) upon receipt of a certified copy of the affidavit
15 of affixation pursuant to Section 5-25 of this Act, any
16 person designated therein for filing with the Secretary of
17 State shall file the certified copy of affidavit of
18 affixation with the Secretary of State; except that

19 (A) in a case described in subsection (a) (4) (A) of
20 Section 5-15 of this Act, a certified copy of the
21 affidavit of affixation and the original
22 Manufacturer's Statement of Origin, each as recorded
23 in the county in which the real property is located,
24 must be filed with the Secretary of State pursuant to
25 Section 3-116.1 of the Illinois Vehicle Code; and

26 (B) in a case described in subsection (a) (4) (B) of

1 Section 5-15 of this Act, a certified copy of the
2 affidavit of affixation as recorded in the county in
3 which the real property is located, and the original
4 certificate of title, including, if applicable, a
5 certificate of title issued in accordance with
6 subsection (b) of Section 3-109 of the Illinois Vehicle
7 Code, must be filed with the Secretary of State
8 pursuant to Section 3-116.2 of the Illinois Vehicle
9 Code.

10 Section 5-15. Affidavit of affixation.

11 (a) An affidavit of affixation shall contain or be
12 accompanied by:

13 (1) the name of the manufacturer, the make, the model
14 name, the model year, the dimensions, and the vehicle
15 identification number or numbers of the manufactured home,
16 and whether the manufactured home is new or used;

17 (2) (A) a statement that the party executing the
18 affidavit is the owner of the real property described
19 therein or (B) if the party executing the affidavit is not
20 the owner of the real property, (1) a statement that the
21 manufactured home is not located in a mobile home park as
22 defined in Section 2.5 of the Mobile Home Park Act and that
23 the party executing the affidavit is in possession of the
24 real property pursuant to the terms of a lease in
25 recordable form that has a term that continues for at least

1 20 years after the date of execution of the affidavit and
2 (2) the consent of the lessor of the real property,
3 endorsed upon or attached to the affidavit and acknowledged
4 or proved in the manner as to entitle a conveyance to be
5 recorded;

6 (3) the street address and the legal description of the
7 real property to which the manufactured home is or shall be
8 permanently affixed; and

9 (4) as applicable:

10 (A) if the manufactured home is not covered by a
11 certificate of title, including, if applicable, a
12 certificate of title issued in accordance with
13 subsection (b) of Section 3-109 of the Illinois Vehicle
14 Code, a statement by the owner to that effect, and

15 (i) a statement by the owner of the
16 manufactured home that the manufactured home is
17 covered by a Manufacturer's Statement of Origin,
18 the date the Manufacturer's Statement of Origin
19 was issued, and the vehicle identification number
20 or numbers of the manufactured home; and

21 (ii) a statement that annexed to the affidavit
22 of affixation is the original Manufacturer's
23 Statement of Origin for the manufactured home,
24 duly endorsed to the owner of the manufactured
25 home, and that the owner of the manufactured home
26 shall surrender the Manufacturer's Statement of

1 Origin; or

2 (B) if the manufactured home is covered by a
3 certificate of title, including, if applicable, a
4 certificate of title issued in accordance with
5 subsection (b) of Section 3-109 of the Illinois Vehicle
6 Code, a statement by the owner of the manufactured home
7 that the manufactured home is covered by a certificate
8 of title, the date the title was issued, the title
9 number, and that the owner of the manufactured home
10 shall surrender the title;

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

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

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

25 (6) a statement that the manufactured home is or shall
26 be permanently affixed to the real property; and

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

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

14 Section 5-20. Disposition of liens. Neither the act of
15 permanently affixing a manufactured home to real property nor
16 the recording of the affidavit of affixation shall impair the
17 rights of any holder of a security interest in or lien on a
18 manufactured home perfected as provided in Section 3-202 of the
19 Illinois Vehicle Code, unless and until the due filing with and
20 acceptance by the Secretary of State of an application to
21 surrender the title as provided in Section 3-116.2 of the
22 Illinois Vehicle Code and release the security interest or lien
23 as provided in Section 3-205 of the Illinois Vehicle Code. Upon
24 the filing of such a release, the security interest or lien
25 perfected under Section 3-202 of the Illinois Vehicle Code is

1 terminated. The recording of an affidavit of affixation does
2 not change the character of any security interest or lien noted
3 on a certificate of title, and no recording tax shall be
4 imposed at the time an affidavit of affixation is recorded upon
5 any security interest in or lien on a manufactured home
6 perfected under Section 3-202 of the Illinois Vehicle Code.

7 Section 5-25. Notice to Secretary of State. Upon payment of
8 the fees provided by law and recordation of the affidavit of
9 affixation, the recording officer shall endorse the affidavit
10 as "recorded in land records", setting forth thereon the
11 indexing information for the affidavit of affixation, and the
12 recording officer shall forthwith forward a certified copy of
13 the affidavit of affixation and all attachments thereto to the
14 person designated therein for filing with the Secretary of
15 State. Upon receipt of a certified copy of the affidavit of
16 affixation by the person designated therein for filing with the
17 Secretary of State, such person shall forthwith deliver for
18 filing to the Secretary a certified copy of the affidavit of
19 affixation and other documents as provided in item (4) of
20 Section 5-10 of this Act.

21 Section 5-30. Effect of recorded affidavit of affixation. A
22 manufactured home shall be deemed to be real property when all
23 of the following events have occurred:

24 (1) the manufactured home is permanently affixed to land as

1 provided in Section 5-5 of this Act;

2 (2) an affidavit of affixation conforming to the
3 requirements of Section 5-15 of this Act has been recorded;

4 (3) a certified copy of the affidavit of affixation has
5 been delivered for filing to the Secretary of State as provided
6 in Section 5 of this Act; and

7 (4) the requirements of Section 3-116.1 or 3-116.2 of the
8 Illinois Vehicle Code, as applicable, have been satisfied.

9 Section 5-35. Conveyance and encumbrance as real property.
10 Upon the satisfaction of the requirements of Section 5-30 of
11 this Act and the requirements of Section 3-116.1 or 3-116.2 of
12 the Illinois Vehicle Code, as applicable, such manufactured
13 home shall be deemed to be real property; any mortgage, deed of
14 trust, lien, or security interest that can attach to land,
15 buildings erected thereon, or fixtures affixed thereto shall
16 attach as of the date of its recording in the same manner as if
17 the manufactured home were built from ordinary building
18 materials on site; title to such manufactured home shall be
19 transferred by deed or other form of conveyance that is
20 effective to transfer an interest in real property, together
21 with the land to which such structure has been affixed; and the
22 manufactured home shall be deemed to be real property and shall
23 be governed by the laws applicable to real property.

24 Section 5-40. Manufactured home that remains personal

1 property or a fixture. Except as provided in Sections 5-15,
2 5-25, 5-30, and 5-35 of this Act, an affidavit of affixation is
3 not necessary or effective to convey or encumber a manufactured
4 home or to change the character of the manufactured home to
5 real property. Every conveyance of land upon which is located a
6 manufactured home for which no affidavit of affixation has been
7 recorded or for which an affidavit of severance has been
8 recorded shall contain a recital that such conveyance does not
9 affect the title to said manufactured home and that the
10 transfer or encumbrance thereof can only be made pursuant to
11 the provisions of the Illinois Vehicle Code. Any agreement by
12 any party to the transaction whereby the requirements of this
13 subsection are waived shall be void as contrary to public
14 policy.

15 Section 5-45. Applicability. Nothing in this Act shall
16 impair any rights existing under law prior to the effective
17 date of this Act of anyone claiming an interest in the
18 manufactured home.

19 Section 5-50. Affidavit of severance.

20 (a) If and when a manufactured home for which an affidavit
21 of affixation has been recorded is detached or severed from the
22 real property to which it is affixed, the person (all, if more
23 than one) having an interest in the real property shall record
24 an affidavit of severance in the land records of the county

1 where the affidavit of affixation with respect to the
2 manufactured home is recorded. The affidavit of severance shall
3 contain or be accompanied by:

4 (i) the name, residence, and mailing address of the
5 owner of the manufactured home;

6 (ii) a description of the manufactured home including
7 the name of the manufacturer, the make, the model name, the
8 model year, the dimensions, and the vehicle identification
9 number or numbers of the manufactured home and whether it
10 is new or used;

11 (iii) the book number, page number and date of
12 recordation of the affidavit of affixation;

13 (iv) a statement of either (A) any facts or information
14 known to the party executing the affidavit that could
15 reasonably affect the validity of the title of the
16 manufactured home or the existence or non-existence of a
17 security interest in or lien on it, or (B) that no such
18 facts or information are known to such party; and

19 (v) the name and address of the person designated for
20 filing the certified copy of the affidavit of severance
21 with the Secretary of State, to whom the recording officer
22 shall return the certified copy of the affidavit of
23 severance after it has been duly recorded in the real
24 property records, as provided in subsection (e) of this
25 Section.

26 (b) The affidavit of severance shall be in the form set

1 forth in subsection (c) of this Section, duly acknowledged or
2 proved in like manner as to entitle a conveyance to be
3 recorded, and when so acknowledged or proved and upon payment
4 of the lawful fees therefor, such recording officer shall
5 immediately cause the affidavit and any attachments thereto to
6 be duly recorded and indexed in the record of deeds.

7 (c) Upon payment of the fees provided by law and
8 recordation of the affidavit of severance, the recording
9 officer shall endorse the affidavit as "recorded in land
10 records", setting forth thereon the indexing information for
11 the affidavit of severance, and the recording officer shall
12 forthwith forward a certified copy of the affidavit of
13 severance to the person designated therein for filing with the
14 Secretary of State. Upon receipt of a certified copy of the
15 affidavit of severance by the person designated therein for
16 filing with the Secretary of State, such person shall deliver
17 for filing to the Secretary of State such certified copy of the
18 affidavit of severance and the other documents provided in
19 subsection (a) of this Section, together with an application
20 for a certificate of title to the manufactured home, to be
21 issued in accordance with subsection (b) of Section 3-109.

22 Section 55. Documents in trust.

23 (a) Manufacturer's Statement of Origin. The holder of a
24 Manufacturer's Statement of Origin to a manufactured home may
25 deliver it to any person to facilitate conveying or encumbering

1 the home. Any person receiving a Manufacturer's Statement of
2 Origin so delivered holds it in trust for the person delivering
3 it.

4 (b) Lien Release. The holder of a security interest in a
5 manufactured home may deliver lien release documents to any
6 person to facilitate conveying or encumbering the home. Any
7 person receiving any such documents so delivered holds the
8 documents in trust for the lienholder.

9 Article 10. AMENDATORY PROVISIONS

10 Section 10-5. The Use Tax Act is amended by adding Section
11 3-3 as follows:

12 (35 ILCS 105/3-3 new)

13 Sec. 3-3. Mobile home sales. The tax imposed under this Act
14 on new mobile homes or new manufactured homes to be located
15 outside of a mobile home park shall be calculated against 40%
16 of the selling price of the home and against 100% of the
17 selling price of any other building materials used in the
18 installation and set up of the home. This provision does not
19 change the current calculation of the use tax for new mobile
20 homes or manufactured homes to be located inside of a mobile
21 home park. There shall be no use tax on the resale of mobile
22 homes or manufactured homes located outside or inside mobile
23 home parks.

1 Section 10-10. The Retailers' Occupation Tax Act is amended
2 by adding Section 5m as follows:

3 (35 ILCS 120/5m new)

4 Sec. 5m. Mobile home sales. The tax imposed under this Act
5 on new mobile homes or new manufactured homes to be located
6 outside of a mobile home park shall be calculated against 40%
7 of the selling price of the home and against 100% of the
8 selling price of any other building materials used in the
9 installation and set up of the home. This provision does not
10 change the current calculation of the retailers' occupation tax
11 for new mobile homes or manufactured homes to be located inside
12 of a mobile home park. There shall be no retailers' occupation
13 tax on the resale of mobile homes or manufactured homes located
14 outside or inside mobile home parks.

15 Section 10-15. The Property Tax Code is amended by changing
16 Section 1-130 as follows:

17 (35 ILCS 200/1-130)

18 Sec. 1-130. Property; real property; real estate; land;
19 tract; lot.

20 (a) The land itself, with all things contained therein, and
21 also all buildings, structures and improvements, and other
22 permanent fixtures thereon, including all oil, gas, coal, and

1 other minerals in the land and the right to remove oil, gas and
2 other minerals, excluding coal, from the land, and all rights
3 and privileges belonging or pertaining thereto, except where
4 otherwise specified by this Code. Not included therein are
5 low-income housing tax credits authorized by Section 42 of the
6 Internal Revenue Code, 26 U.S.C. 42.

7 (b) Notwithstanding any other provision of law, mobile
8 homes and manufactured homes that (i) are located outside of
9 mobile home parks and (ii) are taxed under the Mobile Home
10 Local Services Tax Act on the effective date of this amendatory
11 Act of the 96th General Assembly shall continue to be taxed
12 under the Mobile Home Local Services Tax Act and shall not be
13 ~~classified,~~ assessed, and taxed as real property until the home
14 is sold or transferred or until the home is relocated to a
15 different parcel of land outside of a mobile home park. If a
16 mobile home or manufactured home described in this subsection
17 (b) is sold, transferred, or relocated to a different parcel of
18 land outside of a mobile home park, then the home shall be
19 ~~classified,~~ assessed, and taxed as real property whether or not
20 that mobile home or manufactured home is permanently affixed to
21 real property as defined in Section 5-5 of the Conveyance and
22 Encumbrance of Manufactured Homes as Real Property and
23 Severance Act or installed on a permanent foundation and
24 whether or not such mobile home or manufactured home is real
25 property as defined in Section 5-35 of the Conveyance and
26 Encumbrance of Manufactured Homes as Real Property and

1 Severance Act. Mobile homes and manufactured homes that are
2 located outside of mobile home parks and ~~classified,~~ assessed,
3 and taxed as real property on the effective date of this
4 amendatory Act of the 96th General Assembly shall continue to
5 be ~~classified,~~ assessed, and taxed as real property whether or
6 not the mobile home or manufactured home is permanently affixed
7 to real property as defined in the Conveyance and Encumbrance
8 of Manufactured Homes as Real Property and Severance Act or
9 installed on permanent foundations and whether or not the
10 mobile home or manufactured home is real property as defined in
11 the Conveyance and Encumbrance of Manufactured Homes as Real
12 Property and Severance Act. If a mobile or manufactured home
13 that is located outside of a mobile home park is relocated to a
14 mobile home park, it must be considered chattel and must be
15 taxed according to the Mobile Home Local Services Tax Act. The
16 owner of a mobile home or manufactured home that is located
17 outside of a mobile home park may file a request with the
18 County Assessor's office ~~county~~ that the home be ~~classified,~~
19 ~~assessed, and~~ taxed as real property.

20 (c) Mobile homes and manufactured homes that are located in
21 mobile home parks must be ~~considered chattel and must be~~ taxed
22 according to the Mobile Home Local Services Tax Act.

23 (d) If the provisions of this Section conflict with the
24 Illinois Manufactured Housing and Mobile Home Safety Act, the
25 Mobile Home Local Services Tax Act, the Mobile Home Park Act,
26 or any other provision of law with respect to the taxation of

1 mobile homes or manufactured homes located outside of mobile
2 home parks, the provisions of this Section shall control.

3 (Source: P.A. 96-1477, eff. 1-1-11.)

4 Section 10-20. The Mobile Home Local Services Tax Act is
5 amended by changing Sections 1 and 4 as follows:

6 (35 ILCS 515/1) (from Ch. 120, par. 1201)

7 Sec. 1. (a) As ~~Except as provided in subsections (b) and~~
8 ~~(c), as~~ used in this Act, "manufactured home" means a
9 factory-assembled, completely integrated structure designed
10 for permanent habitation, with a permanent chassis, and so
11 constructed as to permit its transport, on wheels temporarily
12 or permanently attached to its frame, and is a movable or
13 portable unit that is (i) 8 body feet or more in width, (ii) 40
14 body feet or more in length, and (iii) 320 or more square feet,
15 constructed to be towed on its own chassis (comprised of frame
16 and wheels) from the place of its construction to the location,
17 or subsequent locations, at which it is ~~installed and set up~~
18 ~~according to the manufacturer's instructions and~~ connected to
19 utilities for year-round occupancy for use as a permanent
20 habitation, and designed and situated so as to permit its
21 occupancy as a dwelling place for one or more persons, and
22 specifically includes a "manufactured home" as defined in
23 subdivision 53 of section 9-102 of the Uniform Commercial Code.
24 The term shall include units containing parts that may be

1 folded, collapsed, or telescoped when being towed and that may
2 be expected to provide additional cubic capacity, and that are
3 designed to be joined into one integral unit capable of being
4 separated again into the components for repeated towing. The
5 term excludes campers and recreational vehicles. Mobile homes
6 and manufactured homes in mobile home parks must be assessed
7 and taxed as chattel. Mobile homes and manufactured homes
8 outside of mobile home parks must be assessed and taxed as real
9 property whether or not such mobile homes and manufactured
10 homes are permanently affixed to real property as defined in
11 Section 5-5 of the Conveyance and Encumbrance of Manufactured
12 Homes as Real Property and Severance Act or installed on
13 permanent foundations, and whether or not such mobile homes and
14 manufactured homes are real property as defined in Section 5-35
15 of the Conveyance and Encumbrance of Manufactured Homes as Real
16 Property and Severance Act. The words "mobile home" and
17 "manufactured home" are synonymous for the purposes of this
18 Act. Any such structure located outside of a mobile home park
19 shall not be assessed and taxed ~~constructed~~ as chattel, but must
20 be assessed and taxed as real property as defined by Section
21 1-130 of the Property Tax Code. All mobile homes and
22 manufactured homes located inside mobile home parks must be
23 ~~considered as chattel and~~ taxed according to this Act. Mobile
24 homes and manufactured homes located on a dealer's lot for
25 resale purposes or as a temporary office shall not be subject
26 to this tax.

1 (b) Mobile homes and manufactured homes that (i) are
2 located outside of mobile home parks and (ii) are taxed under
3 this Act on the effective date of this amendatory Act of the
4 96th General Assembly must continue to be taxed under this Act
5 and shall not be ~~classified~~, assessed, and taxed as real
6 property until the home is sold, transferred, or relocated to a
7 different parcel of land outside of a mobile home park. If a
8 mobile home or manufactured home described in this subsection
9 (b) is sold, transferred, or relocated to a different parcel of
10 land outside of a mobile home park, then the home must be
11 ~~classified~~, assessed, and taxed as real property whether or not
12 the mobile home or manufactured home is permanently affixed to
13 real property as defined in Section 5-5 of the Conveyance and
14 Encumbrance of Manufactured Homes as Real Property and
15 Severance Act or installed on a permanent foundation and
16 whether or not the mobile home or manufactured home is real
17 property as defined in Section 5-35 of the Conveyance and
18 Encumbrance of Manufactured Homes as Real Property and
19 Severance Act. Mobile homes and manufactured homes that are
20 located outside of mobile home parks ~~classified~~, assessed, and
21 taxed as real property on the effective date of this amendatory
22 Act of the 96th General Assembly must continue to be
23 ~~classified~~, assessed, and taxed as real property whether or not
24 the mobile homes and manufactured homes are permanently affixed
25 to real property as defined in Section 5-5 of the Conveyance
26 and Encumbrance of Manufactured Homes as Real Property and

1 Severance Act or installed on permanent foundations and whether
2 or not the mobile homes and manufactured homes are real
3 property as defined in Section 5-35 of the Conveyance and
4 Encumbrance of Manufactured Homes as Real Property and
5 Severance Act. If a mobile or manufactured home that is located
6 outside of a mobile home park is relocated to a mobile home
7 park, the home must be ~~considered chattel and must be~~ taxed
8 according to the Mobile Home Local Services Tax Act. The owner
9 of a mobile home or manufactured home that is located outside
10 of a mobile home park may file a request with the county that
11 the home be ~~classified,~~ assessed, and taxed as real property.

12 (c) Mobile homes and manufactured homes that are located in
13 mobile home parks must be ~~considered chattel and must be~~ taxed
14 according to this Act.

15 (Source: P.A. 96-1477, eff. 1-1-11.)

16 (35 ILCS 515/4) (from Ch. 120, par. 1204)

17 Sec. 4. The owner of each inhabited mobile home or
18 manufactured home located in this State, but not located inside
19 of a mobile home park, on the effective date of this amendatory
20 Act of the 96th General Assembly shall, within 30 days after
21 such date, record with the Office of the Recorder in the county
22 where the mobile home or manufactured home is located ~~file with~~
23 ~~the township assessor, if any, or with the Supervisor of~~
24 ~~Assessments or county assessor if there is no township~~
25 ~~assessor, or with the county assessor in those counties in~~

1 ~~which a county assessor is elected pursuant to Section 3-45 of~~
2 ~~the Property Tax Code,~~ a mobile home registration form
3 containing the information hereinafter specified, subject to
4 the county's recording fees ~~and record a signed copy of the~~
5 ~~title or certificate of origin in the county where the home is~~
6 ~~located or surrender the signed title or certificate of origin~~
7 ~~to be held by the county until such time as the home is to be~~
8 ~~removed from the county.~~ Mobile home park operators shall
9 forward a copy of the mobile home registration form provided in
10 Section 12 of "An Act to provide for, license and regulate
11 mobile homes and mobile home parks and to repeal an Act named
12 herein", approved September 8, 1971, as amended, to the
13 township assessor, if any, or to Supervisor of Assessments or
14 county assessor if there is no township assessor, or to the
15 county assessor in those counties in which a county assessor is
16 elected pursuant to Section 3-45 of the Property Tax Code,
17 within 5 days of the entry of a mobile home into such park. The
18 owner of a mobile home or manufactured home not located in a
19 mobile home park, other than a mobile home or manufactured home
20 with respect to which the requirements of Section 5-30 of the
21 Conveyance and Encumbrance of Manufactured Homes as Real
22 Property and Severance Act and the requirements of Section
23 3-116.1 or Section 3-116.2 of the Illinois Vehicle Code, as
24 applicable, have been satisfied unless with respect to the same
25 manufactured home there has been recorded an affidavit of
26 severance pursuant to Section 5-50 of the Conveyance and

1 Encumbrance of Manufactured Homes as Real Property and
2 Severance Act, shall, within 30 days after initial placement of
3 such mobile home or manufactured home in any county and within
4 30 days after movement of such mobile home or manufactured home
5 to a new location, record with the Office of the Recorder in
6 the county where the mobile home or manufactured home is
7 located ~~file with the county assessor, Supervisor of~~
8 ~~Assessments or township assessor, as the case may be,~~ a mobile
9 home registration showing the name and address of the owner and
10 every occupant of the mobile home or manufactured home, the
11 location of the mobile home or manufactured home, the year of
12 manufacture, and the square feet of floor space contained in
13 such mobile home or manufactured home together with the date
14 that the mobile home or manufactured home became inhabited, was
15 initially installed and set up in the county, or was moved to a
16 new location. Such registration shall also include the license
17 number of such mobile home or manufactured home and of the
18 towing vehicle, if there be any, and the State issuing such
19 licenses, subject to the county's recording fees. In the case
20 of a mobile home or manufactured home not located in a mobile
21 home park, the registration shall be signed by the owner or
22 occupant of the mobile home or manufactured home. ~~and the title~~
23 ~~or certificate of origin shall be signed and recorded in the~~
24 ~~county where the home is located or surrendered to the county~~
25 ~~and held until such time the home is removed from the county.~~
26 ~~Titles or certificates of origin held by a mortgage company on~~

1 ~~the home shall be signed and recorded in the county where~~
2 ~~located or surrendered to the county once the mortgage is~~
3 ~~released.~~ Failure to record the registration ~~or surrender the~~
4 ~~title or certificate of origin~~ shall not prevent the home from
5 being assessed and taxed as real property. It is the duty of
6 each township assessor, if any, and each Supervisor of
7 Assessments or county assessor if there is no township
8 assessor, or the county assessor in those counties in which a
9 county assessor is elected pursuant to Section 3-45 of the
10 Property Tax Code, to require timely filing of a properly
11 completed registration for each mobile home or manufactured
12 home located in a mobile home park in his or her township or
13 county, as the case may be. Any person furnishing
14 misinformation for purposes of registration or failing to file
15 a required registration is guilty of a Class A misdemeanor.
16 This Section applies only when the tax permitted by Section 3
17 has been imposed on mobile homes and manufactured homes located
18 inside mobile home parks.

19 (Source: P.A. 96-1477, eff. 1-1-11.)

20 Section 10-25. The Illinois Banking Act is amended by
21 changing Sections 3, 5a, 5d, and 6.1 as follows:

22 (205 ILCS 5/3) (from Ch. 17, par. 309)

23 Sec. 3. Formation and primary powers. It shall be lawful to
24 form banks, as herein provided, for the purpose of discount and

1 deposit, buying and selling exchange and doing a general
2 banking business, excepting the issuing of bills to circulate
3 as money; and such banks shall have the power to loan money on
4 personal and real estate security, and to accept and execute
5 trusts upon obtaining a certificate of authority pursuant to
6 the "Corporate Fiduciary Act", and shall be subject to all of
7 the provisions of this Act. For purposes of this Section, "real
8 estate" includes a manufactured home as defined in subdivision
9 (53) of Section 9-102 of the Uniform Commercial Code that is
10 real property as defined in Section 5-35 of the Conveyance and
11 Encumbrance of Manufactured Homes as Real Property and
12 Severance Act.

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

14 (205 ILCS 5/5a) (from Ch. 17, par. 312)

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

18 For purposes of this Section, a "reverse mortgage" loan
19 shall be a loan extended on the basis of existing equity in
20 homestead property. A bank, in making a "reverse mortgage"
21 loan, may add deferred interest to principal or otherwise
22 provide for the charging of interest or premium on the deferred
23 interest.

24 The loans shall be repaid upon sale of the property or upon
25 the death of the owner or, if the property is in joint tenancy,

1 upon the death of the last surviving joint tenant who had an
2 interest in the property at the time the loan was initiated.

3 "Homestead" property, for purposes of this Section, means
4 the domicile and contiguous real estate owned and occupied by
5 the mortgagor. For purposes of this Section, "homestead"
6 includes a manufactured home as defined in subdivision (53) of
7 Section 9-102 of the Uniform Commercial Code, used as the
8 domicile, that is real property, as defined in Section 5-35 of
9 the Conveyance and Encumbrance of Manufactured Homes as Real
10 Property and Severance Act, and is owned and occupied by the
11 mortgagor.

12 The Commissioner of Banks and Real Estate shall prescribe
13 rules governing this Section and Section 1-6a of the Illinois
14 Savings and Loan Act of 1985.

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

16 (205 ILCS 5/5d) (from Ch. 17, par. 312.3)

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

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

1 Any mortgage or deed of trust given to secure a revolving
2 credit loan may, and when so expressed therein shall, secure
3 not only the existing indebtedness, but also such future
4 advances, whether such advances are obligatory or to be made at
5 the option of the lender, or otherwise, as are made within
6 twenty years from the date thereof, to the same extent as if
7 such future advances were made on the date of the execution of
8 such mortgage or deed of trust, although there may be no
9 advance made at the time of execution of such mortgage or other
10 instrument, and although there may be no indebtedness
11 outstanding at the time any advance is made. The lien of such
12 mortgage or deed of trust, as to third persons without actual
13 notice thereof, shall be valid as to all such indebtedness and
14 future advances from the time said mortgage or deed of trust is
15 filed for record in the office of the Recorder of Deeds or the
16 Registrar of Titles of the county where the real property
17 described therein is located. The total amount of indebtedness
18 that may be so secured may increase or decrease from time to
19 time, but the total unpaid balance so secured at any one time
20 shall not exceed a maximum principal amount which must be
21 specified in such mortgage or deed of trust, plus interest
22 thereon, and any disbursements made for the payment of taxes,
23 special assessments, or insurance on said real property, with
24 interest on such disbursements.

25 Any such mortgage or deed of trust shall be valid and have
26 priority over all subsequent liens and encumbrances, including

1 statutory liens, except taxes and assessments levied on said
2 real property.

3 For purposes of this Section, "real property" includes a
4 manufactured home as defined in subdivision (53) of Section
5 9-102 of the Uniform Commercial Code, that is real property as
6 defined in Section 5-35 of the Conveyance and Encumbrance of
7 Manufactured Homes as Real Property and Severance Act.

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

9 (205 ILCS 5/6.1) (from Ch. 17, par. 313.1)

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

11 (a) It is the intent of this amendatory Act of 1991 that
12 homeowners at least 62 years of age be permitted to meet their
13 financial needs by accessing the equity in their homes through
14 a reverse mortgage. The General Assembly recognizes that many
15 restrictions and requirements that exist to govern traditional
16 mortgage transactions are inapplicable in the context of
17 reverse mortgages. In order to foster reverse mortgage
18 transactions and better serve the citizens of this State, this
19 Section authorizes the making of reverse mortgages, and
20 expressly relieves reverse mortgage lenders and borrowers from
21 compliance with inappropriate requirements.

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

24 For purposes of this Section, "real property" includes a
25 manufactured home as defined in subdivision (53) of Section

1 9-102 of the Uniform Commercial Code which is real property as
2 defined in Section 5-35 of the Conveyance and Encumbrance of
3 Manufactured Homes as Real Property and Severance Act.

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

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

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

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

15 (1) Payment, in whole or in part, shall be permitted
16 without penalty at any time during the term of the
17 mortgage.

18 (2) A reverse mortgage may provide for an interest rate
19 that is fixed or adjustable and may provide for interest
20 that is contingent on appreciation in the value of the
21 property.

22 (3) If a reverse mortgage provides for periodic
23 advances to a borrower, the advances may not be reduced in
24 amount or number based on any adjustment in the interest
25 rate.

26 (4) A reverse mortgage may be subject to any additional

1 terms and conditions imposed by a lender that are required
2 under the provisions of the federal Housing and Community
3 Development Act of 1987 to enable the lender to obtain
4 federal government insurance on the mortgage if the loans
5 are to be insured under that Act.

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

8 (1) Temporary absences from the home not exceeding 60
9 consecutive days shall not cause the mortgage to become due
10 and payable.

11 (2) Temporary absences from the home exceeding 60 days,
12 but not exceeding one year shall not cause the mortgage to
13 become due and payable, provided that the borrower has
14 taken action that secures the home in a manner satisfactory
15 to the lender.

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

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

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

24 (2) All borrowers cease to occupy the home as a
25 principal residence.

26 (3) A fixed maturity date agreed to by the lender and

1 the borrower is reached.

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

4 (e) No reverse mortgage commitment may be made by a lender
5 unless the loan applicant attests, in writing, that the
6 applicant has received from the lender, at the time of initial
7 inquiry, a statement prepared by the Department on Aging
8 regarding the advisability and availability of independent
9 information and counseling services on reverse mortgages.
10 (Source: P.A. 87-488.)

11 Section 10-30. The Illinois Savings and Loan Act of 1985 is
12 amended by changing Sections 1-10.30 and 5-2 as follows:

13 (205 ILCS 105/1-10.30) (from Ch. 17, par. 3301-10.30)
14 Sec. 1-10.30. "Real property": the interests, benefits,
15 and rights inherent in the ownership of the physical real
16 estate. It is the rights with which the ownership of real
17 estate is endowed. "Real property" includes a manufactured home
18 as defined in subdivision (53) of Section 9-102 of the Uniform
19 Commercial Code that is real property as defined in Section
20 5-35 of the Conveyance and Encumbrance of Manufactured Homes as
21 Real Property and Severance Act. For purposes of this Act, the
22 term "Real Estate" is synonymous with "Real Property".
23 (Source: P.A. 84-543.)

1 (205 ILCS 105/5-2) (from Ch. 17, par. 3305-2)

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

4 (a) On the security of withdrawable capital accounts, but
5 no such loan shall exceed the withdrawal value of the pledged
6 account;

7 (b) On the security of real estate:

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

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

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

15 (4) With the security interest in such real estate
16 evidenced by an appropriate written instrument and the loan
17 evidenced by a note, bond or similar written instrument. A loan
18 on the security of the whole of the beneficial interest in a
19 land trust satisfies the requirements of this paragraph if the
20 title to the land is held by a corporate trustee and if the
21 real estate held in the land trust meets the other requirements
22 of this subsection; and

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

24 (c) For the purpose of repair, improvement,
25 rehabilitation, furnishing or equipment of real estate or any
26 other purpose;

1 (d) For the purpose of financing or refinancing an existing
2 ownership interest in certificates of stock, certificates of
3 beneficial interest or other evidence of an ownership interest
4 in, and a proprietary lease from, a corporation, trust or
5 partnership formed for the purpose of the cooperative ownership
6 of real estate, secured by the assignment or transfer of such
7 certificates or other evidence of ownership of the borrower;

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

11 (f) Through the purchase of installment contracts for the
12 sale of real estate, and title thereto which is subject to such
13 contracts, but in each instance only if the association at the
14 time of purchase could make a mortgage loan of the same amount
15 and for the same length of time on the security of such real
16 estate;

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

21 (h) Through secured or unsecured loans for business,
22 corporate, personal, family, or household purposes, or for
23 secured or unsecured loans for agricultural or commercial
24 purposes to the same extent that such agricultural or
25 commercial loans are authorized by federal law for any savings
26 and loan association organized under federal law and authorized

1 to do business in this State, except that loans to service
2 corporations shall not be subject to the limitations of this
3 paragraph;

4 (i) For the purpose of manufactured ~~mobile~~ home financing
5 subject, however, to the regulation of the Commissioner; as
6 used in this Section, "manufactured home" means a manufactured
7 home as defined in subdivision (53) of Section 9-102 of the
8 Uniform Commercial Code;

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

13 (k) Any provision of this Act to the contrary
14 notwithstanding, any association may make any loan to its
15 members or investment which such association could make if it
16 were incorporated and operating as an association organized
17 under the laws of the United States.

18 (Source: P.A. 86-137.)

19 Section 10-35. The Savings Bank Act is amended by changing
20 Sections 6002 and 6008 as follows:

21 (205 ILCS 205/6002) (from Ch. 17, par. 7306-2)

22 Sec. 6002. Investment in loans.

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

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

3 (2) On the security of real estate:

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

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

7 (C) with the title established by evidence of title as
8 is consistent with sound lending practices in the locality;

9 (D) with the security interest in the real estate
10 evidenced by an appropriate written instrument and the loan
11 evidenced by a note, bond, or similar written instrument; a
12 loan on the security of the whole of the beneficial
13 interest in a land trust satisfies the requirements of this
14 paragraph if the title to the land is held by a corporate
15 trustee and if the real estate held in the land trust meets
16 the other requirements of this subsection;

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

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

20 (4) For the purpose of financing or refinancing an existing
21 ownership interest in certificates of stock, certificates of
22 beneficial interest, other evidence of an ownership interest
23 in, or a proprietary lease from a corporation, trust, or
24 partnership formed for the purpose of the cooperative ownership
25 of real estate, secured by the assignment or transfer of
26 certificates or other evidence of ownership of the borrower.

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

4 (6) Through the purchase of installment contracts for the
5 sale of real estate and title thereto that is subject to the
6 contracts, but in each instance only if the savings bank, at
7 the time of purchase, could make a mortgage loan of the same
8 amount and for the same length of time on the security of the
9 real estate.

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

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

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

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

1 (11) Any provision of this Act or any other law, except for
2 paragraph (18) of Section 6003, to the contrary
3 notwithstanding, but subject to the Financial Institutions
4 Insurance Sales Law and subject to the Commissioner's
5 regulations, any savings bank may make any loan or investment
6 or engage in any activity that it could make or engage in if it
7 were organized under State law as a savings and loan
8 association or under federal law as a federal savings and loan
9 association or federal savings bank.

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

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

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

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

26 (16) As secured or unsecured credit to cover the payment of

1 checks, drafts, or other funds transfer orders in excess of the
2 available balance of an account on which they are drawn,
3 subject to the regulations of the Commissioner.

4 (b) For purposes of this Section, "real estate" includes a
5 manufactured home as defined in subdivision (53) of the Uniform
6 Commercial Code which is real property as defined in Section
7 5-35 of the Conveyance and Encumbrance of Manufactured Homes as
8 Real Property and Severance Act.

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

10 (205 ILCS 205/6008) (from Ch. 17, par. 7306-8)

11 Sec. 6008. Purchase of real estate at forced sale. A
12 savings bank may purchase at any sheriff's or other judicial
13 sale, either public or private, any real estate upon which the
14 savings bank has any mortgage, lien or other encumbrance, or in
15 which the savings bank has any other interest. The savings bank
16 thereafter may repair, insure, improve, sell, convey, lease,
17 preserve, mortgage, exchange, or otherwise dispose of real
18 estate so acquired in the best interests of the savings bank.
19 For purposes of this Section, "real estate" includes a
20 manufactured home as defined in subdivision (53) of Section
21 9-102 of the Uniform Commercial Code which is real property as
22 defined in Section 5-35 of the Conveyance and Encumbrance of
23 Manufactured Homes as Real Property and Severance Act.

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

1 Section 10-40. The Illinois Credit Union Act is amended by
2 changing Sections 46 and 46.1 as follows:

3 (205 ILCS 305/46) (from Ch. 17, par. 4447)

4 Sec. 46. Loans and interest rate.

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

1 obligation of the member under the credit contract. A
2 contingency or hourly arrangement established under an
3 agreement entered into by a credit union with an attorney or
4 collection agency to collect a loan of a member in default
5 shall be presumed prima facie reasonable.

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

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

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

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

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

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

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

25 Any mortgage or deed of trust given to secure a revolving
26 credit loan may, and when so expressed therein shall, secure

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

23 Any such mortgage or deed of trust shall be valid and have
24 priority over all subsequent liens and encumbrances, including
25 statutory liens, except taxes and assessments levied on said
26 real property.

1 (4-5) For purposes of this Section, "real estate" and "real
2 property" include a manufactured home as defined in subdivision
3 (53) of Section 9-102 of the Uniform Commercial Code which is
4 real property as defined in Section 5-35 of the Conveyance and
5 Encumbrance of Manufactured Homes as Real Property and
6 Severance Act.

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

10 (6) Credit unions may make residential real estate mortgage
11 loans on terms and conditions established by the United States
12 Department of Agriculture through its Rural Development
13 Housing and Community Facilities Program. The portion of any
14 loan in excess of the appraised value of the real estate shall
15 be allocable only to the guarantee fee required under the
16 program.

17 (Source: P.A. 95-98, eff. 8-13-07; 96-141, eff. 8-7-09.)

18 (205 ILCS 305/46.1) (from Ch. 17, par. 4447.1)

19 Sec. 46.1. Non-recourse reverse mortgage loans. Any credit
20 union authorized under this Act to make loans secured by an
21 interest or equity in real estate may make non-recourse reverse
22 mortgage loans as provided in Section 6.1 of the Illinois
23 Banking Act.

24 For purposes of this Section, "real estate" includes a
25 manufactured home as defined in subdivision (53) of Section

1 9-102 of the Uniform Commercial Code that is real property as
2 defined in Section 5-35 of the Conveyance and Encumbrance of
3 Manufactured Homes as Real Property and Severance Act.

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

5 Section 10-45. The Residential Mortgage License Act of 1987
6 is amended by changing Section 1-4 as follows:

7 (205 ILCS 635/1-4)

8 Sec. 1-4. Definitions.

9 (a) "Residential real property" or "residential real
10 estate" shall mean any real property located in Illinois, upon
11 which is constructed or intended to be constructed a dwelling.
12 Those terms include a manufactured home as defined in
13 subdivision (53) of Section 9-102 of the Uniform Commercial
14 Code which is real property as defined in Section 5-35 of the
15 Conveyance and Encumbrance of Manufactured Homes as Real
16 Property and Severance Act.

17 (b) "Making a residential mortgage loan" or "funding a
18 residential mortgage loan" shall mean for compensation or gain,
19 either directly or indirectly, advancing funds or making a
20 commitment to advance funds to a loan applicant for a
21 residential mortgage loan.

22 (c) "Soliciting, processing, placing, or negotiating a
23 residential mortgage loan" shall mean for compensation or gain,
24 either directly or indirectly, accepting or offering to accept

1 an application for a residential mortgage loan, assisting or
2 offering to assist in the processing of an application for a
3 residential mortgage loan on behalf of a borrower, or
4 negotiating or offering to negotiate the terms or conditions of
5 a residential mortgage loan with a lender on behalf of a
6 borrower including, but not limited to, the submission of
7 credit packages for the approval of lenders, the preparation of
8 residential mortgage loan closing documents, including a
9 closing in the name of a broker.

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

11 (1) (i) Any banking organization or foreign banking
12 corporation licensed by the Illinois Commissioner of Banks
13 and Real Estate or the United States Comptroller of the
14 Currency to transact business in this State; (ii) any
15 national bank, federally chartered savings and loan
16 association, federal savings bank, federal credit union;
17 (iii) any pension trust, bank trust, or bank trust company;
18 (iv) any bank, savings and loan association, savings bank,
19 or credit union organized under the laws of this or any
20 other state; (v) any Illinois Consumer Installment Loan Act
21 licensee; (vi) any insurance company authorized to
22 transact business in this State; (vii) any entity engaged
23 solely in commercial mortgage lending; (viii) any service
24 corporation of a savings and loan association or savings
25 bank organized under the laws of this State or the service
26 corporation of a federally chartered savings and loan

1 association or savings bank having its principal place of
2 business in this State, other than a service corporation
3 licensed or entitled to reciprocity under the Real Estate
4 License Act of 2000; or (ix) any first tier subsidiary of a
5 bank, the charter of which is issued under the Illinois
6 Banking Act by the Illinois Commissioner of Banks and Real
7 Estate, or the first tier subsidiary of a bank chartered by
8 the United States Comptroller of the Currency and that has
9 its principal place of business in this State, provided
10 that the first tier subsidiary is regularly examined by the
11 Illinois Commissioner of Banks and Real Estate or the
12 Comptroller of the Currency, or a consumer compliance
13 examination is regularly conducted by the Federal Reserve
14 Board.

15 (1.5) Any employee of a person or entity mentioned in
16 item (1) of this subsection, when acting for such person or
17 entity, or any registered mortgage loan originator when
18 acting for an entity described in subsection (tt) of this
19 Section.

20 (2) (Blank).

21 (3) Any person employed by a licensee to assist in the
22 performance of the residential mortgage licensee's
23 activities regulated by this Act who is compensated in any
24 manner by only one licensee.

25 (4) (Blank).

26 (5) Any individual, corporation, partnership, or other

1 entity that originates, services, or brokers residential
2 mortgage loans, as these activities are defined in this
3 Act, and who or which receives no compensation for those
4 activities, subject to the Commissioner's regulations and
5 the federal Secure and Fair Enforcement for Mortgage
6 Licensing Act of 2008 and the rules promulgated under that
7 Act with regard to the nature and amount of compensation.

8 (6) (Blank).

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

13 (f) "Mortgage loan" "residential mortgage loan" or "home
14 mortgage loan" shall mean any loan primarily for personal,
15 family, or household use that is secured by a mortgage, deed of
16 trust, or other equivalent consensual security interest on a
17 dwelling as defined in Section 103(v) of the federal Truth in
18 Lending Act, or residential real estate upon which is
19 constructed or intended to be constructed a dwelling.

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

23 (h) "Ultimate equitable owner" shall mean a person who,
24 directly or indirectly, owns or controls an ownership interest
25 in a corporation, foreign corporation, alien business
26 organization, trust, or any other form of business organization

1 regardless of whether the person owns or controls the ownership
2 interest through one or more persons or one or more proxies,
3 powers of attorney, nominees, corporations, associations,
4 partnerships, trusts, joint stock companies, or other entities
5 or devices, or any combination thereof.

6 (i) "Residential mortgage financing transaction" shall
7 mean the negotiation, acquisition, sale, or arrangement for or
8 the offer to negotiate, acquire, sell, or arrange for, a
9 residential mortgage loan or residential mortgage loan
10 commitment.

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

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

15 (l) "Party to a residential mortgage financing
16 transaction" shall mean a borrower, lender, or loan broker in a
17 residential mortgage financing transaction.

18 (m) "Payments" shall mean payment of all or any of the
19 following: principal, interest and escrow reserves for taxes,
20 insurance and other related reserves, and reimbursement for
21 lender advances.

22 (n) "Commissioner" shall mean the Commissioner of Banks and
23 Real Estate, except that, beginning on April 6, 2009 (the
24 effective date of Public Act 95-1047), all references in this
25 Act to the Commissioner of Banks and Real Estate are deemed, in
26 appropriate contexts, to be references to the Secretary of

1 Financial and Professional Regulation, or his or her designee,
2 including the Director of the Division of Banking of the
3 Department of Financial and Professional Regulation.

4 (n-1) "Director" shall mean the Director of the Division of
5 Banking of the Department of Financial and Professional
6 Regulation, except that, beginning on July 31, 2009 (the
7 effective date of Public Act 96-112), all references in this
8 Act to the Director are deemed, in appropriate contexts, to be
9 the Secretary of Financial and Professional Regulation, or his
10 or her designee, including the Director of the Division of
11 Banking of the Department of Financial and Professional
12 Regulation.

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

23 (p) "Loan broker" or "broker" shall mean a person,
24 partnership, association, corporation, or limited liability
25 company, other than those persons, partnerships, associations,
26 corporations, or limited liability companies exempted from

1 licensing pursuant to Section 1-4, subsection (d), of this Act,
2 who performs the activities described in subsections (c) and
3 (o) of this Section.

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

14 (r) "Full service office" shall mean an office, provided by
15 the licensee and not subleased from the licensee's employees,
16 and staff in Illinois reasonably adequate to handle efficiently
17 communications, questions, and other matters relating to any
18 application for, or an existing home mortgage secured by
19 residential real estate situated in Illinois with respect to
20 which the licensee is brokering, funding originating,
21 purchasing, or servicing. The management and operation of each
22 full service office must include observance of good business
23 practices such as proper signage; adequate, organized, and
24 accurate books and records; ample phone lines, hours of
25 business, staff training and supervision, and provision for a
26 mechanism to resolve consumer inquiries, complaints, and

1 problems. The Commissioner shall issue regulations with regard
2 to these requirements and shall include an evaluation of
3 compliance with this Section in his or her periodic examination
4 of each licensee.

5 (s) "Purchasing" shall mean the purchase of conventional or
6 government-insured mortgage loans secured by residential real
7 estate situated in Illinois from either the lender or from the
8 secondary market.

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

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

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

16 (1) obtain a residential mortgage loan for the borrower
17 or assist the borrower in obtaining a residential mortgage
18 loan; or

19 (2) consider making a residential mortgage loan to the
20 borrower.

21 (w) "Advertisement" shall mean the attempt by publication,
22 dissemination, or circulation to induce, directly or
23 indirectly, any person to enter into a residential mortgage
24 loan agreement or residential mortgage loan brokerage
25 agreement relative to a mortgage secured by residential real
26 estate situated in Illinois.

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

3 (y) "Government-insured mortgage loan" shall mean any
4 mortgage loan made on the security of residential real estate
5 insured by the Department of Housing and Urban Development or
6 Farmers Home Loan Administration, or guaranteed by the Veterans
7 Administration.

8 (z) "Annual audit" shall mean a certified audit of the
9 licensee's books and records and systems of internal control
10 performed by a certified public accountant in accordance with
11 generally accepted accounting principles and generally
12 accepted auditing standards.

13 (aa) "Financial institution" shall mean a savings and loan
14 association, savings bank, credit union, or a bank organized
15 under the laws of Illinois or a savings and loan association,
16 savings bank, credit union or a bank organized under the laws
17 of the United States and headquartered in Illinois.

18 (bb) "Escrow agent" shall mean a third party, individual or
19 entity charged with the fiduciary obligation for holding escrow
20 funds on a residential mortgage loan pending final payout of
21 those funds in accordance with the terms of the residential
22 mortgage loan.

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

25 (dd) "Affiliate" shall mean:

26 (1) any entity that directly controls or is controlled

1 by the licensee and any other company that is directly
2 affecting activities regulated by this Act that is
3 controlled by the company that controls the licensee;

4 (2) any entity:

5 (A) that is controlled, directly or indirectly, by
6 a trust or otherwise, by or for the benefit of
7 shareholders who beneficially or otherwise control,
8 directly or indirectly, by trust or otherwise, the
9 licensee or any company that controls the licensee; or

10 (B) a majority of the directors or trustees of
11 which constitute a majority of the persons holding any
12 such office with the licensee or any company that
13 controls the licensee;

14 (3) any company, including a real estate investment
15 trust, that is sponsored and advised on a contractual basis
16 by the licensee or any subsidiary or affiliate of the
17 licensee.

18 The Commissioner may define by rule and regulation any
19 terms used in this Act for the efficient and clear
20 administration of this Act.

21 (ee) "First tier subsidiary" shall be defined by regulation
22 incorporating the comparable definitions used by the Office of
23 the Comptroller of the Currency and the Illinois Commissioner
24 of Banks and Real Estate.

25 (ff) "Gross delinquency rate" means the quotient
26 determined by dividing (1) the sum of (i) the number of

1 government-insured residential mortgage loans funded or
2 purchased by a licensee in the preceding calendar year that are
3 delinquent and (ii) the number of conventional residential
4 mortgage loans funded or purchased by the licensee in the
5 preceding calendar year that are delinquent by (2) the sum of
6 (i) the number of government-insured residential mortgage
7 loans funded or purchased by the licensee in the preceding
8 calendar year and (ii) the number of conventional residential
9 mortgage loans funded or purchased by the licensee in the
10 preceding calendar year.

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

18 (hh) "Loan originator" means any natural person who, for
19 compensation or in the expectation of compensation, either
20 directly or indirectly makes, offers to make, solicits, places,
21 or negotiates a residential mortgage loan. This definition
22 applies only to Section 7-1 of this Act.

23 (ii) "Confidential supervisory information" means any
24 report of examination, visitation, or investigation prepared
25 by the Commissioner under this Act, any report of examination
26 visitation, or investigation prepared by the state regulatory

1 authority of another state that examines a licensee, any
2 document or record prepared or obtained in connection with or
3 relating to any examination, visitation, or investigation, and
4 any record prepared or obtained by the Commissioner to the
5 extent that the record summarizes or contains information
6 derived from any report, document, or record described in this
7 subsection. "Confidential supervisory information" does not
8 include any information or record routinely prepared by a
9 licensee and maintained in the ordinary course of business or
10 any information or record that is required to be made publicly
11 available pursuant to State or federal law or rule.

12 (jj) "Mortgage loan originator" means an individual who for
13 compensation or gain or in the expectation of compensation or
14 gain:

15 (i) takes a residential mortgage loan application; or

16 (ii) offers or negotiates terms of a residential
17 mortgage loan.

18 "Mortgage loan originator" does not include an individual
19 engaged solely as a loan processor or underwriter except as
20 otherwise provided in subsection (d) of Section 7-1A of this
21 Act.

22 "Mortgage loan originator" does not include a person or
23 entity that only performs real estate brokerage activities and
24 is licensed in accordance with the Real Estate License Act of
25 2000, unless the person or entity is compensated by a lender, a
26 mortgage broker, or other mortgage loan originator, or by any

1 agent of that lender, mortgage broker, or other mortgage loan
2 originator.

3 "Mortgage loan originator" does not include a person or
4 entity solely involved in extensions of credit relating to
5 timeshare plans, as that term is defined in Section 101(53D) of
6 Title 11, United States Code.

7 (kk) "Depository institution" has the same meaning as in
8 Section 3 of the Federal Deposit Insurance Act, and includes
9 any credit union.

10 (ll) "Dwelling" means a residential structure or mobile
11 home which contains one to 4 family housing units, or
12 individual units of condominiums or cooperatives.

13 (mm) "Immediate family member" means a spouse, child,
14 sibling, parent, grandparent, or grandchild, and includes
15 step-parents, step-children, step-siblings, or adoptive
16 relationships.

17 (nn) "Individual" means a natural person.

18 (oo) "Loan processor or underwriter" means an individual
19 who performs clerical or support duties as an employee at the
20 direction of and subject to the supervision and instruction of
21 a person licensed, or exempt from licensing, under this Act.
22 "Clerical or support duties" includes subsequent to the receipt
23 of an application:

24 (i) the receipt, collection, distribution, and
25 analysis of information common for the processing or
26 underwriting of a residential mortgage loan; and

1 (ii) communicating with a consumer to obtain the
2 information necessary for the processing or underwriting
3 of a loan, to the extent that the communication does not
4 include offering or negotiating loan rates or terms, or
5 counseling consumers about residential mortgage loan rates
6 or terms. An individual engaging solely in loan processor
7 or underwriter activities shall not represent to the
8 public, through advertising or other means of
9 communicating or providing information, including the use
10 of business cards, stationery, brochures, signs, rate
11 lists, or other promotional items, that the individual can
12 or will perform any of the activities of a mortgage loan
13 originator.

14 (pp) "Nationwide Mortgage Licensing System and Registry"
15 means a mortgage licensing system developed and maintained by
16 the Conference of State Bank Supervisors and the American
17 Association of Residential Mortgage Regulators for the
18 licensing and registration of licensed mortgage loan
19 originators.

20 (qq) "Nontraditional mortgage product" means any mortgage
21 product other than a 30-year fixed rate mortgage.

22 (rr) "Person" means a natural person, corporation,
23 company, limited liability company, partnership, or
24 association.

25 (ss) "Real estate brokerage activity" means any activity
26 that involves offering or providing real estate brokerage

1 services to the public, including:

2 (1) acting as a real estate agent or real estate broker
3 for a buyer, seller, lessor, or lessee of real property;

4 (2) bringing together parties interested in the sale,
5 purchase, lease, rental, or exchange of real property;

6 (3) negotiating, on behalf of any party, any portion of
7 a contract relating to the sale, purchase, lease, rental,
8 or exchange of real property, other than in connection with
9 providing financing with respect to any such transaction;

10 (4) engaging in any activity for which a person engaged
11 in the activity is required to be registered or licensed as
12 a real estate agent or real estate broker under any
13 applicable law; or

14 (5) offering to engage in any activity, or act in any
15 capacity, described in this subsection (ss).

16 (tt) "Registered mortgage loan originator" means any
17 individual that:

18 (1) meets the definition of mortgage loan originator
19 and is an employee of:

20 (A) a depository institution;

21 (B) a subsidiary that is:

22 (i) owned and controlled by a depository
23 institution; and

24 (ii) regulated by a federal banking agency; or

25 (C) an institution regulated by the Farm Credit
26 Administration; and

1 (2) is registered with, and maintains a unique
2 identifier through, the Nationwide Mortgage Licensing
3 System and Registry.

4 (uu) "Unique identifier" means a number or other identifier
5 assigned by protocols established by the Nationwide Mortgage
6 Licensing System and Registry.

7 (vv) "Residential mortgage license" means a license issued
8 pursuant to Section 1-3, 2-2, or 2-6 of this Act.

9 (wv) "Mortgage loan originator license" means a license
10 issued pursuant to Section 7-1A, 7-3, or 7-6 of this Act.

11 (xx) "Secretary" means the Secretary of the Department of
12 Financial and Professional Regulation, or a person authorized
13 by the Secretary or by this Act to act in the Secretary's
14 stead.

15 (Source: P.A. 95-1047, eff. 4-6-09; 96-112, eff. 7-31-09;
16 96-1000, eff. 7-2-10; 96-1216, eff. 1-1-11.)

17 Section 10-50. The Mobile Home Park Act is amended by
18 changing Section 2.1 as follows:

19 (210 ILCS 115/2.1) (from Ch. 111 1/2, par. 712.1)

20 Sec. 2.1. "Manufactured home" means a factory-assembled,
21 completely integrated structure designed for permanent
22 habitation, with a permanent chassis, and so constructed as to
23 permit its transport, on wheels temporarily or permanently
24 attached to its frame, and is a movable or portable unit that

1 is (i) 8 body feet or more in width, (ii) 40 body feet or more
2 in length, and (iii) 320 or more square feet, constructed to be
3 towed on its own chassis (comprised of frame and wheels) from
4 the place of its construction to the location, or subsequent
5 locations, at which it is ~~installed and set up according to the~~
6 ~~manufacturer's instructions and~~ connected to utilities for
7 year-round occupancy for use as a permanent habitation, and
8 designed and situated so as to permit its occupancy as a
9 dwelling place for one or more persons, and specifically
10 includes a "manufactured home" as defined in subdivision (53)
11 of Section 9-102 of the Uniform Commercial Code. The term shall
12 include units containing parts that may be folded, collapsed,
13 or telescoped when being towed and that may be expected to
14 provide additional cubic capacity, and that are designed to be
15 joined into one integral unit capable of being separated again
16 into the components for repeated towing. The term excludes
17 campers and recreational vehicles. The term "mobile home" shall
18 not include modular homes and their support systems. The words
19 "mobile home" and "manufactured home" are synonymous for the
20 purposes of this Act.

21 (Source: P.A. 96-1477, eff. 1-1-11.)

22 Section 10-55. The Abandoned Mobile Home Act is amended by
23 changing Section 10 as follows:

24 (210 ILCS 117/10)

1 Sec. 10. Definitions. As used in this Act:

2 "Manufactured home" means a factory-assembled, completely
3 integrated structure designed for permanent habitation, with a
4 permanent chassis, and so constructed as to permit its
5 transport, on wheels temporarily or permanently attached to its
6 frame, and is a movable or portable unit that is (i) 8 body
7 feet or more in width, (ii) 40 body feet or more in length, and
8 (iii) 320 or more square feet, constructed to be towed on its
9 own chassis (comprised of frame and wheels) from the place of
10 its construction to the location, or subsequent locations, at
11 which it is ~~installed and set up according to the~~
12 ~~manufacturer's instructions and~~ connected to utilities for
13 year-round occupancy for use as a permanent habitation, and
14 designed and situated so as to permit its occupancy as a
15 dwelling place for one or more persons, and specifically
16 includes a "manufactured home" as defined in subdivision (53)
17 of Section 9-102 of the Uniform Commercial Code. The term shall
18 include units containing parts that may be folded, collapsed,
19 or telescoped when being towed and that may be expected to
20 provide additional cubic capacity, and that are designed to be
21 joined into one integral unit capable of being separated again
22 into the components for repeated towing. The term excludes
23 campers and recreational vehicles. The words "mobile home" and
24 "manufactured home" are synonymous for the purposes of this
25 Act.

26 "Abandoned mobile home" means a mobile home located inside

1 a mobile home park that has no owner currently residing in the
2 mobile home or authorized tenant of the owner currently
3 residing in the mobile home to the best knowledge of the
4 municipality; has had its electricity, natural gas, sewer, and
5 water payments declared delinquent by the utility companies
6 that are providing such services; and for which the Mobile Home
7 Privilege Tax, imposed under the Mobile Home Local Services Tax
8 Act, is delinquent for at least 3 months. A mobile home
9 abandoned outside a mobile home park must be treated like other
10 real property for condemnation purposes.

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

16 (Source: P.A. 96-1477, eff. 1-1-11.)

17 Section 10-60. The Illinois Manufactured Housing and
18 Mobile Home Safety Act is amended by changing Section 2 as
19 follows:

20 (430 ILCS 115/2) (from Ch. 67 1/2, par. 502)

21 Sec. 2. Unless clearly indicated otherwise by the context,
22 the following words and terms when used in this Act, for the
23 purpose of this Act, shall have the following meanings:

24 (a) "Manufactured home" means "manufactured home" as

1 defined in subdivision (53) of Section 9-102 of the Uniform
2 Commercial Code. "Mobile home" means a factory-assembled,
3 completely integrated structure, constructed on or before June
4 30, 1976, designed for permanent habitation, with a permanent
5 chassis, and so constructed as to permit its transport, on
6 wheels temporarily or permanently attached to its frame, that
7 is a movable or portable unit that is constructed to be towed
8 on its own chassis (comprised of frame and wheels) from the
9 place of its construction to the location, or subsequent
10 locations, at which it is connected to utilities for year-round
11 occupancy for use as a permanent habitation, and designed and
12 situated so as to permit its occupancy as a dwelling place for
13 one or more persons. ~~a factory-assembled, completely~~
14 ~~integrated structure designed for permanent habitation, with a~~
15 ~~permanent chassis, and so constructed as to permit its~~
16 ~~transport, on wheels temporarily or permanently attached to its~~
17 ~~frame, and is a movable or portable unit that is (i) 8 body~~
18 ~~feet or more in width, (ii) 40 body feet or more in length, and~~
19 ~~(iii) 320 or more square feet, constructed to be towed on its~~
20 ~~own chassis (comprised of frame and wheels) from the place of~~
21 ~~its construction to the location, or subsequent locations, at~~
22 ~~which it is installed and set up according to the~~
23 ~~manufacturer's instructions and connected to utilities for~~
24 ~~year-round occupancy for use as a permanent habitation, and~~
25 ~~designed and situated so as to permit its occupancy as a~~
26 ~~dwelling place for one or more persons.~~ The terms "manufactured

1 home" and "mobile home" term shall include units otherwise
2 meeting their respective definitions containing parts that may
3 be folded, collapsed, or telescoped when being towed and that
4 may be expected to provide additional cubic capacity, and that
5 are designed to be joined into one integral unit capable of
6 being separated again into the components for repeated towing.
7 The terms "mobile home" and "manufactured home" exclude term
8 ~~excludes~~ campers and recreational vehicles. The terms "mobile
9 home" and "manufactured home" do not include modular homes or
10 manufactured housing units.

11 (b) "Person" means a person, partnership, corporation, or
12 other legal entity.

13 (c) "Manufacturer" means any person who manufactures
14 mobile homes or manufactured housing at the place or places,
15 either on or away from the building site, at which machinery,
16 equipment and other capital goods are assembled and operated
17 for the purpose of making, fabricating, forming or assembling
18 mobile homes or manufactured housing.

19 (d) "Department" means the Department of Public Health.

20 (e) "Director" means the Director of the Department of
21 Public Health.

22 (f) "Dealer" means any person, other than a manufacturer,
23 as defined in this Act, who sells 3 or more mobile homes or
24 manufactured housing units in any consecutive 12-month period.

25 (g) "Codes" means the safety codes for manufactured housing
26 and mobile homes promulgated by the Department. The Codes shall

1 contain the standards and requirements for manufactured
2 housing and mobile homes so that adequate performance for the
3 intended use is made the test of acceptability. The Code of
4 Standards shall permit the use of new and used technology,
5 techniques, methods and materials, for both manufactured
6 housing and mobile homes, consistent with recognized and
7 accepted codes and standards developed by the International
8 Code Council (ICC) or by the organizations that formed the ICC
9 in 1994: Building Officials and Code Administrators, the
10 International Conference of Building Officials, the Southern
11 Building Codes Congress International, the National Fire
12 Protection Association, the International Association of
13 Plumbing and Mechanical Officials, the American National
14 Standards Institute, the Illinois State Plumbing Code, and the
15 United States Department of Housing and Urban Development,
16 hereinafter referred to as "HUD", applying to manufactured
17 housing and mobile homes installed and set up according to the
18 manufacturer's instructions. A copy of said safety codes,
19 including said revisions thereof is on file with the
20 Department.

21 (h) "Seal" means a device or insignia issued by the
22 Department to be displayed on the exterior of the mobile home
23 or the interior of a manufactured housing unit or modular home
24 to evidence compliance with the applicable safety code.

25 (i) "Modular home" means a building assembly or system of
26 building sub-assemblies, designed for habitation as a dwelling

1 for one or more persons, including the necessary electrical,
2 plumbing, heating, ventilating and other service systems,
3 which is of closed or open construction and which is made or
4 assembled by a manufacturer, on or off the building site, for
5 installation, or assembly and installation, on the building
6 site, installed and set up according to the manufacturer's
7 instructions on an approved foundation and support system. The
8 construction of modular dwelling units located in Illinois is
9 regulated by the Illinois Department of Public Health.

10 (j) "Closed construction" is any building, component,
11 assembly or system manufactured in such a manner that all
12 portions cannot readily be inspected at the installation site
13 without disassembly, damage to, or destruction thereof.

14 (k) "Open construction" is any building, component,
15 assembly or system manufactured in such a manner that all
16 portions can be readily inspected at the installation site
17 without disassembly, damage to, or destruction thereof.

18 (l) "Approved foundation and support system" means, for a
19 modular home or modular dwelling unit, a closed perimeter
20 formation consisting of materials such as concrete, mortared
21 concrete block, or mortared brick extending into the ground
22 below the frost line which shall include, but not necessarily
23 be limited to, cellars, basements, or crawl spaces, and does
24 include the use of piers supporting the marriage wall of the
25 home that extend below the frost line.

26 (m) "Code compliance certificate" means the certificate

1 provided by the manufacturer to the Department that warrants
2 that the manufactured housing unit or mobile home complies with
3 the applicable code.

4 (n) "Manufactured housing", "manufactured housing unit",
5 "modular dwelling", and "modular home" shall not be confused
6 with "manufactured home" or "mobile home".

7 (Source: P.A. 96-1477, eff. 1-1-11.)

8 Section 10-65. The Manufactured Home Quality Assurance Act
9 is amended by changing Section 10 as follows:

10 (430 ILCS 117/10)

11 Sec. 10. Definitions. In this Act:

12 "Department" means the Illinois Department of Public
13 Health.

14 "Licensed installer" means a person who has successfully
15 completed a manufactured home installation course approved by
16 the Department and paid the required fees.

17 "Manufactured home" means a "manufactured home", as
18 defined in subdivision (53) of section 9-102 of the Uniform
19 Commercial Code. "Mobile home" means a factory-assembled,
20 completely integrated structure, constructed on or before June
21 30, 1976, designed for permanent habitation, with a permanent
22 chassis, and so constructed as to permit its transport, on
23 wheels temporarily or permanently attached to its frame, that
24 is a movable or portable unit that is constructed to be towed

1 on its own chassis (comprised of frame and wheels) from the
2 place of its construction to the location, or subsequent
3 locations, at which it is connected to utilities for year-round
4 occupancy for use as a permanent habitation, and designed and
5 situated so as to permit its occupancy as a dwelling place for
6 one or more persons. ~~a factory assembled, completely~~
7 ~~integrated structure designed for permanent habitation, with a~~
8 ~~permanent chassis, and so constructed as to permit its~~
9 ~~transport, on wheels temporarily or permanently attached to its~~
10 ~~frame, and is a movable or portable unit that is (i) 8 body~~
11 ~~feet or more in width, (ii) 40 body feet or more in length, and~~
12 ~~(iii) 320 or more square feet, constructed to be towed on its~~
13 ~~own chassis (comprised of frame and wheels) from the place of~~
14 ~~its construction to the location, or subsequent locations, at~~
15 ~~which it is installed and set up according to the~~
16 ~~manufacturer's instructions and connected to utilities for~~
17 ~~year round occupancy for use as a permanent habitation, and~~
18 ~~designed and situated so as to permit its occupancy as a~~
19 ~~dwelling place for one or more persons.~~ The terms "manufactured
20 home" and "mobile home" term shall include units otherwise
21 meeting their respective definitions containing parts that may
22 be folded, collapsed, or telescoped when being towed and that
23 may be expected to provide additional cubic capacity, and that
24 are designed to be joined into one integral unit capable of
25 being separated again into the components for repeated towing.
26 The terms "manufactured home" and "mobile home" exclude term

1 ~~excludes~~ campers and recreational vehicles.

2 "Manufacturer" means a manufacturer of a manufactured
3 home, whether the manufacturer is located within or outside of
4 the State of Illinois.

5 "Mobile home" or "manufactured home" does not include a
6 modular home.

7 "Mobile home park" means a tract of land or 2 contiguous
8 tracts of land that contain sites with the necessary utilities
9 for 5 or more mobile homes or manufactured homes. A mobile home
10 park may be operated either free of charge or for revenue
11 purposes.

12 (Source: P.A. 96-1477, eff. 1-1-11.)

13 Section 10-70. The Illinois Vehicle Code is amended by
14 changing Sections 3-100, 3-102, 3-103, 3-104, 3-106, 3-107,
15 3-109, 3-110, 3-116, 3-202, 3-205, 3-207, and 3-208 and by
16 adding Sections 1-144.03, 3-116.1, 3-116.2, and 3-116.3 as
17 follows:

18 (625 ILCS 5/1-144.03 new)

19 Sec. 1-144.03. Mobile home or manufactured home. A mobile
20 home or manufactured home means a manufactured home as defined
21 in subdivision (53) of Section 9-102 of the Uniform Commercial
22 Code.

23 (625 ILCS 5/3-100) (from Ch. 95 1/2, par. 3-100)

1 Sec. 3-100. Definitions. For the purposes of this Chapter,
2 the following words shall have the meanings ascribed to them:

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

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

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

13 "Owner" means a person who holds legal document of
14 ownership of a vehicle, limited to a certificate of origin,
15 certificate of title, salvage certificate, or junking
16 certificate. However, in the event a vehicle is the subject of
17 an agreement for the conditional sale or lease thereof with the
18 right of purchase upon performance of the conditions stated in
19 the agreement and with an immediate right of possession vested
20 in the conditional vendee or lessee, or in the event a
21 mortgagor of such vehicle is entitled to possession, then such
22 conditional vendee or lessee or mortgagor shall be deemed the
23 owner for the purpose of this Chapter, except as provided under
24 paragraph (c) of Section 3-118.

25 "Record" means information that is inscribed, stored, or
26 otherwise fixed on a tangible medium or that is stored in an

1 electronic or other medium and is retrievable in perceivable
2 form.

3 "Signature" or "signed" includes any symbol executed or
4 adopted, or any security procedure employed or adopted, using
5 electronic means or otherwise, by or on behalf of a person with
6 intent to authenticate a record.

7 "Vehicle" means a vehicle as defined in Section 1-217 of
8 this Code. Unless otherwise specified, "vehicle" also means a
9 "manufactured home" as defined in Section 1-144.03 of this Code
10 (Source: P.A. 91-79, eff. 1-1-00; 91-357, eff. 7-29-99; 91-772,
11 eff. 1-1-01.)

12 (625 ILCS 5/3-102) (from Ch. 95 1/2, par. 3-102)

13 Sec. 3-102. Exclusions.

14 No certificate of title need be obtained for:

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

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

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

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

5 5. A vehicle moved solely by animal power;

6 6. An implement of husbandry;

7 7. Special mobile equipment;

8 8. An apportionable trailer or an apportionable
9 semitrailer registered in the State prior to April 1, 1998.

10 9. A manufactured home for which an affidavit of affixation
11 has been recorded pursuant to the Conveyance and Encumbrance of
12 Manufactured Homes as Real Property and Severance Act unless
13 with respect to the same manufactured home there has been
14 recorded an affidavit of severance pursuant to that Act.

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

16 (625 ILCS 5/3-103) (from Ch. 95 1/2, par. 3-103)

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

18 (a) The owner of an implement of husbandry or special
19 mobile equipment may apply for and obtain a certificate of
20 title on it. All of the provisions of this chapter, except part
21 (e) of Section 3-104, are applicable to a certificate of title
22 so issued, except that a person who receives a transfer of an
23 interest in the vehicle without knowledge of the certificate of
24 title is not prejudiced by reason of the existence of the
25 certificate, and the perfection of a security interest under

1 this act is not effective until the lienholder has complied
2 with the provisions of applicable law which otherwise relate to
3 the perfection of security interests in personal property.

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

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

16 (b) The owner of a manufactured home which is permanently
17 affixed to real estate and for which a certificate of title has
18 not previously been issued and surrendered for cancellation may
19 apply for a certificate of title, including, if applicable, a
20 certificate of title issued in accordance with subsection (b)
21 of Section 3-109, which shall be issued for the sole purpose of
22 (i) surrendering such certificate of title for cancellation in
23 accordance with Section 3-116.2 or (ii) satisfying the
24 requirements of subdivision (e)(4) of Section 9-334 of the
25 Uniform Commercial Code. The Secretary of State shall issue a
26 certificate of title, in accordance with this Chapter, upon

1 satisfaction of the application requirements of this Code.

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

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

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

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

8 1. The name, Illinois residence and mail address of the
9 owner;

10 2. A description of the vehicle including, so far as
11 the following data exists: Its make, year-model,
12 identifying number, type of body, whether new or used, as
13 to house trailers as defined in Section 1-128 of this Code,
14 and as to manufactured homes as defined in Section 1-144.03
15 of this Code, the square footage ~~of the house trailer~~ based
16 upon the outside dimensions ~~of the house trailer~~ excluding
17 the length of the tongue and hitch, and, as to vehicles of
18 the second division, whether for-hire, not-for-hire, or
19 both for-hire and not-for-hire;

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

25 4. The current odometer reading at the time of transfer

1 and that the stated odometer reading is one of the
2 following: actual mileage, not the actual mileage or
3 mileage is in excess of its mechanical limits; and

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

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

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

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

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

23 2. Any other information and documents the Secretary of
24 State reasonably requires to establish the ownership of the
25 vehicle and the existence or nonexistence of security
26 interests in it.

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

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

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

1 payment or determination of exemption from the Department, no
2 certificate of title shall be issued to the applicant.

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

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

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

22 (i) If the application refers to a vehicle for which a
23 court of law determined the ownership, it must be accompanied
24 with a certified copy of such court order and the required fee.
25 The court order must indicate the new owner's name and address,
26 the complete description of the vehicle, if known, the name and

1 address of the lienholder, if any, and must be signed and dated
2 by the judge issuing such order.

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

8 (k) The Secretary may provide an expedited process for the
9 issuance of vehicle titles. Expedited title applications must
10 be delivered to the Secretary of State's Vehicle Services
11 Department in Springfield by express mail service or hand
12 delivery. Applications must be complete, including necessary
13 forms, fees, and taxes. Applications received before noon on a
14 business day will be processed and shipped that same day.
15 Applications received after noon on a business day will be
16 processed and shipped the next business day. The Secretary
17 shall charge an additional fee of \$30 for this service, and
18 that fee shall cover the cost of return shipping via an express
19 mail service. All fees collected by the Secretary of State for
20 expedited services shall be deposited into the Motor Vehicle
21 License Plate Fund. In the event the Vehicle Services
22 Department determines that the volume of expedited title
23 requests received on a given day exceeds the ability of the
24 Vehicle Services Department to process those requests in an
25 expedited manner, the Vehicle Services Department may decline
26 to provide expedited services, and the additional fee for the

1 expedited service shall be refunded to the applicant.

2 (l) If the application refers to a homemade trailer, (i) it
3 must be accompanied by the appropriate documentation regarding
4 the source of materials used in the construction of the
5 trailer, as required by the Secretary of State, (ii) the
6 trailer must be inspected by a Secretary of State investigator,
7 as described in Section 2-115 of this Code, prior to the
8 issuance of the title, and (iii) upon approval of the Secretary
9 of State, the trailer must have a vehicle identification
10 number, as provided by the Secretary of State, stamped or
11 riveted to the frame.

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

17 (n) Within 45 days after the completion of the first retail
18 sale of a manufactured home, the Manufacturer's Statement of
19 Origin to that manufactured home must be surrendered to the
20 Secretary of State either in conjunction with an application
21 for a certificate of title for that manufactured home or in
22 accordance with Section 3-116.1.

23 (Source: P.A. 95-784, eff. 1-1-09; 96-519, eff. 1-1-10; 96-554,
24 eff. 1-1-10; 96-1000, eff. 7-2-10.)

25 (625 ILCS 5/3-106) (from Ch. 95 1/2, par. 3-106)

1 Sec. 3-106. Certificate of title - Issuance - Records. (a)
2 The Secretary of State shall file each application received
3 and, when satisfied as to its genuineness and regularity, and
4 that no tax imposed by the "Use Tax Act" or the vehicle use
5 tax, as imposed by Section 3-1001 of "The Illinois Vehicle
6 Code", or pursuant to the "Municipal Use Tax Act" or pursuant
7 to the "County Use Tax Act" is owed as evidenced by the receipt
8 for payment or determination of exemption from the Department
9 of Revenue provided for in Section 3-104 of this Act, and that
10 the applicant is entitled to the issuance of a certificate of
11 title, shall issue a certificate of title of the vehicle.

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

16 (c) The Secretary of State shall not issue a certificate of
17 title, including a certificate of title issued in accordance
18 with subsection (b) of Section 3-109, to a manufactured home
19 for which there has been recorded an affidavit of affixation
20 pursuant to the Conveyance and Encumbrance of Manufactured
21 Homes as Real Property and Severance Act unless with respect to
22 the same manufactured home there has been recorded an affidavit
23 of severance pursuant to the Conveyance and Encumbrance of
24 Manufactured Homes as Real Property and Severance Act.

25 (d) The Secretary of State shall file, upon receipt, each
26 affidavit of affixation and affidavit of severance relating to

1 a manufactured home that is delivered in accordance with the
2 Conveyance and Encumbrance of Manufactured Homes as Real
3 Property and Severance Act, when satisfied as to its
4 genuineness and regularity.

5 (e) The Secretary of State shall maintain a record of each
6 affidavit of affixation and each affidavit of severance filed
7 in accordance with subsection (d) of this Section. The record
8 shall state the name of the owner of the related manufactured
9 home, the name of manufacturer, make, model name, model year,
10 vehicle identification number, and any other data the Secretary
11 of State prescribes.

12 (f) The Secretary of State shall file, upon receipt, each
13 application for surrender of the Manufacturer's Statement of
14 Origin relating to a manufactured home that is delivered in
15 accordance with Section 3-116.1, when satisfied as to its
16 genuineness and regularity.

17 (g) The Secretary of State shall file, upon receipt, each
18 application for surrender of the certificate of title relating
19 to a manufactured home that is delivered in accordance with
20 Section 3-116.2, when satisfied as to its genuineness and
21 regularity.

22 (h) The Secretary of State shall maintain a record,
23 including a record in the form of a searchable electronic
24 database accessible to the public, of each Manufacturer's
25 Statement of Origin accepted for surrender as provided in
26 Section 3-116.1. The record shall state the date the

1 Manufacturer's Statement of Origin was accepted for surrender,
2 the name of manufacturer, make, model name, model year, vehicle
3 identification number, and any other data the Secretary of
4 State prescribes.

5 (i) The Secretary of State shall maintain a record,
6 including a record in the form of a searchable electronic
7 database accessible to the public, of each manufactured home
8 certificate of title accepted for surrender as provided in
9 Section 3-116.2. The record shall state the date the
10 certificate of title was accepted for surrender, the name of
11 manufacturer, make, model name, model year, vehicle
12 identification number, and any other data the Secretary of
13 State prescribes.

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

15 (625 ILCS 5/3-107) (from Ch. 95 1/2, par. 3-107)

16 Sec. 3-107. Contents and effect.

17 (a) Each certificate of title issued by the Secretary of
18 State shall contain:

19 1. the date issued;

20 2. the name and address of the owner;

21 3. the names and addresses of any lienholders, in the
22 order of priority as shown on the application or, if the
23 application is based on a certificate of title, as shown on
24 the certificate;

25 4. the title number assigned to the vehicle;

1 5. a description of the vehicle including, so far as
2 the following data exists: its make, year-model,
3 identifying number, type of body, whether new or used, as
4 to house trailers as defined in Section 1-128 of this Code,
5 and as to manufactured homes as defined in Section 1-144.03
6 of this Code, the square footage of the vehicle based upon
7 the outside dimensions of the house trailer excluding the
8 length of the tongue and hitch, and, if a new vehicle, the
9 date of the first sale of the vehicle for use;

10 6. an odometer certification as provided for in this
11 Code; and

12 7. any other data the Secretary of State prescribes.

13 (a-5) In the event the applicant seeks to have the vehicle
14 titled as a custom vehicle or street rod, that fact must be
15 stated in the application. The custom vehicle or street rod
16 must be inspected as required by Section 3-406 of this Code
17 prior to issuance of the title. Upon successful completion of
18 the inspection, the vehicle may be titled in the following
19 manner. The make of the vehicle shall be listed as the make of
20 the actual vehicle or the make it is designed to resemble
21 (e.g., Ford or Chevrolet); the model of the vehicle shall be
22 listed as custom vehicle or street rod; and the year of the
23 vehicle shall be listed as the year the actual vehicle was
24 manufactured or the year it is designed to resemble. A vehicle
25 previously titled as other than a custom vehicle or street rod
26 may be issued a corrected title reflecting the custom vehicle

1 or street rod model if it otherwise meets the requirements for
2 the designation.

3 (b) The certificate of title shall contain forms for
4 assignment and warranty of title by the owner, and for
5 assignment and warranty of title by a dealer, and may contain
6 forms for applications for a certificate of title by a
7 transferee, the naming of a lienholder and the assignment or
8 release of the security interest of a lienholder.

9 (b-5) The Secretary of State shall designate on a
10 certificate of title a space where the owner of a vehicle may
11 designate a beneficiary, to whom ownership of the vehicle shall
12 pass in the event of the owner's death.

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

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

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

23 (f) Notwithstanding any other provision of law, a
24 certificate of title issued by the Secretary of State to a
25 manufactured home is prima facie evidence of the facts
26 appearing on it, notwithstanding the fact that such

1 manufactured home, at any time, shall have become affixed in
2 any manner to real property.

3 (Source: P.A. 95-784, eff. 1-1-09; 96-487, eff. 1-1-10.)

4 (625 ILCS 5/3-109) (from Ch. 95 1/2, par. 3-109)

5 Sec. 3-109. Registration without certificate of title;
6 bond. If the Secretary of State is not satisfied as to the
7 ownership of the vehicle, including but not limited to, in the
8 case of a manufactured home, a circumstance in which the
9 manufactured home is covered by a Manufacturer's Statement of
10 Origin that the owner of the manufactured home, after diligent
11 search and inquiry, is unable to produce, or that there are no
12 undisclosed security interests in it, the Secretary of State
13 may register the vehicle but shall either:

14 (a) Withhold issuance of a certificate of title until the
15 applicant presents documents reasonably sufficient to satisfy
16 the Secretary of State as to the applicant's ownership of the
17 vehicle and that there are no undisclosed security interests in
18 it; or

19 (b) As a condition of issuing a certificate of title,
20 require the applicant to file with the Secretary of State a
21 bond in the form prescribed by the Secretary of State and
22 executed by the applicant, and either accompanied by the
23 deposit of cash with the Secretary of State or also executed by
24 a person authorized to conduct a surety business in this State.
25 The bond shall be in an amount equal to one and one-half times

1 the value of the vehicle as determined by the Secretary of
2 State and conditioned to indemnify any prior owner and
3 lienholder and any subsequent purchaser of the vehicle or
4 person acquiring any security interest in it, and their
5 respective successors in interest, against any expense, loss or
6 damage, including reasonable attorney's fees, by reason of the
7 issuance of the certificate of title of the vehicle or on
8 account of any defect in or undisclosed security interest upon
9 the right, title and interest of the applicant in and to the
10 vehicle. Any such interested person has a right of action to
11 recover on the bond for any breach of its conditions, but the
12 aggregate liability of the surety to all persons shall not
13 exceed the amount of the bond. The bond, and any deposit
14 accompanying it, shall be returned at the end of three (3)
15 years or prior thereto if (i) the vehicle is no longer
16 registered in this State and the currently valid certificate of
17 title is surrendered to the Secretary of State or (ii), in the
18 case of a certificate of title to a manufactured home, the
19 currently valid certificate of title is surrendered to the
20 Secretary of State in accordance with Section 3-116.2, unless
21 the Secretary of State has been notified of the pendency of an
22 action to recover on the bond.

23 Security deposited as a bond hereunder shall be placed by
24 the Secretary of State in the custody of the State Treasurer.

25 (c) During July, annually, the Secretary shall compile a
26 list of all bonds on deposit, pursuant to this Section, for

1 more than 3 years and concerning which he has received no
2 notice as to the pendency of any judicial proceeding that could
3 affect the disposition thereof. Thereupon, he shall promptly
4 send a notice by certified mail to the last known address of
5 each depositor advising him that his bond will be subject to
6 escheat to the State of Illinois if not claimed within 30 days
7 after the mailing date of such notice. At the expiration of
8 such time, the Secretary of State shall file with the State
9 Treasurer an order directing the transfer of such deposit to
10 the Road Fund in the State Treasury. Upon receipt of such
11 order, the State Treasurer shall make such transfer, after
12 converting to cash any other type of security. Thereafter any
13 person having a legal claim against such deposit may enforce it
14 by appropriate proceedings in the Court of Claims subject to
15 the limitations prescribed for such Court. At the expiration of
16 such limitation period such deposit shall escheat to the State
17 of Illinois.

18 (Source: P.A. 81-1458.)

19 (625 ILCS 5/3-110) (from Ch. 95 1/2, par. 3-110)

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

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

24 (a) the applicant is not the owner of the vehicle;

25 (b) the application contains a false or fraudulent

1 statement; ~~or~~

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

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

8 Except as provided in Section 3-116.2, the Secretary of
9 State shall not refuse to issue a certificate of title to a
10 manufactured home by reason of the fact that, at any time, in
11 any manner, it shall have been affixed to real property.

12 (Source: P.A. 77-641; revised 9-16-10.)

13 (625 ILCS 5/3-116) (from Ch. 95 1/2, par. 3-116)

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

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

23 (b) The Secretary of State, upon receipt of an application
24 for a new certificate of title by a transferee other than by
25 voluntary transfer, with proof of the transfer, the required

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

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

10 (d) The Secretary of State shall file and retain for four
11 (4) years a record of every surrendered certificate of title or
12 proof of ownership accepted by the Secretary of State, the file
13 to be maintained so as to permit the tracing of title of the
14 vehicle designated therein. Such filing and retention
15 requirements shall be in addition to and not in substitution
16 for the recordkeeping requirements set forth in Section 3-106
17 of this Code, which recordkeeping requirements are not limited
18 to any period of time.

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

25 (f) The Secretary of State, upon receipt of a certified
26 copy of a court order awarding ownership to an applicant along

1 with an application for a certificate of title and the required
2 fee, shall issue a certificate of title to the applicant.

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

4 (625 ILCS 5/3-116.1 new)

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

7 (a) The owner (all, if more than one), of a manufactured
8 home that is covered by a Manufacturer's Statement of Origin
9 and that is permanently affixed to real property as defined in
10 the Conveyance and Encumbrance of Manufactured Homes as Real
11 Property and Severance Act, or which the owner intends to
12 permanently affix to real property as defined in the Conveyance
13 and Encumbrance of Manufactured Homes as Real Property and
14 Severance Act, may surrender the Manufacturer's Statement of
15 Origin to the manufactured home to the Secretary of State by
16 filing with the Secretary of State an application for surrender
17 of Manufacturer's Statement of Origin containing or
18 accompanied by:

19 (1) the name, residence, and mailing address of the
20 owner;

21 (2) a description of the manufactured home
22 including the name of the manufacturer, the make, the model
23 name, the model year, the dimensions, and the vehicle
24 identification number of the manufactured home and whether
25 it is new or used, and any other information the Secretary

1 of State requires;

2 (3) the date of purchase by the owner of the
3 manufactured home, the name and address of the person from
4 whom the home was acquired, and the names and addresses of
5 any security interest holders and lienholders in the order
6 of their apparent priority;

7 (4) a statement signed by the owner, stating either
8 (i) any facts or information known to the owner that could
9 reasonably affect the validity of the title to the
10 manufactured home or the existence or non-existence of a
11 security interest in or lien on it or (ii) that no such
12 facts or information are known to the owner;

13 (5) a certified copy of the affidavit of affixation
14 in accordance with the Conveyance and Encumbrance of
15 Manufactured Homes as Real Property and Severance;

16 (6) the original Manufacturer's Statement of
17 Origin;

18 (7) the name and mailing address of each owner of
19 the manufactured home or such owner's designee wishing to
20 receive written acknowledgment of surrender from the
21 Secretary of State; and

22 (8) any other information and documents the
23 Secretary of State reasonably requires to identify the
24 owner of the manufactured home and to enable him or her to
25 determine whether the owner satisfied the requirements of
26 the Conveyance and Encumbrance of Manufactured Homes as

1 Real Property and Severance Act and is entitled to
2 surrender the Manufacturer's Statement of Origin, and the
3 existence or non-existence of security interests in or
4 liens on the manufactured home.

5 (b) When satisfied as to the genuineness and regularity of
6 the surrender of a Manufacturer's Statement of Origin to a
7 manufactured home, payment of any applicable fees and upon
8 satisfaction of the requirements of subsection (a) of this
9 Section, the Secretary of State shall (i) cancel the
10 Manufacturer's Statement of Origin and update his or her
11 records in accordance with the provisions of Section 3-106 and
12 (ii) provide written acknowledgment of compliance with the
13 provisions of this Section to each person identified on the
14 application for surrender of Manufacturer's Statement of
15 Origin pursuant to subsection (a) (7) of this Section.

16 (c) Upon satisfaction of the requirements of this Section a
17 manufactured home shall be conveyed and encumbered as provided
18 in the Conveyance and Encumbrance of Manufactured Homes as Real
19 Property and Severance Act. If the application to surrender a
20 Manufacturer's Statement of Origin is delivered to the
21 Secretary of State within 60 days of recording the related
22 affidavit of affixation with the recording officer in the
23 county in which the real property to which the manufactured
24 home is or shall be affixed and the application is thereafter
25 accepted by the Secretary of State, the requirements of this
26 Section shall be deemed satisfied as of the date the affidavit

1 of affixation is recorded.

2 (d) Upon written request by a person identified on the
3 application for surrender of Manufacturer's Statement of
4 Origin pursuant to subsection (a)(7) of this Section, the
5 Secretary of State shall provide written acknowledgment of
6 compliance with the provisions of this Section.

7 (625 ILCS 5/3-116.2 new)

8 Sec. 3-116.2. Application for surrender of title.

9 (a) The owner (all, if more than one) of a manufactured
10 home that is covered by a certificate of title, including, if
11 applicable, a certificate of title issued in accordance with
12 subsection (b) of Section 3-109, and that is permanently
13 affixed to real property as defined in the Conveyance and
14 Encumbrance of Manufactured Homes as Real Property and
15 Severance Act, or which the owner intends to permanently affix
16 to real property as defined in the Conveyance and Encumbrance
17 of Manufactured Homes as Real Property and Severance Act, may
18 surrender the certificate of title to the manufactured home to
19 the Secretary of State by filing with the Secretary of State an
20 application for surrender of title containing or accompanied
21 by:

22 (1) the name, residence, and mailing address of the
23 owner;

24 (2) a description of the manufactured home including
25 the name of the manufacturer, the make, the model name, the

1 model year, the dimensions, and the vehicle identification
2 number or numbers of the manufactured home and whether it
3 is new or used and any other information the Secretary of
4 State requires;

5 (3) the date of purchase by the owner of the
6 manufactured home, the name and address of the person from
7 whom the home was acquired and the names and addresses of
8 any security interest holders and lienholders in the order
9 of their apparent priority;

10 (4) a statement signed by the owner, stating either,
11 (i) any facts or information known to the owner that could
12 reasonably affect the validity of the title to the
13 manufactured home or the existence or non-existence of a
14 security interest in or lien on it; or (ii) that no such
15 facts or information are known to the owner;

16 (5) a certified copy of the affidavit of affixation in
17 accordance with the Conveyance and Encumbrance of
18 Manufactured Homes as Real Property and Severance Act;

19 (6) the original certificate of title;

20 (7) the name and mailing address of each owner of the
21 manufactured home or such owner's designee wishing written
22 acknowledgment of surrender from the Secretary of State;

23 (8) a release of security interests (if any) pursuant
24 to Section 3-205 of this Code; and

25 (9) any other information and documents the Secretary
26 of State reasonably requires to identify the owner of the

1 manufactured home and to enable him or her to determine
2 whether the owner satisfied the requirements of the
3 Conveyance and Encumbrance of Manufactured Homes as Real
4 Property and Severance Act and is entitled to surrender the
5 certificate of title and the existence or non-existence of
6 security interests in or liens on the manufactured home.

7 (b) The Secretary of State shall not accept for surrender a
8 certificate of title to a manufactured home unless and until
9 all security interests or liens perfected pursuant to Sections
10 3-106 and 3-202 have been released.

11 (c) When satisfied as to its genuineness and regularity of
12 the surrender of a certificate of title to a manufactured home,
13 payment of any applicable fees and upon satisfaction of the
14 requirements of subsections (a) and (b) of this Section, the
15 Secretary of State shall (i) cancel the certificate of title
16 and update his or her records in accordance with the provisions
17 of Section 3-106 and (ii) provide written acknowledgment of
18 compliance with the provisions of this Section to each person
19 identified on the application for surrender of title pursuant
20 to subsection (a) (7) of this Section.

21 (d) Upon satisfaction of the requirements of this Section a
22 manufactured home shall be conveyed and encumbered as provided
23 in the Conveyance and Encumbrance of Manufactured Homes as Real
24 Property and Severance Act. If the application to surrender a
25 certificate of title is delivered to the Secretary of State
26 within 60 days of recording the related affidavit of affixation

1 with the recording officer in the county in which the real
2 property to which the manufactured home is or shall be affixed,
3 and the application is thereafter accepted by the Secretary of
4 State, the requirements of this Section shall be deemed
5 satisfied as of the date the affidavit of affixation is
6 recorded.

7 (e) Upon written request by person identified on the
8 application for surrender of title pursuant to subsection
9 (a)(7) of this Section, the Secretary of State shall provide
10 written acknowledgment of compliance with the provisions of
11 this Section.

12 (625 ILCS 5/3-116.3 new)

13 Sec. 3-116.3. Application for a certificate of title to a
14 severed manufactured home.

15 (a) Notwithstanding any other provision of law, where a
16 manufactured home has been permanently affixed to real
17 property, and an affidavit of affixation has been recorded as
18 part of the real property records in the county in which the
19 manufactured home is located in accordance with the Conveyance
20 and Encumbrance of Manufactured Homes as Real Property and
21 Severance Act, and where the manufactured home subsequently is
22 detached or severed from the real property, the owner (all, if
23 more than one) of the manufactured home shall, unless exempted
24 by other provisions of this Code, apply for a new certificate
25 of title by filing with the Secretary of State an application

1 for a certificate of title to a manufactured home, to be issued
2 in accordance with subsection (b) of Section 3-109, containing
3 or accompanied by:

4 (1) the name, residence, and mailing address of the
5 owner;

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

12 (3) a statement signed by the applicant, stating
13 either: (i) any facts or information known to the applicant
14 that could reasonably affect the validity of the title of
15 the manufactured home or the existence or non-existence of
16 any security interest in or lien on it or (ii) that no such
17 facts or information are known to the applicant;

18 (4) a certified copy of the affidavit of severance
19 provided in accordance with the Conveyance and Encumbrance
20 of Manufactured Homes as Real Property and Severance Act;
21 and

22 (5) any other information and documents the Secretary
23 of State reasonably requires.

24 (b) Upon satisfaction of the requirements of subsection (a)
25 of this Section and subsection (b) of Section 3-109, the
26 Secretary of State shall issue a new certificate of title

1 pursuant to subsection (b) of Section 3-109 and update his or
2 her records in accordance with the provisions of Section 3-106.

3 (c) Immediately upon satisfaction of the requirements of
4 this Section and thereafter, a manufactured home shall be
5 conveyed and encumbered as personal property.

6 (d) The satisfaction of the requirements of this Section
7 with respect to a manufactured home shall have no effect on the
8 manner in which such manufactured home is taxed pursuant to the
9 Property Tax Code or the Mobile Home Local Services Tax Act.

10 (625 ILCS 5/3-202) (from Ch. 95 1/2, par. 3-202)

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

12 (a) Unless excepted by Section 3-201, a security interest
13 in a vehicle of a type for which a certificate of title is
14 required is not valid against subsequent transferees or
15 lienholders of the vehicle unless perfected as provided in this
16 Act. A purchase money security interest in a manufactured home
17 is perfected against the rights of judicial lien creditors and
18 execution creditors on and after the date such purchase money
19 security interest attaches.

20 (b) A security interest is perfected by the delivery to the
21 Secretary of State of the existing certificate of title, if
22 any, an application for a certificate of title containing the
23 name and address of the lienholder and the required fee. The
24 security interest is perfected as of the time of its creation
25 if the delivery to the Secretary of State is completed within

1 30 days after the creation of the security interest or receipt
2 by the new lienholder of the existing certificate of title from
3 a prior lienholder or licensed dealer, otherwise as of the time
4 of the delivery.

5 (c) If a vehicle is subject to a security interest when
6 brought into this State, the validity of the security interest
7 is determined by the law of the jurisdiction where the vehicle
8 was when the security interest attached, subject to the
9 following:

10 1. If the parties understood at the time the security
11 interest attached that the vehicle would be kept in this
12 State and it was brought into this State within 30 days
13 thereafter for purposes other than transportation through
14 this State, the validity of the security interest in this
15 State is determined by the law of this State.

16 2. If the security interest was perfected under the law
17 of the jurisdiction where the vehicle was when the security
18 interest attached, the following rules apply:

19 (A) If the name of the lienholder is shown on an
20 existing certificate of title issued by that
21 jurisdiction, his security interest continues
22 perfected in this State.

23 (B) If the name of the lienholder is not shown on
24 an existing certificate of title issued by that
25 jurisdiction, a security interest may be perfected by
26 the lienholder delivering to the Secretary of State the

1 prescribed notice and by payment of the required fee.
2 Such security interest is perfected as of the time of
3 delivery of the prescribed notice and payment of the
4 required fee.

5 3. If the security interest was not perfected under the
6 law of the jurisdiction where the vehicle was when the
7 security interest attached, it may be perfected in this
8 State; in that case perfection dates from the time of
9 perfection in this State.

10 4. A security interest may be perfected under paragraph
11 3 of this subsection either as provided in subsection (b)
12 or by the lienholder delivering to the Secretary of State a
13 notice of security interest in the form the Secretary of
14 State prescribes and the required fee.

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

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

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

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

4 (a) Within 21 days after receiving payment to satisfy a
5 security interest in a vehicle for which the certificate of
6 title is in the possession of the lienholder, he shall execute
7 a release of his security interest, and mail or deliver the
8 certificate and release to the next lienholder named therein,
9 or, if none, to the owner or any person who delivers to the
10 lienholder an authorization from the owner to receive the
11 certificate. If the payment is in the form of cash, a cashier's
12 check, or a certified check, the number of days is reduced to
13 10 business days. If the owner desires a new certificate
14 reflecting no lien, the certificate and release from the
15 lienholder may be submitted to the Secretary of State, along
16 with the prescribed application and required fee, for issuance
17 of that new certificate.

18 (b) Within 21 days after receiving payment to satisfy a
19 security interest in a vehicle for which the certificate of
20 title is in the possession of a prior lienholder, the
21 lienholder whose security interest is satisfied shall execute a
22 release and deliver the release to the owner or any person who
23 delivers to the lienholder an authorization from the owner to
24 receive it. If the payment is in the form of cash, a cashier's
25 check, or a certified check, the number of days is reduced to

1 10 business days. The lienholder in possession of the
2 certificate of title may either deliver the certificate to the
3 owner, or the person authorized by him, for delivery to the
4 Secretary of State, or, upon receipt of the release, may mail
5 or may deliver the certificate and release, along with
6 prescribed application and require fee, to the Secretary of
7 State, who shall issue a new certificate.

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

16 (d) The holder of a security interest in or a lien on a
17 manufactured home may deliver lien release documents to any
18 person to facilitate conveying or encumbering the manufactured
19 home. Any person receiving any such documents so delivered
20 holds the documents in trust for the security interest holder
21 or the lienholder.

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

23 (625 ILCS 5/3-207) (from Ch. 95 1/2, par. 3-207)

24 Sec. 3-207. Exclusiveness of procedure.

25 The method provided in this act of perfecting and giving

1 notice of security interests subject to this act is exclusive.
2 Security interests subject to this act are hereby exempted from
3 the provisions of law which otherwise require or relate to the
4 recording or filing of instruments creating or evidencing
5 security interests in vehicles including chattel mortgages and
6 conditional sale agreements, provided, however, that with
7 respect to a manufactured home that is or will be permanently
8 affixed to real property, upon recordation of an affidavit of
9 affixation pursuant to the Conveyance and Encumbrance of
10 Manufactured Homes as Real Property and Severance Act and
11 satisfaction of the requirements of Sections 3-116.1 or
12 3-116.2, as applicable, any perfection or termination of a
13 security interest with respect to such permanently affixed
14 property shall be governed by the laws applicable to real
15 property.

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

17 (625 ILCS 5/3-208) (from Ch. 95 1/2, par. 3-208)

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

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

23 1. The certificate of title was fraudulently procured
24 or erroneously issued, or

25 2. The vehicle has been scrapped, dismantled or

1 destroyed.

2 Except as provided in Section 3-116.2, the Secretary of
3 State shall not suspend or revoke a certificate of title to a
4 manufactured home by reason of the fact that, at any time it
5 shall have become affixed in any manner to real property.

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

9 (c) When the Secretary of State suspends or revokes a
10 certificate of title, the owner or person in possession of it
11 shall, immediately upon receiving notice of the suspension or
12 revocation, mail or deliver the certificate to the Secretary of
13 State.

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

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

17 Section 10-75. The Code of Civil Procedure is amended by
18 changing Section 15-1213 as follows:

19 (735 ILCS 5/15-1213) (from Ch. 110, par. 15-1213)

20 Sec. 15-1213. Real Estate. "Real estate" means land or any
21 estate or interest in, over or under land (including minerals,
22 air rights, structures, fixtures and other things which by
23 custom, usage or law pass with a conveyance of land though not
24 described or mentioned in the contract of sale or instrument of

1 conveyance). "Mortgaged real estate" means the real estate
2 which is the subject of a mortgage. "Real Estate" includes a
3 manufactured home as defined in subdivision (53) of Section
4 9-102 of the Uniform Commercial Code that is real property as
5 defined in the Conveyance and Encumbrance of Manufactured Homes
6 as Real Property and Severance Act.

7 (Source: P.A. 84-1462.)

8 Section 10-80. The Conveyances Act is amended by changing
9 Section 38 as follows:

10 (765 ILCS 5/38) (from Ch. 30, par. 37)

11 Sec. 38. The term "real estate," as used in this act, shall
12 be construed as co-extensive in meaning with "lands, tenements
13 and hereditaments," and as embracing all chattels real. "Real
14 estate" and "real property" include a manufactured home as
15 defined in subdivision (53) of Section 9-102 of the Uniform
16 Commercial Code that is real property as defined in the
17 Conveyance and Encumbrance of Manufactured Homes as Real
18 Property and Severance Act. This act shall not be construed so
19 as to embrace last wills, except as herein expressly provided.

20 (Source: P.A. 84-551.)

21 Section 10-85. The Residential Real Property Disclosure
22 Act is amended by changing Section 5 as follows:

1 (765 ILCS 77/5)

2 Sec. 5. Definitions. As used in this Act, unless the
3 context otherwise requires the following terms have the meaning
4 given in this Section.

5 "Residential real property" means real property improved
6 with not less than one nor more than 4 residential dwelling
7 units; units in residential cooperatives; or, condominium
8 units, including the limited common elements allocated to the
9 exclusive use thereof that form an integral part of the
10 condominium unit. The term includes a manufactured home as
11 defined in subdivision (53) of Section 9-102 of the Uniform
12 Commercial Code that is real property as defined in the
13 Conveyance and Encumbrance of Manufactured Homes as Real
14 Property and Severance Act.

15 "Seller" means every person or entity who is an owner,
16 beneficiary of a trust, contract purchaser or lessee of a
17 ground lease, who has an interest (legal or equitable) in
18 residential real property. However, "seller" shall not include
19 any person who has both (i) never occupied the residential real
20 property and (ii) never had the management responsibility for
21 the residential real property nor delegated such
22 responsibility for the residential real property to another
23 person or entity.

24 "Prospective buyer" means any person or entity negotiating
25 or offering to become an owner or lessee of residential real
26 property by means of a transfer for value to which this Act

1 applies.

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

3 Section 10-90. The Mobile Home Landlord and Tenant Rights
4 Act is amended by changing Section 3 as follows:

5 (765 ILCS 745/3) (from Ch. 80, par. 203)

6 Sec. 3. Definitions. Unless otherwise expressly defined,
7 all terms in this Act shall be construed to have their
8 ordinarily accepted meanings or such meaning as the context
9 therein requires.

10 (a) "Person" means any legal entity, including but not
11 limited to, an individual, firm, partnership, association,
12 trust, joint stock company, corporation or successor of any of
13 the foregoing.

14 (b) "Manufactured home" means a factory-assembled,
15 completely integrated structure designed for permanent
16 habitation, with a permanent chassis, and so constructed as to
17 permit its transport, on wheels temporarily or permanently
18 attached to its frame, and is a movable or portable unit that
19 is (i) 8 body feet or more in width, (ii) 40 body feet or more
20 in length, and (iii) 320 or more square feet, constructed to be
21 towed on its own chassis (comprised of frame and wheels) from
22 the place of its construction to the location, or subsequent
23 locations, at which it is ~~installed and set up according to the~~
24 ~~manufacturer's instructions and~~ connected to utilities for

1 year-round occupancy for use as a permanent habitation, and
2 designed and situated so as to permit its occupancy as a
3 dwelling place for one or more persons, and specifically
4 includes a "manufactured home" as defined in subdivision (53)
5 of Section 9-102 of the Uniform Commercial Code. The term shall
6 include units containing parts that may be folded, collapsed,
7 or telescoped when being towed and that may be expected to
8 provide additional cubic capacity, and that are designed to be
9 joined into one integral unit capable of being separated again
10 into the components for repeated towing. The term excludes
11 campers and recreational vehicles. The words "mobile home" and
12 "manufactured home" are synonymous for the purposes of this
13 Act.

14 (c) "Mobile Home Park" or "Park" means a tract of land or 2
15 contiguous tracts of land that contain sites with the necessary
16 utilities for 5 or more mobile homes or manufactured homes. A
17 mobile home park may be operated either free of charge or for
18 revenue purposes.

19 (d) "Park Owner" means the owner of a mobile home park and
20 any person authorized to exercise any aspect of the management
21 of the premises, including any person who directly or
22 indirectly receives rents and has no obligation to deliver the
23 whole of such receipts to another person.

24 (e) "Tenant" means any person who occupies a mobile home
25 rental unit for dwelling purposes or a lot on which he parks a
26 mobile home for an agreed upon consideration.

1 (f) "Rent" means any money or other consideration given for
2 the right of use, possession and occupancy of property, be it a
3 lot, a mobile home, or both.

4 (g) "Master antenna television service" means any and all
5 services provided by or through the facilities of any closed
6 circuit coaxial cable communication system, or any microwave or
7 similar transmission services other than a community antenna
8 television system as defined in Section 11-42-11 of the
9 Illinois Municipal Code.

10 (Source: P.A. 96-1477, eff. 1-1-11.)

11 Section 10-95. The Mortgage Act is amended by adding
12 Section 13.1 as follows:

13 (765 ILCS 905/13.1 new)

14 Sec. 13.1. Real estate; real property. As used in this Act,
15 "real estate" and "real property" include a manufactured home
16 as defined in subdivision (53) of Section 9-102 of the Uniform
17 Commercial Code that is real property as defined in the
18 Conveyance and Encumbrance of Manufactured Homes as Real
19 Property and Severance Act.

20 Section 10-100. The Joint Tenancy Act is amended by adding
21 Section 5 as follows:

22 (765 ILCS 1005/5 new)

1 Sec. 5. Real estate; real property. As used in this Act,
2 "real estate" and "real property" include a manufactured home
3 as defined in subdivision (53) of Section 9-102 of the Uniform
4 Commercial Code that is real property as defined in the
5 Conveyance and Encumbrance of Manufactured Homes as Real
6 Property and Severance Act.

7 Section 10-105. The Uniform Commercial Code is amended by
8 changing Section 9-102 as follows:

9 (810 ILCS 5/9-102) (from Ch. 26, par. 9-102)

10 Sec. 9-102. Definitions and index of definitions.

11 (a) Article 9 definitions. In this Article:

12 (1) "Accession" means goods that are physically united
13 with other goods in such a manner that the identity of the
14 original goods is not lost.

15 (2) "Account", except as used in "account for", means a
16 right to payment of a monetary obligation, whether or not
17 earned by performance, (i) for property that has been or is
18 to be sold, leased, licensed, assigned, or otherwise
19 disposed of, (ii) for services rendered or to be rendered,
20 (iii) for a policy of insurance issued or to be issued,
21 (iv) for a secondary obligation incurred or to be incurred,
22 (v) for energy provided or to be provided, (vi) for the use
23 or hire of a vessel under a charter or other contract,
24 (vii) arising out of the use of a credit or charge card or

1 information contained on or for use with the card, or
2 (viii) as winnings in a lottery or other game of chance
3 operated or sponsored by a State, governmental unit of a
4 State, or person licensed or authorized to operate the game
5 by a State or governmental unit of a State. The term
6 includes health-care-insurance receivables. The term does
7 not include (i) rights to payment evidenced by chattel
8 paper or an instrument, (ii) commercial tort claims, (iii)
9 deposit accounts, (iv) investment property, (v)
10 letter-of-credit rights or letters of credit, or (vi)
11 rights to payment for money or funds advanced or sold,
12 other than rights arising out of the use of a credit or
13 charge card or information contained on or for use with the
14 card.

15 (3) "Account debtor" means a person obligated on an
16 account, chattel paper, or general intangible. The term
17 does not include persons obligated to pay a negotiable
18 instrument, even if the instrument constitutes part of
19 chattel paper.

20 (4) "Accounting", except as used in "accounting for",
21 means a record:

22 (A) authenticated by a secured party;

23 (B) indicating the aggregate unpaid secured
24 obligations as of a date not more than 35 days earlier
25 or 35 days later than the date of the record; and

26 (C) identifying the components of the obligations

1 in reasonable detail.

2 (5) "Agricultural lien" means an interest, other than a
3 security interest, in farm products:

4 (A) which secures payment or performance of an
5 obligation for goods or services furnished in
6 connection with a debtor's farming operation;

7 (B) which is created by statute in favor of a
8 person that in the ordinary course of its business
9 furnished goods or services to a debtor in connection
10 with a debtor's farming operation; and

11 (C) whose effectiveness does not depend on the
12 person's possession of the personal property.

13 (6) "As-extracted collateral" means:

14 (A) oil, gas, or other minerals that are subject to
15 a security interest that:

16 (i) is created by a debtor having an interest
17 in the minerals before extraction; and

18 (ii) attaches to the minerals as extracted; or

19 (B) accounts arising out of the sale at the
20 wellhead or minehead of oil, gas, or other minerals in
21 which the debtor had an interest before extraction.

22 (7) "Authenticate" means:

23 (A) to sign; or

24 (B) to execute or otherwise adopt a symbol, or
25 encrypt or similarly process a record in whole or in
26 part, with the present intent of the authenticating

1 person to identify the person and adopt or accept a
2 record.

3 (8) "Bank" means an organization that is engaged in the
4 business of banking. The term includes savings banks,
5 savings and loan associations, credit unions, and trust
6 companies.

7 (9) "Cash proceeds" means proceeds that are money,
8 checks, deposit accounts, or the like.

9 (10) "Certificate of title" means a certificate of
10 title with respect to which a statute provides for the
11 security interest in question to be indicated on the
12 certificate as a condition or result of the security
13 interest's obtaining priority over the rights of a lien
14 creditor with respect to the collateral.

15 (11) "Chattel paper" means a record or records that
16 evidence both a monetary obligation and a security interest
17 in specific goods, a security interest in specific goods
18 and software used in the goods, a security interest in
19 specific goods and license of software used in the goods, a
20 lease of specific goods, or a lease of specified goods and
21 a license of software used in the goods. In this paragraph,
22 "monetary obligation" means a monetary obligation secured
23 by the goods or owed under a lease of the goods and
24 includes a monetary obligation with respect to software
25 used in the goods. The term does not include (i) charters
26 or other contracts involving the use or hire of a vessel or

1 (ii) records that evidence a right to payment arising out
2 of the use of a credit or charge card or information
3 contained on or for use with the card. If a transaction is
4 evidenced by records that include an instrument or series
5 of instruments, the group of records taken together
6 constitutes chattel paper.

7 (12) "Collateral" means the property subject to a
8 security interest or agricultural lien. The term includes:

9 (A) proceeds to which a security interest
10 attaches;

11 (B) accounts, chattel paper, payment intangibles,
12 and promissory notes that have been sold; and

13 (C) goods that are the subject of a consignment.

14 (13) "Commercial tort claim" means a claim arising in
15 tort with respect to which:

16 (A) the claimant is an organization; or

17 (B) the claimant is an individual and the claim:

18 (i) arose in the course of the claimant's
19 business or profession; and

20 (ii) does not include damages arising out of
21 personal injury to or the death of an individual.

22 (14) "Commodity account" means an account maintained
23 by a commodity intermediary in which a commodity contract
24 is carried for a commodity customer.

25 (15) "Commodity contract" means a commodity futures
26 contract, an option on a commodity futures contract, a

1 commodity option, or another contract if the contract or
2 option is:

3 (A) traded on or subject to the rules of a board of
4 trade that has been designated as a contract market for
5 such a contract pursuant to federal commodities laws;
6 or

7 (B) traded on a foreign commodity board of trade,
8 exchange, or market, and is carried on the books of a
9 commodity intermediary for a commodity customer.

10 (16) "Commodity customer" means a person for which a
11 commodity intermediary carries a commodity contract on its
12 books.

13 (17) "Commodity intermediary" means a person that:

14 (A) is registered as a futures commission merchant
15 under federal commodities law; or

16 (B) in the ordinary course of its business provides
17 clearance or settlement services for a board of trade
18 that has been designated as a contract market pursuant
19 to federal commodities law.

20 (18) "Communicate" means:

21 (A) to send a written or other tangible record;

22 (B) to transmit a record by any means agreed upon
23 by the persons sending and receiving the record; or

24 (C) in the case of transmission of a record to or
25 by a filing office, to transmit a record by any means
26 prescribed by filing-office rule.

1 (19) "Consignee" means a merchant to which goods are
2 delivered in a consignment.

3 (20) "Consignment" means a transaction, regardless of
4 its form, in which a person delivers goods to a merchant
5 for the purpose of sale and:

6 (A) the merchant:

7 (i) deals in goods of that kind under a name
8 other than the name of the person making delivery;

9 (ii) is not an auctioneer; and

10 (iii) is not generally known by its creditors
11 to be substantially engaged in selling the goods of
12 others;

13 (B) with respect to each delivery, the aggregate
14 value of the goods is \$1,000 or more at the time of
15 delivery;

16 (C) the goods are not consumer goods immediately
17 before delivery; and

18 (D) the transaction does not create a security
19 interest that secures an obligation.

20 (21) "Consignor" means a person that delivers goods to
21 a consignee in a consignment.

22 (22) "Consumer debtor" means a debtor in a consumer
23 transaction.

24 (23) "Consumer goods" means goods that are used or
25 bought for use primarily for personal, family, or household
26 purposes.

1 (24) "Consumer-goods transaction" means a consumer
2 transaction in which:

3 (A) an individual incurs an obligation primarily
4 for personal, family, or household purposes; and

5 (B) a security interest in consumer goods secures
6 the obligation.

7 (25) "Consumer obligor" means an obligor who is an
8 individual and who incurred the obligation as part of a
9 transaction entered into primarily for personal, family,
10 or household purposes.

11 (26) "Consumer transaction" means a transaction in
12 which (i) an individual incurs an obligation primarily for
13 personal, family, or household purposes, (ii) a security
14 interest secures the obligation, and (iii) the collateral
15 is held or acquired primarily for personal, family, or
16 household purposes. The term includes consumer-goods
17 transactions.

18 (27) "Continuation statement" means an amendment of a
19 financing statement which:

20 (A) identifies, by its file number, the initial
21 financing statement to which it relates; and

22 (B) indicates that it is a continuation statement
23 for, or that it is filed to continue the effectiveness
24 of, the identified financing statement.

25 (28) "Debtor" means:

26 (A) a person having an interest, other than a

1 security interest or other lien, in the collateral,
2 whether or not the person is an obligor;

3 (B) a seller of accounts, chattel paper, payment
4 intangibles, or promissory notes; or

5 (C) a consignee.

6 (29) "Deposit account" means a demand, time, savings,
7 passbook, nonnegotiable certificates of deposit,
8 uncertificated certificates of deposit, nontransferrable
9 certificates of deposit, or similar account maintained
10 with a bank. The term does not include investment property
11 or accounts evidenced by an instrument.

12 (30) "Document" means a document of title or a receipt
13 of the type described in Section 7-201(b).

14 (31) "Electronic chattel paper" means chattel paper
15 evidenced by a record or records consisting of information
16 stored in an electronic medium.

17 (32) "Encumbrance" means a right, other than an
18 ownership interest, in real property. The term includes
19 mortgages and other liens on real property.

20 (33) "Equipment" means goods other than inventory,
21 farm products, or consumer goods.

22 (34) "Farm products" means goods, other than standing
23 timber, with respect to which the debtor is engaged in a
24 farming operation and which are:

25 (A) crops grown, growing, or to be grown,
26 including:

1 (i) crops produced on trees, vines, and
2 bushes; and

3 (ii) aquatic goods produced in aquacultural
4 operations;

5 (B) livestock, born or unborn, including aquatic
6 goods produced in aquacultural operations;

7 (C) supplies used or produced in a farming
8 operation; or

9 (D) products of crops or livestock in their
10 unmanufactured states.

11 (35) "Farming operation" means raising, cultivating,
12 propagating, fattening, grazing, or any other farming,
13 livestock, or aquacultural operation.

14 (36) "File number" means the number assigned to an
15 initial financing statement pursuant to Section 9-519(a).

16 (37) "Filing office" means an office designated in
17 Section 9-501 as the place to file a financing statement.

18 (38) "Filing-office rule" means a rule adopted
19 pursuant to Section 9-526.

20 (39) "Financing statement" means a record or records
21 composed of an initial financing statement and any filed
22 record relating to the initial financing statement.

23 (40) "Fixture filing" means the filing of a financing
24 statement covering goods that are or are to become fixtures
25 and satisfying Section 9-502(a) and (b). The term includes
26 the filing of a financing statement covering goods of a

1 transmitting utility which are or are to become fixtures.

2 (41) "Fixtures" means goods that have become so related
3 to particular real property that an interest in them arises
4 under real property law.

5 (42) "General intangible" means any personal property,
6 including things in action, other than accounts, chattel
7 paper, commercial tort claims, deposit accounts,
8 documents, goods, instruments, investment property,
9 letter-of-credit rights, letters of credit, money, and
10 oil, gas, or other minerals before extraction. The term
11 includes payment intangibles and software.

12 (43) "Good faith" means honesty in fact and the
13 observance of reasonable commercial standards of fair
14 dealing.

15 (44) "Goods" means all things that are movable when a
16 security interest attaches. The term includes (i)
17 fixtures, (ii) standing timber that is to be cut and
18 removed under a conveyance or contract for sale, (iii) the
19 unborn young of animals, (iv) crops grown, growing, or to
20 be grown, even if the crops are produced on trees, vines,
21 or bushes, and (v) manufactured homes. The term also
22 includes a computer program embedded in goods and any
23 supporting information provided in connection with a
24 transaction relating to the program if (i) the program is
25 associated with the goods in such a manner that it
26 customarily is considered part of the goods, or (ii) by

1 becoming the owner of the goods, a person acquires a right
2 to use the program in connection with the goods. The term
3 does not include a computer program embedded in goods that
4 consist solely of the medium in which the program is
5 embedded. The term also does not include accounts, chattel
6 paper, commercial tort claims, deposit accounts,
7 documents, general intangibles, instruments, investment
8 property, letter-of-credit rights, letters of credit,
9 money, or oil, gas, or other minerals before extraction.

10 (45) "Governmental unit" means a subdivision, agency,
11 department, county, parish, municipality, or other unit of
12 the government of the United States, a State, or a foreign
13 country. The term includes an organization having a
14 separate corporate existence if the organization is
15 eligible to issue debt on which interest is exempt from
16 income taxation under the laws of the United States.

17 (46) "Health-care-insurance receivable" means an
18 interest in or claim under a policy of insurance which is a
19 right to payment of a monetary obligation for health-care
20 goods or services provided.

21 (47) "Instrument" means a negotiable instrument or any
22 other writing that evidences a right to the payment of a
23 monetary obligation, is not itself a security agreement or
24 lease, and is of a type that in ordinary course of business
25 is transferred by delivery with any necessary indorsement
26 or assignment. The term does not include (i) investment

1 property, (ii) letters of credit, (iii) nonnegotiable
2 certificates of deposit, (iv) uncertificated certificates
3 of deposit, (v) nontransferrable certificates of deposit,
4 or (vi) writings that evidence a right to payment arising
5 out of the use of a credit or charge card or information
6 contained on or for use with the card.

7 (48) "Inventory" means goods, other than farm
8 products, which:

9 (A) are leased by a person as lessor;

10 (B) are held by a person for sale or lease or to be
11 furnished under a contract of service;

12 (C) are furnished by a person under a contract of
13 service; or

14 (D) consist of raw materials, work in process, or
15 materials used or consumed in a business.

16 (49) "Investment property" means a security, whether
17 certificated or uncertificated, security entitlement,
18 securities account, commodity contract, or commodity
19 account.

20 (50) "Jurisdiction of organization", with respect to a
21 registered organization, means the jurisdiction under
22 whose law the organization is organized.

23 (51) "Letter-of-credit right" means a right to payment
24 or performance under a letter of credit, whether or not the
25 beneficiary has demanded or is at the time entitled to
26 demand payment or performance. The term does not include

1 the right of a beneficiary to demand payment or performance
2 under a letter of credit.

3 (52) "Lien creditor" means:

4 (A) a creditor that has acquired a lien on the
5 property involved by attachment, levy, or the like;

6 (B) an assignee for benefit of creditors from the
7 time of assignment;

8 (C) a trustee in bankruptcy from the date of the
9 filing of the petition; or

10 (D) a receiver in equity from the time of
11 appointment.

12 (53) "Manufactured home" means a structure,
13 transportable in one or more sections, which, in the
14 traveling mode, is eight body feet or more in width or 40
15 body feet or more in length, or, when erected on site, is
16 320 or more square feet, and which is built on a permanent
17 chassis and designed to be used as a dwelling with or
18 without a permanent foundation when connected to the
19 required utilities, and includes the plumbing, heating,
20 air-conditioning, and electrical systems contained
21 therein. The term includes any structure that meets all of
22 the requirements of this paragraph except the size
23 requirements and with respect to which the manufacturer
24 voluntarily files a certification required by the United
25 States Secretary of Housing and Urban Development and
26 complies with the standards established under Title 42 of

1 the United States Code ~~factory assembled, completely~~
2 ~~integrated structure designed for permanent habitation,~~
3 ~~with a permanent chassis, and so constructed as to permit~~
4 ~~its transport, on wheels temporarily or permanently~~
5 ~~attached to its frame, and is a movable or portable unit~~
6 ~~that is (i) 8 body feet or more in width, (ii) 40 body feet~~
7 ~~or more in length, and (iii) 320 or more square feet,~~
8 ~~constructed to be towed on its own chassis (comprised of~~
9 ~~frame and wheels) from the place of its construction to the~~
10 ~~location, or subsequent locations, at which it is installed~~
11 ~~and set up according to the manufacturer's instructions and~~
12 ~~connected to utilities for year-round occupancy for use as~~
13 ~~a permanent habitation, and designed and situated so as to~~
14 ~~permit its occupancy as a dwelling place for one or more~~
15 ~~persons. The term shall include units containing parts that~~
16 ~~may be folded, collapsed, or telescoped when being towed~~
17 ~~and that may be expected to provide additional cubic~~
18 ~~capacity, and that are designed to be joined into one~~
19 ~~integral unit capable of being separated again into the~~
20 ~~components for repeated towing. The term shall exclude~~
21 ~~campers and recreational vehicles.~~

22 (54) "Manufactured-home transaction" means a secured
23 transaction:

24 (A) that creates a purchase-money security
25 interest in a manufactured home, other than a
26 manufactured home held as inventory; or

1 (B) in which a manufactured home, other than a
2 manufactured home held as inventory, is the primary
3 collateral.

4 (55) "Mortgage" means a consensual interest in real
5 property, including fixtures, which secures payment or
6 performance of an obligation.

7 (56) "New debtor" means a person that becomes bound as
8 debtor under Section 9-203(d) by a security agreement
9 previously entered into by another person.

10 (57) "New value" means (i) money, (ii) money's worth in
11 property, services, or new credit, or (iii) release by a
12 transferee of an interest in property previously
13 transferred to the transferee. The term does not include an
14 obligation substituted for another obligation.

15 (58) "Noncash proceeds" means proceeds other than cash
16 proceeds.

17 (59) "Obligor" means a person that, with respect to an
18 obligation secured by a security interest in or an
19 agricultural lien on the collateral, (i) owes payment or
20 other performance of the obligation, (ii) has provided
21 property other than the collateral to secure payment or
22 other performance of the obligation, or (iii) is otherwise
23 accountable in whole or in part for payment or other
24 performance of the obligation. The term does not include
25 issuers or nominated persons under a letter of credit.

26 (60) "Original debtor", except as used in Section

1 9-310(c), means a person that, as debtor, entered into a
2 security agreement to which a new debtor has become bound
3 under Section 9-203(d).

4 (61) "Payment intangible" means a general intangible
5 under which the account debtor's principal obligation is a
6 monetary obligation.

7 (62) "Person related to", with respect to an
8 individual, means:

9 (A) the spouse of the individual;

10 (B) a brother, brother-in-law, sister, or
11 sister-in-law of the individual;

12 (C) an ancestor or lineal descendant of the
13 individual or the individual's spouse; or

14 (D) any other relative, by blood or marriage, of
15 the individual or the individual's spouse who shares
16 the same home with the individual.

17 (63) "Person related to", with respect to an
18 organization, means:

19 (A) a person directly or indirectly controlling,
20 controlled by, or under common control with the
21 organization;

22 (B) an officer or director of, or a person
23 performing similar functions with respect to, the
24 organization;

25 (C) an officer or director of, or a person
26 performing similar functions with respect to, a person

1 described in subparagraph (A);

2 (D) the spouse of an individual described in
3 subparagraph (A), (B), or (C); or

4 (E) an individual who is related by blood or
5 marriage to an individual described in subparagraph
6 (A), (B), (C), or (D) and shares the same home with the
7 individual.

8 (64) "Proceeds", except as used in Section 9-609(b),
9 means the following property:

10 (A) whatever is acquired upon the sale, lease,
11 license, exchange, or other disposition of collateral;

12 (B) whatever is collected on, or distributed on
13 account of, collateral;

14 (C) rights arising out of collateral;

15 (D) to the extent of the value of collateral,
16 claims arising out of the loss, nonconformity, or
17 interference with the use of, defects or infringement
18 of rights in, or damage to, the collateral; or

19 (E) to the extent of the value of collateral and to
20 the extent payable to the debtor or the secured party,
21 insurance payable by reason of the loss or
22 nonconformity of, defects or infringement of rights
23 in, or damage to, the collateral.

24 (65) "Promissory note" means an instrument that
25 evidences a promise to pay a monetary obligation, does not
26 evidence an order to pay, and does not contain an

1 acknowledgment by a bank that the bank has received for
2 deposit a sum of money or funds.

3 (66) "Proposal" means a record authenticated by a
4 secured party which includes the terms on which the secured
5 party is willing to accept collateral in full or partial
6 satisfaction of the obligation it secures pursuant to
7 Sections 9-620, 9-621, and 9-622.

8 (67) "Public-finance transaction" means a secured
9 transaction in connection with which:

10 (A) debt securities are issued;

11 (B) all or a portion of the securities issued have
12 an initial stated maturity of at least 20 years; and

13 (C) the debtor, obligor, secured party, account
14 debtor or other person obligated on collateral,
15 assignor or assignee of a secured obligation, or
16 assignor or assignee of a security interest is a State
17 or a governmental unit of a State.

18 (68) "Pursuant to commitment", with respect to an
19 advance made or other value given by a secured party, means
20 pursuant to the secured party's obligation, whether or not
21 a subsequent event of default or other event not within the
22 secured party's control has relieved or may relieve the
23 secured party from its obligation.

24 (69) "Record", except as used in "for record", "of
25 record", "record or legal title", and "record owner", means
26 information that is inscribed on a tangible medium or which

1 is stored in an electronic or other medium and is
2 retrievable in perceivable form.

3 (70) "Registered organization" means an organization
4 organized solely under the law of a single State or the
5 United States and as to which the State or the United
6 States must maintain a public record showing the
7 organization to have been organized.

8 (71) "Secondary obligor" means an obligor to the extent
9 that:

10 (A) the obligor's obligation is secondary; or

11 (B) the obligor has a right of recourse with
12 respect to an obligation secured by collateral against
13 the debtor, another obligor, or property of either.

14 (72) "Secured party" means:

15 (A) a person in whose favor a security interest is
16 created or provided for under a security agreement,
17 whether or not any obligation to be secured is
18 outstanding;

19 (B) a person that holds an agricultural lien;

20 (C) a consignor;

21 (D) a person to which accounts, chattel paper,
22 payment intangibles, or promissory notes have been
23 sold;

24 (E) a trustee, indenture trustee, agent,
25 collateral agent, or other representative in whose
26 favor a security interest or agricultural lien is

1 created or provided for; or

2 (F) a person that holds a security interest arising
3 under Section 2-401, 2-505, 2-711(3), 2A-508(5),
4 4-210, or 5-118.

5 (73) "Security agreement" means an agreement that
6 creates or provides for a security interest.

7 (74) "Send", in connection with a record or
8 notification, means:

9 (A) to deposit in the mail, deliver for
10 transmission, or transmit by any other usual means of
11 communication, with postage or cost of transmission
12 provided for, addressed to any address reasonable
13 under the circumstances; or

14 (B) to cause the record or notification to be
15 received within the time that it would have been
16 received if properly sent under subparagraph (A).

17 (75) "Software" means a computer program and any
18 supporting information provided in connection with a
19 transaction relating to the program. The term does not
20 include a computer program that is included in the
21 definition of goods.

22 (76) "State" means a State of the United States, the
23 District of Columbia, Puerto Rico, the United States Virgin
24 Islands, or any territory or insular possession subject to
25 the jurisdiction of the United States.

26 (77) "Supporting obligation" means a letter-of-credit

1 right or secondary obligation that supports the payment or
2 performance of an account, chattel paper, a document, a
3 general intangible, an instrument, or investment property.

4 (78) "Tangible chattel paper" means chattel paper
5 evidenced by a record or records consisting of information
6 that is inscribed on a tangible medium.

7 (79) "Termination statement" means an amendment of a
8 financing statement which:

9 (A) identifies, by its file number, the initial
10 financing statement to which it relates; and

11 (B) indicates either that it is a termination
12 statement or that the identified financing statement
13 is no longer effective.

14 (80) "Transmitting utility" means a person primarily
15 engaged in the business of:

16 (A) operating a railroad, subway, street railway,
17 or trolley bus;

18 (B) transmitting communications electrically,
19 electromagnetically, or by light;

20 (C) transmitting goods by pipeline or sewer; or

21 (D) transmitting or producing and transmitting
22 electricity, steam, gas, or water.

23 (b) Definitions in other Articles. "Control" as provided in
24 Section 7-106 and the following definitions in other Articles
25 apply to this Article:

26 "Applicant". Section 5-102.

1 "Beneficiary". Section 5-102.
2 "Broker". Section 8-102.
3 "Certificated security". Section 8-102.
4 "Check". Section 3-104.
5 "Clearing corporation". Section 8-102.
6 "Contract for sale". Section 2-106.
7 "Customer". Section 4-104.
8 "Entitlement holder". Section 8-102.
9 "Financial asset". Section 8-102.
10 "Holder in due course". Section 3-302.
11 "Issuer" (with respect to a letter of credit or
12 letter-of-credit right). Section 5-102.
13 "Issuer" (with respect to a security). Section 8-201.
14 "Issuer" (with respect to documents of title). Section
15 7-102.
16 "Lease". Section 2A-103.
17 "Lease agreement". Section 2A-103.
18 "Lease contract". Section 2A-103.
19 "Leasehold interest". Section 2A-103.
20 "Lessee". Section 2A-103.
21 "Lessee in ordinary course of business". Section 2A-103.
22 "Lessor". Section 2A-103.
23 "Lessor's residual interest". Section 2A-103.
24 "Letter of credit". Section 5-102.
25 "Merchant". Section 2-104.
26 "Negotiable instrument". Section 3-104.

1 "Nominated person". Section 5-102.

2 "Note". Section 3-104.

3 "Proceeds of a letter of credit". Section 5-114.

4 "Prove". Section 3-103.

5 "Sale". Section 2-106.

6 "Securities account". Section 8-501.

7 "Securities intermediary". Section 8-102.

8 "Security". Section 8-102.

9 "Security certificate". Section 8-102.

10 "Security entitlement". Section 8-102.

11 "Uncertificated security". Section 8-102.

12 (c) Article 1 definitions and principles. Article 1
13 contains general definitions and principles of construction
14 and interpretation applicable throughout this Article.

15 (Source: P.A. 95-895, eff. 1-1-09; 96-1477, eff. 1-1-11.)

16 Section 10-110. The Interest Act is amended by changing
17 Sections 4, 4.2, and 4a as follows:

18 (815 ILCS 205/4) (from Ch. 17, par. 6404)

19 Sec. 4. General interest rate.

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

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

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

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

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

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

4 (a) Any loan made to a corporation;

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

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

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

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

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

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

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

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

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

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

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

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

1 (53) of Section 9-102, which is real property as defined in
2 the Conveyance and Encumbrance of Manufactured Homes as
3 Real Property and Severance Act;

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

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

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

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

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

1 estate, or on any loan secured by a mortgage on residential
2 real estate, it shall be unlawful to provide for a
3 prepayment penalty or other charge for prepayment.

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

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

1 or collected for any period of time occurring after the date on
2 which the total indebtedness, with the exception of late
3 payment penalties, is paid in full.

4 (4) For purposes of this Section, a prepayment shall mean
5 the payment of the total indebtedness, with the exception of
6 late payment penalties if incurred or charged, on any date
7 before the date specified in the contract or loan agreement on
8 which the total indebtedness shall be paid in full, or before
9 the date on which all payments, if timely made, shall have been
10 made. In the event of a prepayment of the indebtedness which is
11 made on a date after the date on which interest on the
12 indebtedness was last computed, calculated, charged, or
13 collected but before the next date on which interest on the
14 indebtedness was to be calculated, computed, charged, or
15 collected, the lender may calculate, charge and collect
16 interest on the indebtedness for the period which elapsed
17 between the date on which the prepayment is made and the date
18 on which interest on the indebtedness was last computed,
19 calculated, charged or collected at a rate equal to 1/360 of
20 the annual rate for each day which so elapsed, which rate shall
21 be applied to the indebtedness outstanding as of the date of
22 prepayment. The lender shall refund to the borrower any
23 interest charged or collected which exceeds that which the
24 lender may charge or collect pursuant to the preceding
25 sentence. The provisions of this amendatory Act of 1985 shall
26 apply only to contracts or loans entered into on or after the

1 effective date of this amendatory Act, but shall not apply to
2 contracts or loans entered into on or after that date that are
3 subject to Section 4a of this Act, the Consumer Installment
4 Loan Act, the Payday Loan Reform Act, or the Retail Installment
5 Sales Act, or that provide for the refund of precomputed
6 interest on prepayment in the manner provided by such Act.

7 (5) For purposes of items (a) and (c) of subsection (1) of
8 this Section, a rate or amount of interest may be lawfully
9 computed when applying the ratio of the annual interest rate
10 over a year based on 360 days. The provisions of this
11 amendatory Act of the 96th General Assembly are declarative of
12 existing law.

13 (6) For purposes of this Section, "real estate" and "real
14 property" include a manufactured home, as defined in
15 subdivision (53) of Section 9-102 of the Uniform Commercial
16 Code that is real property as defined in the Conveyance and
17 Encumbrance of Manufactured Homes as Real Property and
18 Severance Act.

19 (Source: P.A. 95-331, eff. 8-21-07; 96-1421, eff. 8-3-10.)

20 (815 ILCS 205/4.2) (from Ch. 17, par. 6407)

21 Sec. 4.2. Revolving credit; billing statements;
22 disclosures. On a revolving credit which complies with
23 subparagraphs (a), (b), (c), (d) and (e) of this Section 4.2,
24 it is lawful for any bank that has its main office or, after
25 May 31, 1997, a branch in this State, a state or federal

1 savings and loan association with its main office in this
2 State, a state or federal credit union with its main office in
3 this State, or a lender licensed under the Consumer Finance
4 Act, the Consumer Installment Loan Act or the Sales Finance
5 Agency Act, as such Acts are now and hereafter amended, to
6 receive or contract to receive and collect interest in any
7 amount or at any rate agreed upon by the parties to the
8 revolving credit arrangement. It is lawful for any other lender
9 to receive or contract to receive and collect interest in an
10 amount not in excess of 1 1/2% per month of either the average
11 daily unpaid balance of the principal of the debt during the
12 billing cycle, or of the unpaid balance of the debt on
13 approximately the same day of the billing cycle. If a lender
14 under a revolving credit arrangement notifies the debtor at
15 least 30 days in advance of any lawful increase in the amount
16 or rate of interest to be charged under the revolving credit
17 arrangement, and the debtor, after the effective date of such
18 notice, incurs new debt pursuant to the revolving credit
19 arrangement, the increased interest amount or rate may be
20 applied only to any such new debt incurred under the revolving
21 credit arrangement. For purposes of determining the balances to
22 which the increased interest rate applies, all payments and
23 other credits may be deemed to be applied to the balance
24 existing prior to the change in rate until that balance is paid
25 in full. The face amount of the drafts, items, orders for the
26 payment of money, evidences of debt, or similar written

1 instruments received by the lender in connection with the
2 revolving credit, less the amounts applicable to principal from
3 time to time paid thereon by the debtor, are the unpaid balance
4 of the debt upon which the interest is computed. If the billing
5 cycle is not monthly, the maximum interest rate for the billing
6 cycle is the percentage which bears the same relation to the
7 monthly percentage provided for in the preceding sentence as
8 the number of days in the billing cycle bears to 30. For the
9 purposes of the foregoing computation, a "month" is deemed to
10 be any time of 30 consecutive days. In addition to the interest
11 charge provided for, it is lawful to receive, contract for or
12 collect a charge not exceeding 25 cents for each transaction in
13 which a loan or advance is made under the revolving credit or
14 in lieu of this additional charge an annual fee for the
15 privilege of receiving and using the revolving credit in an
16 amount not exceeding \$20. In addition, with respect to
17 revolving credit secured by an interest in real estate,
18 including a manufactured home as defined in subdivision (53) of
19 Section 9-102 of the Uniform Commercial Code that is real
20 property as defined in the Conveyance and Encumbrance of
21 Manufactured Homes as Real Property and Severance Act, it is
22 also lawful to receive, contract for or collect fees lawfully
23 paid to any public officer or agency to record, file or release
24 the security, and costs and disbursements actually incurred for
25 any title insurance, title examination, abstract of title,
26 survey, appraisal, escrow fees, and fees paid to a trustee in

1 connection with a trust deed.

2 (a) At or before the date a bill or statement is first
3 rendered to the debtor under a revolving credit arrangement,
4 the lender must mail or deliver to the debtor a written
5 description of the conditions under which a charge for interest
6 may be made and the method, including the rate, of computing
7 these interest charges. The rate of interest must be expressed
8 as an annual percentage rate.

9 (b) If during any billing cycle any debit or credit entry
10 is made to a debtor's revolving credit account, and if at the
11 end of that billing cycle there is an unpaid balance owing to
12 the lender from the debtor, the lender must give to the debtor
13 the following information within a reasonable time after the
14 end of the billing cycle:

15 (i) the unpaid balance at the beginning of the billing
16 cycle;

17 (ii) the date and amount of all loans or advances made
18 during the billing cycle, which information may be supplied
19 by enclosing a copy of the drafts, items, orders for the
20 payment of money, evidences of debt or similar written
21 instruments presented to the lender during the billing
22 cycle;

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

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

1 (v) the amount which must be currently paid by the
2 debtor and the date on which that amount must be paid in
3 order to avoid delinquency;

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

7 (vii) information required by (iv), (v) and (vi) must
8 be set forth in type of equal size and equal
9 conspicuousness.

10 (c) The revolving credit arrangement may provide for the
11 payment by the debtor and receipt by the lender of all costs
12 and disbursements, including reasonable attorney's fees,
13 incurred by the lender in legal proceedings to collect or
14 enforce the debt in the event of delinquency by the debtor or
15 in the event of a breach of any obligation of the debtor under
16 the arrangement.

17 (d) The lender under a revolving credit arrangement may
18 provide credit life insurance or credit accident and health
19 insurance, or both, with respect to the debtor and may charge
20 the debtor therefor. Credit life insurance and credit accident
21 and health insurance, and any charge therefor made to the
22 debtor, shall comply with Article IX 1/2 of the Illinois
23 Insurance Code, as now or hereafter amended, and all lawful
24 requirements of the Director of Insurance related thereto. This
25 insurance is in force with respect to each loan or advance made
26 under a revolving credit arrangement as soon as the loan or

1 advance is made. The purchase of this insurance from an agent,
2 broker or insurer specified by the lender may not be a
3 condition precedent to the revolving credit arrangement or to
4 the making of any loan or advance thereunder.

5 (e) Whenever interest is contracted for or received under
6 this Section, no amount in addition to the charges authorized
7 by this Act may be directly or indirectly charged, contracted
8 for or received whether as interest, service charges, costs of
9 investigations or enforcements or otherwise.

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

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

25 (h) Anything in this Section 4.2 to the contrary
26 notwithstanding, if the Congress of the United States or any

1 federal agency authorizes any class of lenders to enter, within
2 limitations, into a revolving credit arrangement secured by a
3 mortgage or deed of trust on residential real property, any
4 person, firm, corporation or other entity, not otherwise
5 prohibited by the Congress of the United States or any federal
6 agency from entering into revolving credit arrangements
7 secured by a mortgage or deed of trust on residential real
8 property, may enter into such arrangements within the same
9 limitations.

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

11 (815 ILCS 205/4a) (from Ch. 17, par. 6410)

12 Sec. 4a. Installment loan rate.

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

24 (i) interest in an amount equivalent to interest
25 computed at a rate not exceeding 9% per year on the entire

1 principal amount of the money loaned or in any manner owing
2 for the period from the date of the making of the loan or
3 the incurring of the obligation for the amount owing
4 evidenced by the written instrument until the date of the
5 maturity of the last installment thereof, and to add that
6 amount to the principal, except that there shall be no
7 limit on the rate of interest which may be received or
8 contracted to be received and collected by (1) any bank
9 that has its main office or, after May 31, 1997, a branch
10 in this State; (2) a savings and loan association chartered
11 under the Illinois Savings and Loan Act of 1985, a savings
12 bank chartered under the Savings Bank Act, or a federal
13 savings and loan association established under the laws of
14 the United States and having its main office in this State;
15 or (3) any lender licensed under either the Consumer
16 Finance Act or the Consumer Installment Loan Act, but in
17 any case in which interest is received, contracted for or
18 collected on the basis of this clause (i), the debtor may
19 satisfy in full at any time before maturity the debt
20 evidenced by the written instrument, and in so satisfying
21 must receive a refund credit against the total amount of
22 interest added to the principal computed in the manner
23 provided under Section 15(f)(3) of the Consumer
24 Installment Loan Act for refunds or credits of applicable
25 interest on payment in full of precomputed loans before the
26 final installment due date; or

1 (ii) interest accrued on the principal balance from
2 time to time remaining unpaid, from the date of making of
3 the loan or the incurring of the obligation to the date of
4 the payment of the debt in full, at a rate not exceeding
5 the annual percentage rate equivalent of the rate permitted
6 to be charged under clause (i) above, but in any such case
7 the debtor may, provided that the debtor shall have paid in
8 full all interest and other charges accrued to the date of
9 such prepayment, prepay the principal balance in full or in
10 part at any time, and interest shall, upon any such
11 prepayment, cease to accrue on the principal amount which
12 has been prepaid.

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

24 (c) Credit life insurance and credit accident and health
25 insurance, and any charge therefor which is deducted from the
26 loan or paid by the obligor, must comply with Article IX 1/2 of

1 the Illinois Insurance Code and all lawful requirements of the
2 Director of Insurance related thereto. When there are 2 or more
3 obligors on the loan contract, only one charge for credit life
4 insurance and credit accident and health insurance may be made
5 and only one of the obligors may be required to be insured.
6 Insurance obtained from, by or through the lender or creditor
7 must be in effect when the loan is transacted. The purchase of
8 that insurance from an agent, broker or insurer specified by
9 the lender or creditor may not be a condition precedent to the
10 granting of the loan.

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

21 (e) The lender or creditor may, if the contract provides,
22 collect a delinquency and collection charge on each installment
23 in default for a period of not less than 10 days in an amount
24 not exceeding 5% of the installment on installments in excess
25 of \$200 or \$10 on installments of \$200 or less, but only one
26 delinquency and collection charge may be collected on any

1 installment regardless of the period during which it remains in
2 default. In addition, the contract may provide for the payment
3 by the borrower or debtor of attorney's fees incurred by the
4 lender or creditor. The lender or creditor may enforce such a
5 provision to the extent of the reasonable attorney's fees
6 incurred by him in the collection or enforcement of the
7 contract or obligation. Whenever interest is contracted for or
8 received under this Section, no amount in addition to the
9 charges authorized by this Section may be directly or
10 indirectly charged, contracted for or received, except lawful
11 fees paid to a public officer or agency to record, file or
12 release security, and except costs and disbursements including
13 reasonable attorney's fees, incurred in legal proceedings to
14 collect a loan or to realize on a security after default. This
15 Section does not prohibit the receipt of any commission,
16 dividend or other benefit by the creditor or an employee,
17 affiliate or associate of the creditor from the insurance
18 authorized by this Section.

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

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

23 (2) the amount of loan credit using the term "amount
24 financed";

25 (3) every deduction from the amount financed or payment
26 made by the obligor for insurance and the type of insurance

1 for which each deduction or payment was made;

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

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

6 (6) the total amount of the loan charge for the
7 scheduled term of the loan contract with a description of
8 each amount included using the term "finance charge";

9 (7) the finance charge expressed as an annual
10 percentage rate using the term "annual percentage rate".
11 "Annual percentage rate" means the nominal annual
12 percentage rate of finance charge determined in accordance
13 with the actuarial method of computation with an accuracy
14 at least to the nearest 1/4 of 1%; or at the option of the
15 lender by application of the United States rule so that it
16 may be disclosed with an accuracy at least to the nearest
17 1/4 of 1%;

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

21 (9) the amount, or method of computing the amount of
22 any default, delinquency or similar charges payable in the
23 event of late payments;

24 (10) the right of the obligor to prepay the loan and
25 the fact that such prepayment will reduce the charge for
26 the loan;

1 (11) a description or identification of the type of any
2 security interest held or to be retained or acquired by the
3 lender in connection with the loan and a clear
4 identification of the property to which the security
5 interest relates. If after-acquired property will be
6 subject to the security interest, or if other or future
7 indebtedness is or may be secured by any such property,
8 this fact shall be clearly set forth in conjunction with
9 the description or identification of the type of security
10 interest held, retained or acquired;

11 (12) a description of any penalty charge that may be
12 imposed by the lender for prepayment of the principal of
13 the obligation with an explanation of the method of
14 computation of such penalty and the conditions under which
15 it may be imposed;

16 (13) unless the contract provides for the accrual and
17 payment of the finance charge on the balance of the amount
18 financed from time to time remaining unpaid, an
19 identification of the method of computing any unearned
20 portion of the finance charge in the event of prepayment of
21 the loan.

22 The terms "finance charge" and "annual percentage rate"
23 shall be printed more conspicuously than other terminology
24 required by this Section.

25 (g) At the time disclosures are made, the lender shall
26 deliver to the obligor a duplicate of the instrument or

1 statement by which the required disclosures are made and on
2 which the lender and obligor are identified and their addresses
3 stated. All of the disclosures shall be made clearly,
4 conspicuously and in meaningful sequence and made together on
5 either:

6 (i) the note or other instrument evidencing the
7 obligation on the same side of the page and above or
8 adjacent to the place for the obligor's signature; however,
9 where a creditor elects to combine disclosures with the
10 contract, security agreement, and evidence of a
11 transaction in a single document, the disclosures required
12 under this Section shall be made on the face of the
13 document, on the reverse side, or on both sides, provided
14 that the amount of the finance charge and the annual
15 percentage rate shall appear on the face of the document,
16 and, if the reverse side is used, the printing on both
17 sides of the document shall be equally clear and
18 conspicuous, both sides shall contain the statement,
19 "NOTICE: See other side for important information", and the
20 place for the customer's signature shall be provided
21 following the full content of the document; or

22 (ii) one side of a separate statement which identifies
23 the transaction.

24 The amount of the finance charge shall be determined as the
25 sum of all charges, payable directly or indirectly by the
26 obligor and imposed directly or indirectly by the lender as an

1 incident to or as a condition to the extension of credit,
2 whether paid or payable by the obligor, any other person on
3 behalf of the obligor, to the lender or to a third party,
4 including any of the following types of charges:

5 (1) Interest, time price differential, and any amount
6 payable under a discount or other system of additional
7 charges.

8 (2) Service, transaction, activity, or carrying
9 charge.

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

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

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

23 (6) Charges or premiums for insurance, written in
24 connection with any credit transaction, against loss of or
25 damage to property or against liability arising out of the
26 ownership or use of property, unless a clear, conspicuous,

1 and specific statement in writing is furnished by the
2 lender to the obligor setting forth the cost of the
3 insurance if obtained from or through the lender and
4 stating that the obligor may choose the person through
5 which the insurance is to be obtained.

6 (7) Premium or other charges for any other guarantee or
7 insurance protecting the lender against the obligor's
8 default or other credit loss.

9 (8) Any charge imposed by a lender upon another lender
10 for purchasing or accepting an obligation of an obligor if
11 the obligor is required to pay any part of that charge in
12 cash, as an addition to the obligation, or as a deduction
13 from the proceeds of the obligation.

14 A late payment, delinquency, default, reinstatement or
15 other such charge is not a finance charge if imposed for actual
16 unanticipated late payment, delinquency, default or other
17 occurrence.

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

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

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

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

12 Section 10-115. The Motor Vehicle Retail Installment Sales
13 Act is amended by changing Section 2.1 as follows:

14 (815 ILCS 375/2.1) (from Ch. 121 1/2, par. 562.1)

15 Sec. 2.1.

16 "Motor vehicle" means a motor vehicle as defined in The
17 Illinois Vehicle Code but does not include bicycles,
18 motorcycles, motor scooters, snowmobiles, trailers, ~~and~~ farm
19 equipment, and manufactured homes as defined in subdivision
20 (53) of Section 9-102 of the Uniform Commercial Code.

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

22 Section 10-120. The Retail Installment Sales Act is amended
23 by changing Section 2.1 as follows:

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

2 Sec. 2.1. "Goods" means all goods used or purchased
3 primarily for personal, family, or household purposes. "Goods"
4 includes goods purchased primarily for agricultural purposes
5 only for the purposes of the credit disclosure requirements of
6 this Act. "Goods" includes merchandise certificates or coupons
7 issued by a retail seller to be used in their face amount in
8 the purchase of goods or services sold by such a seller but
9 does not include money or other things in action. It also
10 includes goods which are furnished or used, at the time of sale
11 or subsequently, in the modernization, rehabilitation, repair,
12 alteration, improvement, or construction of real estate so as
13 to become a part of that real estate whether or not severable
14 therefrom. "Goods" includes a manufactured home as defined in
15 subdivision (53) of Section 9-102 of the Uniform Commercial
16 Code that is not real property as defined in the Conveyance and
17 Encumbrance of Manufactured Homes as Real Property and
18 Severance Act. "Goods" does not include a motor vehicle as
19 defined in The Illinois Vehicle Code, but does include
20 bicycles, motorcycles, motor scooters, snowmobiles and
21 trailers when purchased primarily for personal, family or
22 household purposes. "Goods" does not include goods used or
23 purchased primarily for business or commercial purposes.

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

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1 815 ILCS 405/2.1

from Ch. 121 1/2, par. 502.1