



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2927

by Rep. Brandon W. Phelps

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. Effective immediately.

LRB098 07544 HLH 37615 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 (c) An affidavit of affixation shall be in the form set
 15 forth below:

16 MANUFACTURED HOME
 17 AFFIDAVIT OF AFFIXATION

18 STATE OF

19)SS.

20 COUNTY OF

21 BEFORE ME, the undersigned Notary Public, on this day
 22 personally appeared (type the
 23 name(s) of each person signing this Affidavit) known to me to

1 be the person(s) whose name(s) is/are subscribed below (each a
2 "Homeowner"), and who, being by me first duly sworn, did each
3 on his or her oath state as follows:

4 1. Homeowner owns the manufactured home ("Home") described as
5 follows:

6
7

8 (New/Used; Year; Manufacturer's Name; Model Name and Model
9 No.; Manufacturer's VIN No(s).; Length/Width)

10 2. The Home was built in compliance with the federal
11 Manufactured Home Construction and Safety Standards (42
12 U.S.C.A. Ch. 70).

13 3. If Homeowner is the first retail buyer of the Home,
14 Homeowner is in receipt of (i) the manufacturer's warranty
15 for the Home, (ii) the Consumer Manual for the Home, (iii)
16 the Insulation Disclosure for the Home, (iv) the
17 formaldehyde health notice, and (v) the Dispute Resolution
18 Disclosure required by 24 C.F.R. 3288.5.

19 4. The street address of the real property to which the Home is
20 or shall be permanently affixed ("Property Address") is:

21
22 (Street or Route; City; County; State; Zip Code)

23 5. The legal description of the real property to which the Home

1 is or shall be permanently affixed ("Land") is:
 2
 3
 4
 5

6 6. Homeowner is the owner of the Land or, if not the owner of
 7 the Land, the Home is not located in a mobile home park, as
 8 defined in Section 2.5 of the Mobile Home Park Act, and
 9 Homeowner is in possession of the Land pursuant to a lease
 10 in recordable form that has a term that continues for at
 11 least 20 years after the date of the execution of this
 12 Affidavit, and the consent of the lessor is attached to
 13 this Affidavit.

14 7. The Home is or shall be assessed and taxed as an improvement
 15 to the Land.

16 8. As of the date of the execution of this Affidavit, or, if
 17 the Home is not yet located at the Property Address, upon
 18 the delivery of the Home to the Property Address:

19 (a) All permits required by governmental authorities have
 20 been obtained;

21 (b) The Home [] is [] shall be permanently affixed as
 22 defined in Section 5-5 of the Conveyance and Encumbrance of
 23 Manufactured Homes as Real Property and Severance Act;

24 (c) The wheels, axles, towbar, or hitch were removed when
 25 the Home was placed on the Property Address; and

1 (d) The Home has the characteristics of site-built housing
2 and is part of the Land.

3 9. The Home [] was [] was not permanently affixed before
4 January 1, 2011.

5 10. If Homeowner is the owner of the Land, any conveyance or
6 financing of the Home and the Land shall be a single
7 transaction under applicable State law.

8 11. The Home is subject to the following security interests or
9 liens:

10 Name of Lienholder:
11 Address:
12 Original Principal Amount Secured:

13 Name of Lienholder:
14 Address:
15 Original Principal Amount Secured:

16 12. Other than those disclosed in this Affidavit, Homeowner is
17 not aware of (i) any other security interest, claim, lien,
18 or encumbrance affecting the Home or (ii) any other facts
19 or information that could reasonably affect the validity of
20 the title of the Home or the existence or non-existence of
21 security interests in it.

22 13. A release of lien from each of the lienholders identified
23 in paragraph 11 of this Affidavit [] has been [] shall be

1 delivered to the Secretary of State.

2 14. Homeowner shall initial only one of the following, as it
3 applies to the Home:

4 [] The Home is not covered by a certificate of title. The
5 Home is covered by a Manufacturer's Statement of Origin,
6 issued on the of,, manufacturer's
7 vehicle identification number, which
8 Homeowner shall surrender. The original Manufacturer's
9 Statement of Origin, duly endorsed to Homeowner, is attached
10 to this Affidavit.

11 [] The Home is covered by a certificate of title issued
12 on the day of,, title number
13, which Homeowner shall surrender.

14 15. Homeowner designates the following person to file a
15 certified copy of this Affidavit with the Secretary of
16 State, and the person to whom the Recorder shall return a
17 certified copy of this Affidavit after it has been duly
18 recorded in the real property records:

19 Name:.....

20 Address:

21 16. This Affidavit is executed by Homeowner pursuant to Section
22 5-15 of the Conveyance and Encumbrance of Manufactured
23 Homes as Real Property and Severance Act.

24

25 IN WITNESS WHEREOF, Homeowner(s) has/have executed this

1 Affidavit in my presence and in the presence of the
2 undersigned witnesses on this day of,

3 (SEAL)

4 Homeowner #1 Witness

5

6 Printed Name

7 (SEAL)

8 Homeowner #2 Witness

9

10 Printed Name

11 (SEAL)

12 Homeowner #3 Witness

13

14 Printed Name

15 (SEAL)

16 Homeowner #4 Witness

17

18 Printed Name

19 STATE OF)

20) SS.

1 COUNTY OF

2 The foregoing instrument was acknowledged before me this
3 (date) by (name(s) of person(s) who acknowledged).

4 Notary Public
5 Signature

6 My commission expires:
7 Official Seal:

8 ATTENTION RECORDER: This instrument covers goods that are
9 or are to become fixtures on the Property described herein and
10 is to be filed for record in the records where conveyances of
11 real estate are recorded.

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

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

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

23 Section 5-30. Effect of recorded affidavit of affixation. A
24 manufactured home shall be deemed to be real property when all

1 of the following events have occurred:

2 (1) the manufactured home is permanently affixed to land as
3 provided in Section 5-5 of this Act;

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

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

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

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

1 Section 5-40. Manufactured home that remains personal
2 property or a fixture. Except as provided in Sections 5-15,
3 5-25, 5-30, and 5-35 of this Act, an affidavit of affixation is
4 not necessary or effective to convey or encumber a manufactured
5 home or to change the character of the manufactured home to
6 real property. Every conveyance of land upon which is located a
7 manufactured home for which no affidavit of affixation has been
8 recorded or for which an affidavit of severance has been
9 recorded shall contain a recital that such conveyance does not
10 affect the title to said manufactured home and that the
11 transfer or encumbrance thereof can only be made pursuant to
12 the provisions of the Illinois Vehicle Code. Any agreement by
13 any party to the transaction whereby the requirements of this
14 subsection are waived shall be void as contrary to public
15 policy.

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

20 Section 5-50. Affidavit of severance.

21 (a) If and when a manufactured home for which an affidavit
22 of affixation has been recorded is detached or severed from the
23 real property to which it is affixed, the person (all, if more

1 than one) having an interest in the real property shall record
2 an affidavit of severance in the land records of the county
3 where the affidavit of affixation with respect to the
4 manufactured home is recorded. The affidavit of severance shall
5 contain or be accompanied by:

6 (i) the name, residence, and mailing address of the
7 owner of the manufactured home;

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

13 (iii) the book number, page number and date of
14 recordation of the affidavit of affixation;

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

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

1 Section.

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

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

25 (d) An affidavit of severance shall be in the form set
26 forth below:

1 MANUFACTURED HOME
 2 AFFIDAVIT OF SEVERANCE

3 STATE OF)
 4)SS.
 5 COUNTY OF

6 BEFORE ME, the undersigned notary public, on this day
 7 personally appeared (type the name(s) of
 8 each person signing this Affidavit) known to me to be the
 9 person(s) whose name(s) is/are subscribed below (each an
 10 "Affiant"), and who, being by me first duly sworn, did each on
 11 his or her oath state as follows:

12 1. The owner(s) of the manufactured home described below
 13 reside(s) at the following address:
 14
 15 (Street or Route; City; County; State; Zip Code)

16 Mailing address, if different:
 17
 18 (Street or Route; City; County; State; Zip Code)

19 2. The manufactured home that is the subject of this Affidavit
 20 ("Home") is described as follows:

1
 2 (New/Used; Year; Manufacturer's Name; Model Name and Model
 3 No.; Manufacturer's VIN No(s).; Length/Width)

4 3. The Home was severed from the following address ("Land"):
 5
 6 (Street or Route; City; County; State; Zip Code)

7 4. An Affidavit of Affixation was duly recorded in the land
 8 records of the county in which the Land is located on
 9 (date), in book number at page
 10 number

11 5. Affiant is the owner of the Land or, if not the owner of
 12 the Land, is in possession of the Land pursuant to a
 13 lease in recordable form, and the consent of the lessor
 14 is attached to this Affidavit.

15 6. The Home is subject to the following security interests:

16 Name of Lienholder:
 17 Address:
 18 Original Principal Amount Secured:

19 Name of Lienholder:
 20 Address:
 21 Original Principal Amount Secured:

1 7. Other than those disclosed in this Affidavit, Affiant is
 2 not aware of (i) any other security interest, claim,
 3 lien, or encumbrance affecting the Home or (ii) any other
 4 facts or information that could reasonably affect the
 5 validity of the title of the Home or the existence or
 6 non-existence of security interests in it.

7 8. A release of lien from each of the lienholders identified
 8 in paragraph 6 of this Affidavit [] has been [] shall be
 9 delivered to the Secretary of State.

10 9. Affiant designates the following person to file a
 11 certified copy of this Affidavit with the Secretary of
 12 State, and the person to whom the Recorder shall return a
 13 certified copy of this Affidavit after it has been duly
 14 recorded in the real property records:

15 Name:.....

16 Address:

17 10. This Affidavit is executed by Affiant pursuant to Section
 18 5-50 of the Conveyance and Encumbrance of Manufactured
 19 Homes as Real Property and Severance Act.

20
 21 IN WITNESS WHEREOF, Affiant(s) has/have executed this
 22 Affidavit in my presence and in the presence of the
 23 undersigned witnesses on this day of
 24,

25

1 (SEAL)

2 Homeowner #1 Witness

3

4 Printed Name

5 (SEAL)

6 Homeowner #2 Witness

7

8 Printed Name

9 (SEAL)

10 Homeowner #3 Witness

11

12 Printed Name

13 (SEAL)

14 Homeowner #4 Witness

15

16 Printed Name

17 STATE OF)

18) SS.

19 COUNTY OF)

20 The foregoing instrument was acknowledged before me this

21 (date) by (name(s) of person(s) who acknowledged).

1 Notary Public

2 Signature

3 My commission expires:

4 Official Seal:

5 ATTENTION RECORDER: This instrument covers goods that had been
6 fixtures on the Property described herein and is to be filed
7 for record in the records where conveyances of real estate are
8 recorded.

9 Section 5-55. Documents in trust.

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

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

21 Article 10. AMENDATORY PROVISIONS

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

3 (35 ILCS 200/1-130)

4 Sec. 1-130. Property; real property; real estate; land;
5 tract; lot.

6 (a) The land itself, with all things contained therein, and
7 also all buildings, structures and improvements, and other
8 permanent fixtures thereon, including all oil, gas, coal, and
9 other minerals in the land and the right to remove oil, gas and
10 other minerals, excluding coal, from the land, and all rights
11 and privileges belonging or pertaining thereto, except where
12 otherwise specified by this Code. Not included therein are
13 low-income housing tax credits authorized by Section 42 of the
14 Internal Revenue Code, 26 U.S.C. 42.

15 (b) Notwithstanding any other provision of law, mobile
16 homes and manufactured homes that (i) are located outside of
17 mobile home parks and (ii) are taxed under the Mobile Home
18 Local Services Tax Act on the effective date of this amendatory
19 Act of the 96th General Assembly shall continue to be taxed
20 under the Mobile Home Local Services Tax Act and shall not be
21 ~~classified,~~ assessed, and taxed as real property until the home
22 is sold or transferred or until the home is relocated to a
23 different parcel of land outside of a mobile home park. If a
24 mobile home or manufactured home described in this subsection

25 (b) is sold, transferred, or relocated to a different parcel of

1 land outside of a mobile home park, then the home shall be
2 ~~classified,~~ assessed, and taxed as real property whether or not
3 that mobile home or manufactured home is permanently affixed to
4 real property as defined in Section 5-5 of the Conveyance and
5 Encumbrance of Manufactured Homes as Real Property and
6 Severance Act or installed on a permanent foundation and
7 whether or not such mobile home or manufactured home is real
8 property as defined in Section 5-35 of the Conveyance and
9 Encumbrance of Manufactured Homes as Real Property and
10 Severance Act. Mobile homes and manufactured homes that are
11 located outside of mobile home parks and ~~classified,~~ assessed,
12 and taxed as real property on the effective date of this
13 amendatory Act of the 96th General Assembly shall continue to
14 be ~~classified,~~ assessed, and taxed as real property whether or
15 not those mobile homes or manufactured homes are permanently
16 affixed to real property as defined in the Conveyance and
17 Encumbrance of Manufactured Homes as Real Property and
18 Severance Act or installed on permanent foundations and whether
19 or not those mobile homes or manufactured homes are real
20 property as defined in the Conveyance and Encumbrance of
21 Manufactured Homes as Real Property and Severance Act. If a
22 mobile or manufactured home that is located outside of a mobile
23 home park is relocated to a mobile home park, it must be
24 considered chattel and must be taxed according to the Mobile
25 Home Local Services Tax Act. The owner of a mobile home or
26 manufactured home that is located outside of a mobile home park

1 may file a request with the chief county assessment officer
2 ~~county~~ that the home be ~~classified, assessed, and~~ taxed as real
3 property.

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

7 (d) If the provisions of this Section conflict with the
8 Illinois Manufactured Housing and Mobile Home Safety Act, the
9 Mobile Home Local Services Tax Act, the Mobile Home Park Act,
10 or any other provision of law with respect to the taxation of
11 mobile homes or manufactured homes located outside of mobile
12 home parks, the provisions of this Section shall control.

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

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

16 (35 ILCS 515/1) (from Ch. 120, par. 1201)

17 Sec. 1. (a) As ~~Except as provided in subsections (b) and~~
18 ~~(c), as~~ used in this Act, "manufactured home" means a
19 factory-assembled, completely integrated structure designed
20 for permanent habitation, with a permanent chassis, and so
21 constructed as to permit its transport, on wheels temporarily
22 or permanently attached to its frame, and is a movable or
23 portable unit that is (i) 8 body feet or more in width, (ii) 40
24 body feet or more in length, and (iii) 320 or more square feet,

1 constructed to be towed on its own chassis (comprised of frame
2 and wheels) from the place of its construction to the location,
3 or subsequent locations, at which it is ~~installed and set up~~
4 ~~according to the manufacturer's instructions and~~ connected to
5 utilities for year-round occupancy for use as a permanent
6 habitation, and designed and situated so as to permit its
7 occupancy as a dwelling place for one or more persons, and
8 specifically includes a "manufactured home" as defined in
9 subdivision 53 of Section 9-102 of the Uniform Commercial Code.

10 The term shall include units containing parts that may be
11 folded, collapsed, or telescoped when being towed and that may
12 be expected to provide additional cubic capacity, and that are
13 designed to be joined into one integral unit capable of being
14 separated again into the components for repeated towing. The
15 term excludes campers and recreational vehicles. Mobile homes
16 and manufactured homes in mobile home parks must be assessed
17 and taxed as chattel. Mobile homes and manufactured homes
18 outside of mobile home parks must be assessed and taxed as real
19 property whether or not such mobile homes and manufactured
20 homes are permanently affixed to real property as defined in
21 Section 5-5 of the Conveyance and Encumbrance of Manufactured
22 Homes as Real Property and Severance Act or installed on
23 permanent foundations, and whether or not such mobile homes and
24 manufactured homes are real property as defined in Section 5-35
25 of the Conveyance and Encumbrance of Manufactured Homes as Real
26 Property and Severance Act. The words "mobile home" and

1 "manufactured home" are synonymous for the purposes of this
2 Act. Any such structure located outside of a mobile home park
3 shall not be assessed and taxed ~~constructed~~ as chattel, but must
4 be assessed and taxed as real property as defined by Section
5 1-130 of the Property Tax Code. All mobile homes and
6 manufactured homes located inside mobile home parks must be
7 ~~considered as chattel and~~ taxed according to this Act. Mobile
8 homes and manufactured homes located on a dealer's lot for
9 resale purposes or as a temporary office shall not be subject
10 to this tax.

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

1 property as defined in Section 5-35 of the Conveyance and
2 Encumbrance of Manufactured Homes as Real Property and
3 Severance Act. Mobile homes and manufactured homes that are
4 located outside of mobile home parks and ~~classified,~~ assessed,
5 and taxed as real property on the effective date of this
6 amendatory Act of the 96th General Assembly must continue to be
7 ~~classified,~~ assessed, and taxed as real property whether or not
8 the mobile homes and manufactured homes are permanently affixed
9 to real property as defined in Section 5-5 of the Conveyance
10 and Encumbrance of Manufactured Homes as Real Property and
11 Severance Act or installed on permanent foundations and whether
12 or not the mobile homes and manufactured homes are real
13 property as defined in Section 5-35 of the Conveyance and
14 Encumbrance of Manufactured Homes as Real Property and
15 Severance Act. If a mobile or manufactured home that is located
16 outside of a mobile home park is relocated to a mobile home
17 park, the home must be ~~considered chattel and must be~~ taxed
18 according to the Mobile Home Local Services Tax Act. The owner
19 of a mobile home or manufactured home that is located outside
20 of a mobile home park may file a request with the county that
21 the home be ~~classified,~~ assessed, and taxed as real property.

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

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

1 (35 ILCS 515/4) (from Ch. 120, par. 1204)

2 Sec. 4. The owner of each inhabited mobile home or
3 manufactured home located in this State, but not located inside
4 of a mobile home park, on the effective date of this amendatory
5 Act of the 96th General Assembly shall, within 30 days after
6 such date, record with the Office of the Recorder in the county
7 where the mobile home or manufactured home is located ~~file with~~
8 ~~the township assessor, if any, or with the Supervisor of~~
9 ~~Assessments or county assessor if there is no township~~
10 ~~assessor, or with the county assessor in those counties in~~
11 ~~which a county assessor is elected pursuant to Section 3-45 of~~
12 ~~the Property Tax Code,~~ a mobile home registration form
13 containing the information hereinafter specified, subject to
14 the county's recording fees ~~and record a signed copy of the~~
15 ~~title or certificate of origin in the county where the home is~~
16 ~~located or surrender the signed title or certificate of origin~~
17 ~~to be held by the county until such time as the home is to be~~
18 ~~removed from the county.~~ Mobile home park operators shall
19 forward a copy of the mobile home registration form provided in
20 Section 12 of "An Act to provide for, license and regulate
21 mobile homes and mobile home parks and to repeal an Act named
22 herein", approved September 8, 1971, as amended, to the
23 township assessor, if any, or to Supervisor of Assessments or
24 county assessor if there is no township assessor, or to the
25 county assessor in those counties in which a county assessor is
26 elected pursuant to Section 3-45 of the Property Tax Code,

1 within 5 days of the entry of a mobile home into such park. The
2 owner of a mobile home or manufactured home not located in a
3 mobile home park, other than a mobile home or manufactured home
4 with respect to which the requirements of Section 5-30 of the
5 Conveyance and Encumbrance of Manufactured Homes as Real
6 Property and Severance Act and the requirements of Section
7 3-116.1 or Section 3-116.2 of the Illinois Vehicle Code, as
8 applicable, have been satisfied unless with respect to the same
9 manufactured home there has been recorded an affidavit of
10 severance pursuant to Section 5-50 of the Conveyance and
11 Encumbrance of Manufactured Homes as Real Property and
12 Severance Act, shall, within 30 days after initial placement of
13 such mobile home or manufactured home in any county and within
14 30 days after movement of such mobile home or manufactured home
15 to a new location, record with the Office of the Recorder in
16 the county where the mobile home or manufactured home is
17 located ~~file with the county assessor, Supervisor of~~
18 ~~Assessments or township assessor, as the case may be,~~ a mobile
19 home registration showing the name and address of the owner and
20 every occupant of the mobile home or manufactured home, the
21 location of the mobile home or manufactured home, the year of
22 manufacture, and the square feet of floor space contained in
23 such mobile home or manufactured home together with the date
24 that the mobile home or manufactured home became inhabited, was
25 initially installed and set up in the county, or was moved to a
26 new location. Such registration shall also include the license

1 number of such mobile home or manufactured home and of the
2 towing vehicle, if there be any, and the State issuing such
3 licenses, subject to the county's recording fees. In the case
4 of a mobile home or manufactured home not located in a mobile
5 home park, the registration shall be signed by the owner or
6 occupant of the mobile home or manufactured home. ~~and the title~~
7 ~~or certificate of origin shall be signed and recorded in the~~
8 ~~county where the home is located or surrendered to the county~~
9 ~~and held until such time the home is removed from the county.~~
10 ~~Titles or certificates of origin held by a mortgage company on~~
11 ~~the home shall be signed and recorded in the county where~~
12 ~~located or surrendered to the county once the mortgage is~~
13 ~~released.~~ Failure to record the registration ~~or surrender the~~
14 ~~title or certificate of origin~~ shall not prevent the home from
15 being assessed and taxed as real property. It is the duty of
16 each township assessor, if any, and each Supervisor of
17 Assessments or county assessor if there is no township
18 assessor, or the county assessor in those counties in which a
19 county assessor is elected pursuant to Section 3-45 of the
20 Property Tax Code, to require timely filing of a properly
21 completed registration for each mobile home or manufactured
22 home located in a mobile home park in his or her township or
23 county, as the case may be. Any person furnishing
24 misinformation for purposes of registration or failing to
25 record ~~file~~ a required registration is guilty of a Class A
26 misdemeanor. This Section applies only when the tax permitted

1 by Section 3 has been imposed on mobile homes and manufactured
2 homes located inside mobile home parks.

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

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

6 (205 ILCS 5/3) (from Ch. 17, par. 309)

7 Sec. 3. Formation and primary powers. It shall be lawful to
8 form banks, as herein provided, for the purpose of discount and
9 deposit, buying and selling exchange and doing a general
10 banking business, excepting the issuing of bills to circulate
11 as money; and such banks shall have the power to loan money on
12 personal and real estate security, and to accept and execute
13 trusts upon obtaining a certificate of authority pursuant to
14 the "Corporate Fiduciary Act", and shall be subject to all of
15 the provisions of this Act. For purposes of this Section, "real
16 estate" includes a manufactured home as defined in subdivision
17 (53) of Section 9-102 of the Uniform Commercial Code that is
18 real property as defined in Section 5-35 of the Conveyance and
19 Encumbrance of Manufactured Homes as Real Property and
20 Severance Act.

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

22 (205 ILCS 5/5a) (from Ch. 17, par. 312)

23 Sec. 5a. Reverse mortgage loans. Notwithstanding any other

1 provision of this Act, a bank may engage in making "reverse
2 mortgage" loans.

3 For purposes of this Section, a "reverse mortgage" loan
4 shall be a loan extended on the basis of existing equity in
5 homestead property. A bank, in making a "reverse mortgage"
6 loan, may add deferred interest to principal or otherwise
7 provide for the charging of interest or premium on the deferred
8 interest.

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

13 "Homestead" property, for purposes of this Section, means
14 the domicile and contiguous real estate owned and occupied by
15 the mortgagor. For purposes of this Section, "homestead"
16 includes a manufactured home as defined in subdivision (53) of
17 Section 9-102 of the Uniform Commercial Code, used as the
18 domicile, that is real property, as defined in Section 5-35 of
19 the Conveyance and Encumbrance of Manufactured Homes as Real
20 Property and Severance Act, and is owned and occupied by the
21 mortgagor.

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

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

1 (205 ILCS 5/5d) (from Ch. 17, par. 312.3)

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

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

11 Any mortgage or deed of trust given to secure a revolving
12 credit loan may, and when so expressed therein shall, secure
13 not only the existing indebtedness, but also such future
14 advances, whether such advances are obligatory or to be made at
15 the option of the lender, or otherwise, as are made within
16 twenty years from the date thereof, to the same extent as if
17 such future advances were made on the date of the execution of
18 such mortgage or deed of trust, although there may be no
19 advance made at the time of execution of such mortgage or other
20 instrument, and although there may be no indebtedness
21 outstanding at the time any advance is made. The lien of such
22 mortgage or deed of trust, as to third persons without actual
23 notice thereof, shall be valid as to all such indebtedness and
24 future advances from the time said mortgage or deed of trust is
25 filed for record in the office of the Recorder of Deeds or the
26 Registrar of Titles of the county where the real property

1 described therein is located. The total amount of indebtedness
2 that may be so secured may increase or decrease from time to
3 time, but the total unpaid balance so secured at any one time
4 shall not exceed a maximum principal amount which must be
5 specified in such mortgage or deed of trust, plus interest
6 thereon, and any disbursements made for the payment of taxes,
7 special assessments, or insurance on said real property, with
8 interest on such disbursements.

9 Any such mortgage or deed of trust shall be valid and have
10 priority over all subsequent liens and encumbrances, including
11 statutory liens, except taxes and assessments levied on said
12 real property.

13 For purposes of this Section, "real property" includes a
14 manufactured home as defined in subdivision (53) of Section
15 9-102 of the Uniform Commercial Code, that is real property as
16 defined in Section 5-35 of the Conveyance and Encumbrance of
17 Manufactured Homes as Real Property and Severance Act.

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

19 (205 ILCS 5/6.1) (from Ch. 17, par. 313.1)

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

21 (a) It is the intent of this amendatory Act of 1991 that
22 homeowners at least 62 years of age be permitted to meet their
23 financial needs by accessing the equity in their homes through
24 a reverse mortgage. The General Assembly recognizes that many
25 restrictions and requirements that exist to govern traditional

1 mortgage transactions are inapplicable in the context of
2 reverse mortgages. In order to foster reverse mortgage
3 transactions and better serve the citizens of this State, this
4 Section authorizes the making of reverse mortgages, and
5 expressly relieves reverse mortgage lenders and borrowers from
6 compliance with inappropriate requirements.

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

9 For purposes of this Section, "real property" includes a
10 manufactured home as defined in subdivision (53) of Section
11 9-102 of the Uniform Commercial Code which is real property as
12 defined in Section 5-35 of the Conveyance and Encumbrance of
13 Manufactured Homes as Real Property and Severance Act.

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

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

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

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

25 (1) Payment, in whole or in part, shall be permitted
26 without penalty at any time during the term of the

1 mortgage.

2 (2) A reverse mortgage may provide for an interest rate
3 that is fixed or adjustable and may provide for interest
4 that is contingent on appreciation in the value of the
5 property.

6 (3) If a reverse mortgage provides for periodic
7 advances to a borrower, the advances may not be reduced in
8 amount or number based on any adjustment in the interest
9 rate.

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

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

18 (1) Temporary absences from the home not exceeding 60
19 consecutive days shall not cause the mortgage to become due
20 and payable.

21 (2) Temporary absences from the home exceeding 60 days,
22 but not exceeding one year shall not cause the mortgage to
23 become due and payable, provided that the borrower has
24 taken action that secures the home in a manner satisfactory
25 to the lender.

26 (3) The lender must disclose any interest or other fees

1 to be charged during the period that commences on the date
2 the mortgage becomes due and payable and ends when
3 repayment in full is made in accordance with applicable
4 State and federal laws, rules, and regulations.

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

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

8 (2) All borrowers cease to occupy the home as a
9 principal residence.

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

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

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

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

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

23 (205 ILCS 105/1-10.30) (from Ch. 17, par. 3301-10.30)

24 Sec. 1-10.30. "Real property": the interests, benefits,

1 and rights inherent in the ownership of the physical real
2 estate. It is the rights with which the ownership of real
3 estate is endowed. "Real property" includes a manufactured home
4 as defined in subdivision (53) of Section 9-102 of the Uniform
5 Commercial Code that is real property as defined in Section
6 5-35 of the Conveyance and Encumbrance of Manufactured Homes as
7 Real Property and Severance Act. For purposes of this Act, the
8 term "Real Estate" is synonymous with "Real Property".

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

10 (205 ILCS 105/5-2) (from Ch. 17, par. 3305-2)

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

13 (a) On the security of withdrawable capital accounts, but
14 no such loan shall exceed the withdrawal value of the pledged
15 account;

16 (b) On the security of real estate:

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

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

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

24 (4) With the security interest in such real estate
25 evidenced by an appropriate written instrument and the loan

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

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

8 (c) For the purpose of repair, improvement,
9 rehabilitation, furnishing or equipment of real estate or any
10 other purpose;

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

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

21 (f) Through the purchase of installment contracts for the
22 sale of real estate, and title thereto which is subject to such
23 contracts, but in each instance only if the association at the
24 time of purchase could make a mortgage loan of the same amount
25 and for the same length of time on the security of such real
26 estate;

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

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

14 (i) For the purpose of manufactured ~~mobile~~ home financing
15 subject, however, to the regulation of the Commissioner; as
16 used in this Section, "manufactured home" means a manufactured
17 home as defined in subdivision (53) of Section 9-102 of the
18 Uniform Commercial Code;

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

23 (k) Any provision of this Act to the contrary
24 notwithstanding, any association may make any loan to its
25 members or investment which such association could make if it
26 were incorporated and operating as an association organized

1 under the laws of the United States.

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

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

5 (205 ILCS 205/6002) (from Ch. 17, par. 7306-2)

6 Sec. 6002. Investment in loans.

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

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

11 (2) On the security of real estate:

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

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

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

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

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

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

4 (4) For the purpose of financing or refinancing an existing
5 ownership interest in certificates of stock, certificates of
6 beneficial interest, other evidence of an ownership interest
7 in, or a proprietary lease from a corporation, trust, or
8 partnership formed for the purpose of the cooperative ownership
9 of real estate, secured by the assignment or transfer of
10 certificates or other evidence of ownership of the borrower.

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

14 (6) Through the purchase of installment contracts for the
15 sale of real estate and title thereto that is subject to the
16 contracts, but in each instance only if the savings bank, at
17 the time of purchase, could make a mortgage loan of the same
18 amount and for the same length of time on the security of the
19 real estate.

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

22 (8) Subject to regulations adopted by the Commissioner,
23 through secured or unsecured loans for business, corporate,
24 commercial, or agricultural purposes; provided that the total
25 of all loans granted under this paragraph shall not exceed 15%
26 of the savings bank's total assets unless a greater amount is

1 authorized in writing by the Commissioner.

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

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

11 (11) Any provision of this Act or any other law, except for
12 paragraph (18) of Section 6003, to the contrary
13 notwithstanding, but subject to the Financial Institutions
14 Insurance Sales Law and subject to the Commissioner's
15 regulations, any savings bank may make any loan or investment
16 or engage in any activity that it could make or engage in if it
17 were organized under State law as a savings and loan
18 association or under federal law as a federal savings and loan
19 association or federal savings bank.

20 (12) A savings bank may issue letters of credit or other
21 similar arrangements only as provided for by regulation of the
22 Commissioner with regard to aggregate amounts permitted, take
23 out commitments for stand-by letters of credit, underlying
24 documentation and underwriting, legal limitations on loans of
25 the savings bank, control and subsidiary records, and other
26 procedures deemed necessary by the Commissioner.

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

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

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

10 (16) As secured or unsecured credit to cover the payment of
11 checks, drafts, or other funds transfer orders in excess of the
12 available balance of an account on which they are drawn,
13 subject to the regulations of the Commissioner.

14 (b) For purposes of this Section, "real estate" includes a
15 manufactured home as defined in subdivision (53) of Section
16 9-102 of the Uniform Commercial Code which is real property as
17 defined in Section 5-35 of the Conveyance and Encumbrance of
18 Manufactured Homes as Real Property and Severance Act.

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

20 (205 ILCS 205/6008) (from Ch. 17, par. 7306-8)

21 Sec. 6008. Purchase of real estate at forced sale. A
22 savings bank may purchase at any sheriff's or other judicial
23 sale, either public or private, any real estate upon which the
24 savings bank has any mortgage, lien or other encumbrance, or in
25 which the savings bank has any other interest. The savings bank

1 thereafter may repair, insure, improve, sell, convey, lease,
2 preserve, mortgage, exchange, or otherwise dispose of real
3 estate so acquired in the best interests of the savings bank.
4 For purposes of this Section, "real estate" includes a
5 manufactured home as defined in subdivision (53) of Section
6 9-102 of the Uniform Commercial Code which is real property as
7 defined in Section 5-35 of the Conveyance and Encumbrance of
8 Manufactured Homes as Real Property and Severance Act.

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

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

12 (205 ILCS 305/46) (from Ch. 17, par. 4447)

13 Sec. 46. Loans and interest rate.

14 (1) A credit union may make loans to its members for such
15 purpose and upon such security and terms, including rates of
16 interest, as the credit committee, credit manager, or loan
17 officer approves. Notwithstanding the provisions of any other
18 law in connection with extensions of credit, a credit union may
19 elect to contract for and receive interest and fees and other
20 charges for extensions of credit subject only to the provisions
21 of this Act and rules promulgated under this Act, except that
22 extensions of credit secured by residential real estate shall
23 be subject to the laws applicable thereto. The rates of
24 interest to be charged on loans to members shall be set by the

1 board of directors of each individual credit union in
2 accordance with Section 30 of this Act and such rates may be
3 less than, but may not exceed, the maximum rate set forth in
4 this Section. A borrower may repay his loan prior to maturity,
5 in whole or in part, without penalty. The credit contract may
6 provide for the payment by the member and receipt by the credit
7 union of all costs and disbursements, including reasonable
8 attorney's fees and collection agency charges, incurred by the
9 credit union to collect or enforce the debt in the event of a
10 delinquency by the member, or in the event of a breach of any
11 obligation of the member under the credit contract. A
12 contingency or hourly arrangement established under an
13 agreement entered into by a credit union with an attorney or
14 collection agency to collect a loan of a member in default
15 shall be presumed prima facie reasonable.

16 (2) Credit unions may make loans based upon the security of
17 any interest or equity in real estate, subject to rules and
18 regulations promulgated by the Secretary. In any contract or
19 loan which is secured by a mortgage, deed of trust, or
20 conveyance in the nature of a mortgage, on residential real
21 estate, the interest which is computed, calculated, charged, or
22 collected pursuant to such contract or loan, or pursuant to any
23 regulation or rule promulgated pursuant to this Act, may not be
24 computed, calculated, charged or collected for any period of
25 time occurring after the date on which the total indebtedness,
26 with the exception of late payment penalties, is paid in full.

1 For purposes of this subsection (2) of this Section 46, a
2 prepayment shall mean the payment of the total indebtedness,
3 with the exception of late payment penalties if incurred or
4 charged, on any date before the date specified in the contract
5 or loan agreement on which the total indebtedness shall be paid
6 in full, or before the date on which all payments, if timely
7 made, shall have been made. In the event of a prepayment of the
8 indebtedness which is made on a date after the date on which
9 interest on the indebtedness was last computed, calculated,
10 charged, or collected but before the next date on which
11 interest on the indebtedness was to be calculated, computed,
12 charged, or collected, the lender may calculate, charge and
13 collect interest on the indebtedness for the period which
14 elapsed between the date on which the prepayment is made and
15 the date on which interest on the indebtedness was last
16 computed, calculated, charged or collected at a rate equal to
17 1/360 of the annual rate for each day which so elapsed, which
18 rate shall be applied to the indebtedness outstanding as of the
19 date of prepayment. The lender shall refund to the borrower any
20 interest charged or collected which exceeds that which the
21 lender may charge or collect pursuant to the preceding
22 sentence. The provisions of this amendatory Act of 1985 shall
23 apply only to contracts or loans entered into on or after the
24 effective date of this amendatory Act.

25 (3) Notwithstanding any other provision of this Act, a
26 credit union authorized under this Act to make loans secured by

1 an interest or equity in real estate may engage in making
2 "reverse mortgage" loans to persons for the purpose of making
3 home improvements or repairs, paying insurance premiums or
4 paying real estate taxes on the homestead properties of such
5 persons. If made, such loans shall be made on such terms and
6 conditions as the credit union shall determine and as shall be
7 consistent with the provisions of this Section and such rules
8 and regulations as the Secretary shall promulgate hereunder.
9 For purposes of this Section, a "reverse mortgage" loan shall
10 be a loan extended on the basis of existing equity in homestead
11 property and secured by a mortgage on such property. Such loans
12 shall be repaid upon the sale of the property or upon the death
13 of the owner or, if the property is in joint tenancy, upon the
14 death of the last surviving joint tenant who had such an
15 interest in the property at the time the loan was initiated,
16 provided, however, that the credit union and its member may by
17 mutual agreement, establish other repayment terms. A credit
18 union, in making a "reverse mortgage" loan, may add deferred
19 interest to principal or otherwise provide for the charging of
20 interest or premiums on such deferred interest. "Homestead"
21 property, for purposes of this Section, means the domicile and
22 contiguous real estate owned and occupied by the mortgagor.

23 (4) Notwithstanding any other provisions of this Act, a
24 credit union authorized under this Act to make loans secured by
25 an interest or equity in real property may engage in making
26 revolving credit loans secured by mortgages or deeds of trust

1 on such real property or by security assignments of beneficial
2 interests in land trusts.

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

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

1 special assessments, or insurance on said real property, with
2 interest on such disbursements.

3 Any such mortgage or deed of trust shall be valid and have
4 priority over all subsequent liens and encumbrances, including
5 statutory liens, except taxes and assessments levied on said
6 real property.

7 (4-5) For purposes of this Section, "real estate" and "real
8 property" include a manufactured home as defined in subdivision
9 (53) of Section 9-102 of the Uniform Commercial Code which 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 (5) Compliance with federal or Illinois preemptive laws or
14 regulations governing loans made by a credit union chartered
15 under this Act shall constitute compliance with this Act.

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

23 (Source: P.A. 96-141, eff. 8-7-09; 97-133, eff. 1-1-12.)

24 (205 ILCS 305/46.1) (from Ch. 17, par. 4447.1)

25 Sec. 46.1. Non-recourse reverse mortgage loans. Any credit

1 union authorized under this Act to make loans secured by an
2 interest or equity in real estate may make non-recourse reverse
3 mortgage loans as provided in Section 6.1 of the Illinois
4 Banking Act.

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

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

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

13 (205 ILCS 635/1-4)

14 Sec. 1-4. Definitions.

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

23 (b) "Making a residential mortgage loan" or "funding a
24 residential mortgage loan" shall mean for compensation or gain,

1 either directly or indirectly, advancing funds or making a
2 commitment to advance funds to a loan applicant for a
3 residential mortgage loan.

4 (c) "Soliciting, processing, placing, or negotiating a
5 residential mortgage loan" shall mean for compensation or gain,
6 either directly or indirectly, accepting or offering to accept
7 an application for a residential mortgage loan, assisting or
8 offering to assist in the processing of an application for a
9 residential mortgage loan on behalf of a borrower, or
10 negotiating or offering to negotiate the terms or conditions of
11 a residential mortgage loan with a lender on behalf of a
12 borrower including, but not limited to, the submission of
13 credit packages for the approval of lenders, the preparation of
14 residential mortgage loan closing documents, including a
15 closing in the name of a broker.

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

17 (1) (i) Any banking organization or foreign banking
18 corporation licensed by the Illinois Commissioner of Banks
19 and Real Estate or the United States Comptroller of the
20 Currency to transact business in this State; (ii) any
21 national bank, federally chartered savings and loan
22 association, federal savings bank, federal credit union;
23 (iii) any pension trust, bank trust, or bank trust company;
24 (iv) any bank, savings and loan association, savings bank,
25 or credit union organized under the laws of this or any
26 other state; (v) any Illinois Consumer Installment Loan Act

1 licensee; (vi) any insurance company authorized to
2 transact business in this State; (vii) any entity engaged
3 solely in commercial mortgage lending; (viii) any service
4 corporation of a savings and loan association or savings
5 bank organized under the laws of this State or the service
6 corporation of a federally chartered savings and loan
7 association or savings bank having its principal place of
8 business in this State, other than a service corporation
9 licensed or entitled to reciprocity under the Real Estate
10 License Act of 2000; or (ix) any first tier subsidiary of a
11 bank, the charter of which is issued under the Illinois
12 Banking Act by the Illinois Commissioner of Banks and Real
13 Estate, or the first tier subsidiary of a bank chartered by
14 the United States Comptroller of the Currency and that has
15 its principal place of business in this State, provided
16 that the first tier subsidiary is regularly examined by the
17 Illinois Commissioner of Banks and Real Estate or the
18 Comptroller of the Currency, or a consumer compliance
19 examination is regularly conducted by the Federal Reserve
20 Board.

21 (1.5) Any employee of a person or entity mentioned in
22 item (1) of this subsection, when acting for such person or
23 entity, or any registered mortgage loan originator when
24 acting for an entity described in subsection (tt) of this
25 Section.

26 (1.8) Any person or entity that does not originate

1 mortgage loans in the ordinary course of business, but
2 makes or acquires residential mortgage loans with his or
3 her own funds for his or her or its own investment without
4 intent to make, acquire, or resell more than 3 residential
5 mortgage loans in any one calendar year.

6 (2) (Blank).

7 (3) Any person employed by a licensee to assist in the
8 performance of the residential mortgage licensee's
9 activities regulated by this Act who is compensated in any
10 manner by only one licensee.

11 (4) (Blank).

12 (5) Any individual, corporation, partnership, or other
13 entity that originates, services, or brokers residential
14 mortgage loans, as these activities are defined in this
15 Act, and who or which receives no compensation for those
16 activities, subject to the Commissioner's regulations and
17 the federal Secure and Fair Enforcement for Mortgage
18 Licensing Act of 2008 and the rules promulgated under that
19 Act with regard to the nature and amount of compensation.

20 (6) (Blank).

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

25 (f) "Mortgage loan" "residential mortgage loan" or "home
26 mortgage loan" shall mean any loan primarily for personal,

1 family, or household use that is secured by a mortgage, deed of
2 trust, or other equivalent consensual security interest on a
3 dwelling as defined in Section 103(v) of the federal Truth in
4 Lending Act, or residential real estate upon which is
5 constructed or intended to be constructed a dwelling.

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

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

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

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

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

1 (1) "Party to a residential mortgage financing
2 transaction" shall mean a borrower, lender, or loan broker in a
3 residential mortgage financing transaction.

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

8 (n) "Commissioner" shall mean the Commissioner of Banks and
9 Real Estate, except that, beginning on April 6, 2009 (the
10 effective date of Public Act 95-1047), all references in this
11 Act to the Commissioner of Banks and Real Estate are deemed, in
12 appropriate contexts, to be references to the Secretary of
13 Financial and Professional Regulation, or his or her designee,
14 including the Director of the Division of Banking of the
15 Department of Financial and Professional Regulation.

16 (n-1) "Director" shall mean the Director of the Division of
17 Banking of the Department of Financial and Professional
18 Regulation, except that, beginning on July 31, 2009 (the
19 effective date of Public Act 96-112), all references in this
20 Act to the Director are deemed, in appropriate contexts, to be
21 the Secretary of Financial and Professional Regulation, or his
22 or her designee, including the Director of the Division of
23 Banking of the Department of Financial and Professional
24 Regulation.

25 (o) "Loan brokering", "brokering", or "brokerage service"
26 shall mean the act of helping to obtain from another entity,

1 for a borrower, a loan secured by residential real estate
2 situated in Illinois or assisting a borrower in obtaining a
3 loan secured by residential real estate situated in Illinois in
4 return for consideration to be paid by either the borrower or
5 the lender including, but not limited to, contracting for the
6 delivery of residential mortgage loans to a third party lender
7 and soliciting, processing, placing, or negotiating
8 residential mortgage loans.

9 (p) "Loan broker" or "broker" shall mean a person,
10 partnership, association, corporation, or limited liability
11 company, other than those persons, partnerships, associations,
12 corporations, or limited liability companies exempted from
13 licensing pursuant to Section 1-4, subsection (d), of this Act,
14 who performs the activities described in subsections (c), (o),
15 and (yy) of this Section.

16 (q) "Servicing" shall mean the collection or remittance for
17 or the right or obligation to collect or remit for any lender,
18 noteowner, noteholder, or for a licensee's own account, of
19 payments, interests, principal, and trust items such as hazard
20 insurance and taxes on a residential mortgage loan in
21 accordance with the terms of the residential mortgage loan; and
22 includes loan payment follow-up, delinquency loan follow-up,
23 loan analysis and any notifications to the borrower that are
24 necessary to enable the borrower to keep the loan current and
25 in good standing. "Servicing" includes management of
26 third-party entities acting on behalf of a residential mortgage

1 licensee for the collection of delinquent payments and the use
2 by such third-party entities of said licensee's servicing
3 records or information, including their use in foreclosure.

4 (r) "Full service office" shall mean an office, provided by
5 the licensee and not subleased from the licensee's employees,
6 and staff in Illinois reasonably adequate to handle efficiently
7 communications, questions, and other matters relating to any
8 application for, or an existing home mortgage secured by
9 residential real estate situated in Illinois with respect to
10 which the licensee is brokering, funding originating,
11 purchasing, or servicing. The management and operation of each
12 full service office must include observance of good business
13 practices such as proper signage; adequate, organized, and
14 accurate books and records; ample phone lines, hours of
15 business, staff training and supervision, and provision for a
16 mechanism to resolve consumer inquiries, complaints, and
17 problems. The Commissioner shall issue regulations with regard
18 to these requirements and shall include an evaluation of
19 compliance with this Section in his or her periodic examination
20 of each licensee.

21 (s) "Purchasing" shall mean the purchase of conventional or
22 government-insured mortgage loans secured by residential real
23 estate situated in Illinois from either the lender or from the
24 secondary market.

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

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

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

6 (1) obtain a residential mortgage loan for the borrower
7 or assist the borrower in obtaining a residential mortgage
8 loan; or

9 (2) consider making a residential mortgage loan to the
10 borrower.

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

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

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

24 (z) "Annual audit" shall mean a certified audit of the
25 licensee's books and records and systems of internal control
26 performed by a certified public accountant in accordance with

1 generally accepted accounting principles and generally
2 accepted auditing standards.

3 (aa) "Financial institution" shall mean a savings and loan
4 association, savings bank, credit union, or a bank organized
5 under the laws of Illinois or a savings and loan association,
6 savings bank, credit union or a bank organized under the laws
7 of the United States and headquartered in Illinois.

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

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

15 (dd) "Affiliate" shall mean:

16 (1) any entity that directly controls or is controlled
17 by the licensee and any other company that is directly
18 affecting activities regulated by this Act that is
19 controlled by the company that controls the licensee;

20 (2) any entity:

21 (A) that is controlled, directly or indirectly, by
22 a trust or otherwise, by or for the benefit of
23 shareholders who beneficially or otherwise control,
24 directly or indirectly, by trust or otherwise, the
25 licensee or any company that controls the licensee; or

26 (B) a majority of the directors or trustees of

1 which constitute a majority of the persons holding any
2 such office with the licensee or any company that
3 controls the licensee;

4 (3) any company, including a real estate investment
5 trust, that is sponsored and advised on a contractual basis
6 by the licensee or any subsidiary or affiliate of the
7 licensee.

8 The Commissioner may define by rule and regulation any
9 terms used in this Act for the efficient and clear
10 administration of this Act.

11 (ee) "First tier subsidiary" shall be defined by regulation
12 incorporating the comparable definitions used by the Office of
13 the Comptroller of the Currency and the Illinois Commissioner
14 of Banks and Real Estate.

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

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

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

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

1 available pursuant to State or federal law or rule.

2 (jj) "Mortgage loan originator" means an individual who for
3 compensation or gain or in the expectation of compensation or
4 gain:

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

6 (ii) offers or negotiates terms of a residential
7 mortgage loan.

8 "Mortgage loan originator" includes an individual engaged
9 in loan modification activities as defined in subsection (yy)
10 of this Section. A mortgage loan originator engaged in loan
11 modification activities shall report those activities to the
12 Department of Financial and Professional Regulation in the
13 manner provided by the Department; however, the Department
14 shall not impose a fee for reporting, nor require any
15 additional qualifications to engage in those activities beyond
16 those provided pursuant to this Act for mortgage loan
17 originators.

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 (yy) "Loan modification" means, for compensation or gain,
16 either directly or indirectly offering or negotiating on behalf
17 of a borrower or homeowner to adjust the terms of a residential
18 mortgage loan in a manner not provided for in the original or
19 previously modified mortgage loan.

20 (zz) "Short sale facilitation" means, for compensation or
21 gain, either directly or indirectly offering or negotiating on
22 behalf of a borrower or homeowner to facilitate the sale of
23 residential real estate subject to one or more residential
24 mortgage loans or debts constituting liens on the property in
25 which the proceeds from selling the residential real estate
26 will fall short of the amount owed and the lien holders are

1 contacted to agree to release their lien on the residential
2 real estate and accept less than the full amount owed on the
3 debt.

4 (Source: P.A. 96-112, eff. 7-31-09; 96-1000, eff. 7-2-10;
5 96-1216, eff. 1-1-11; 97-143, eff. 7-14-11; 97-891, eff.
6 8-3-12.)

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

9 (210 ILCS 115/2.1) (from Ch. 111 1/2, par. 712.1)

10 Sec. 2.1. "Manufactured home" means a factory-assembled,
11 completely integrated structure designed for permanent
12 habitation, with a permanent chassis, and so constructed as to
13 permit its transport, on wheels temporarily or permanently
14 attached to its frame, and is a movable or portable unit that
15 is (i) 8 body feet or more in width, (ii) 40 body feet or more
16 in length, and (iii) 320 or more square feet, constructed to be
17 towed on its own chassis (comprised of frame and wheels) from
18 the place of its construction to the location, or subsequent
19 locations, at which it is ~~installed and set up according to the~~
20 ~~manufacturer's instructions and~~ connected to utilities for
21 year-round occupancy for use as a permanent habitation, and
22 designed and situated so as to permit its occupancy as a
23 dwelling place for one or more persons, and specifically
24 includes a "manufactured home" as defined in subdivision (53)

1 of Section 9-102 of the Uniform Commercial Code. The term shall
2 include units containing parts that may be folded, collapsed,
3 or telescoped when being towed and that may be expected to
4 provide additional cubic capacity, and that are designed to be
5 joined into one integral unit capable of being separated again
6 into the components for repeated towing. The term excludes
7 campers and recreational vehicles. The term "mobile home" shall
8 not include modular homes and their support systems. The words
9 "mobile home" and "manufactured home" are synonymous for the
10 purposes of this Act.

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

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

14 (210 ILCS 117/10)

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

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

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

16 "Abandoned mobile home" means a mobile home located inside
17 a mobile home park that has no owner currently residing in the
18 mobile home or authorized tenant of the owner currently
19 residing in the mobile home to the best knowledge of the
20 municipality; has had its electricity, natural gas, sewer, and
21 water payments declared delinquent by the utility companies
22 that are providing such services; and for which the Mobile Home
23 Privilege Tax, imposed under the Mobile Home Local Services Tax
24 Act, is delinquent for at least 3 months. A mobile home
25 abandoned outside a mobile home park must be treated like other
26 real property for condemnation purposes.

1 "Municipality" means any city, village, incorporated town,
2 or its duly authorized agent. If an abandoned mobile home is
3 located in an unincorporated area, the county where the mobile
4 home is located shall have all powers granted to a municipality
5 under this Act.

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

7 Section 10-60. The Illinois Manufactured Housing and
8 Mobile Home Safety Act is amended by changing Section 2 as
9 follows:

10 (430 ILCS 115/2) (from Ch. 67 1/2, par. 502)

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

14 (a) "Manufactured home" means a manufactured home as
15 defined in subdivision (53) of Section 9-102 of the Uniform
16 Commercial Code. "Mobile home" means a factory-assembled,
17 completely integrated structure, constructed on or before June
18 30, 1976, designed for permanent habitation, with a permanent
19 chassis, and so constructed as to permit its transport, on
20 wheels temporarily or permanently attached to its frame, that
21 is a movable or portable unit that is constructed to be towed
22 on its own chassis (comprised of frame and wheels) from the
23 place of its construction to the location, or subsequent
24 locations, at which it is connected to utilities for year-round

1 occupancy for use as a permanent habitation, and designed and
2 situated so as to permit its occupancy as a dwelling place for
3 one or more persons. ~~a factory-assembled, completely~~
4 ~~integrated structure designed for permanent habitation, with a~~
5 ~~permanent chassis, and so constructed as to permit its~~
6 ~~transport, on wheels temporarily or permanently attached to its~~
7 ~~frame, and is a movable or portable unit that is (i) 8 body~~
8 ~~feet or more in width, (ii) 40 body feet or more in length, and~~
9 ~~(iii) 320 or more square feet, constructed to be towed on its~~
10 ~~own chassis (comprised of frame and wheels) from the place of~~
11 ~~its construction to the location, or subsequent locations, at~~
12 ~~which it is installed and set up according to the~~
13 ~~manufacturer's instructions and connected to utilities for~~
14 ~~year-round occupancy for use as a permanent habitation, and~~
15 ~~designed and situated so as to permit its occupancy as a~~
16 ~~dwelling place for one or more persons.~~ The terms "manufactured
17 home" and "mobile home" term shall include units otherwise
18 meeting their respective definitions containing parts that may
19 be folded, collapsed, or telescoped when being towed and that
20 may be expected to provide additional cubic capacity, and that
21 are designed to be joined into one integral unit capable of
22 being separated again into the components for repeated towing.
23 The terms "mobile home" and "manufactured home" exclude term
24 ~~excludes~~ campers and recreational vehicles. The terms "mobile
25 home" and "manufactured home" do not include modular homes or
26 manufactured housing units.

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

3 (c) "Manufacturer" means any person who manufactures
4 mobile homes or manufactured housing at the place or places,
5 either on or away from the building site, at which machinery,
6 equipment and other capital goods are assembled and operated
7 for the purpose of making, fabricating, forming or assembling
8 mobile homes or manufactured housing.

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

10 (e) "Director" means the Director of the Department of
11 Public Health.

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

15 (g) "Codes" means the safety codes for manufactured housing
16 and mobile homes promulgated by the Department. The Codes shall
17 contain the standards and requirements for manufactured
18 housing and mobile homes so that adequate performance for the
19 intended use is made the test of acceptability. The Code of
20 Standards shall permit the use of new and used technology,
21 techniques, methods and materials, for both manufactured
22 housing and mobile homes, consistent with recognized and
23 accepted codes and standards developed by the International
24 Code Council (ICC) or by the organizations that formed the ICC
25 in 1994: Building Officials and Code Administrators, the
26 International Conference of Building Officials, the Southern

1 Building Codes Congress International, the National Fire
2 Protection Association, the International Association of
3 Plumbing and Mechanical Officials, the American National
4 Standards Institute, the Illinois State Plumbing Code, and the
5 United States Department of Housing and Urban Development,
6 hereinafter referred to as "HUD", applying to manufactured
7 housing and mobile homes installed and set up according to the
8 manufacturer's instructions. A copy of said safety codes,
9 including said revisions thereof is on file with the
10 Department.

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

15 (i) "Modular home" means a building assembly or system of
16 building sub-assemblies, designed for habitation as a dwelling
17 for one or more persons, including the necessary electrical,
18 plumbing, heating, ventilating and other service systems,
19 which is of closed or open construction and which is made or
20 assembled by a manufacturer, on or off the building site, for
21 installation, or assembly and installation, on the building
22 site, installed and set up according to the manufacturer's
23 instructions on an approved foundation and support system. The
24 construction of modular dwelling units located in Illinois is
25 regulated by the Illinois Department of Public Health.

26 (j) "Closed construction" is any building, component,

1 assembly or system manufactured in such a manner that all
2 portions cannot readily be inspected at the installation site
3 without disassembly, damage to, or destruction thereof.

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

8 (l) "Approved foundation and support system" means, for a
9 modular home or modular dwelling unit, a closed perimeter
10 formation consisting of materials such as concrete, mortared
11 concrete block, or mortared brick extending into the ground
12 below the frost line which shall include, but not necessarily
13 be limited to, cellars, basements, or crawl spaces, and does
14 include the use of piers supporting the marriage wall of the
15 home that extend below the frost line.

16 (m) "Code compliance certificate" means the certificate
17 provided by the manufacturer to the Department that warrants
18 that the manufactured housing unit or mobile home complies with
19 the applicable code.

20 (n) "Manufactured housing", "manufactured housing unit",
21 "modular dwelling", and "modular home" shall not be confused
22 with "manufactured home" or "mobile home".

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

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

1 (430 ILCS 117/10)

2 Sec. 10. Definitions. In this Act:

3 "Department" means the Illinois Department of Public
4 Health.

5 "Licensed installer" means a person who has successfully
6 completed a manufactured home installation course approved by
7 the Department and paid the required fees.

8 "Manufactured home" means a "manufactured home", as
9 defined in subdivision (53) of Section 9-102 of the Uniform
10 Commercial Code. "Mobile home" means a factory-assembled,
11 completely integrated structure, constructed on or before June
12 30, 1976, designed for permanent habitation, with a permanent
13 chassis, and so constructed as to permit its transport, on
14 wheels temporarily or permanently attached to its frame, that
15 is a movable or portable unit that is constructed to be towed
16 on its own chassis (comprised of frame and wheels) from the
17 place of its construction to the location, or subsequent
18 locations, at which it is connected to utilities for year-round
19 occupancy for use as a permanent habitation, and designed and
20 situated so as to permit its occupancy as a dwelling place for
21 one or more persons. ~~a factory-assembled, completely~~
22 ~~integrated structure designed for permanent habitation, with a~~
23 ~~permanent chassis, and so constructed as to permit its~~
24 ~~transport, on wheels temporarily or permanently attached to its~~
25 ~~frame, and is a movable or portable unit that is (i) 8 body~~

1 ~~feet or more in width, (ii) 40 body feet or more in length, and~~
2 ~~(iii) 320 or more square feet, constructed to be towed on its~~
3 ~~own chassis (comprised of frame and wheels) from the place of~~
4 ~~its construction to the location, or subsequent locations, at~~
5 ~~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.~~ The terms "manufactured
10 home" and "mobile home" term shall include units otherwise
11 meeting their respective definitions containing parts that may
12 be folded, collapsed, or telescoped when being towed and that
13 may be expected to provide additional cubic capacity, and that
14 are designed to be joined into one integral unit capable of
15 being separated again into the components for repeated towing.
16 The terms "manufactured home" and "mobile home" exclude term
17 ~~excludes~~ campers and recreational vehicles.

18 "Manufacturer" means a manufacturer of a manufactured
19 home, whether the manufacturer is located within or outside of
20 the State of Illinois.

21 "Mobile home" or "manufactured home" does not include a
22 modular home.

23 "Mobile home park" means a tract of land or 2 contiguous
24 tracts of land that contain sites with the necessary utilities
25 for 5 or more mobile homes or manufactured homes. A mobile home
26 park may be operated either free of charge or for revenue

1 purposes.

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

3 Section 10-70. The Illinois Vehicle Code is amended by
4 changing Sections 3-100, 3-102, 3-103, 3-104, 3-106, 3-107,
5 3-109, 3-110, 3-116, 3-202, 3-205, 3-207, and 3-208 and by
6 adding Sections 1-144.03, 3-116.1, 3-116.2, and 3-116.3 as
7 follows:

8 (625 ILCS 5/1-144.03 new)

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

13 (625 ILCS 5/3-100) (from Ch. 95 1/2, par. 3-100)

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

16 "Electronic" includes electrical, digital, magnetic,
17 optical, electromagnetic, or any other form of technology that
18 entails capabilities similar to these technologies.

19 "Electronic record" means a record generated,
20 communicated, received, or stored by electronic means for use
21 in an information system or for transmission from one
22 information system to another.

23 "Electronic signature" means a signature in electronic

1 form attached to or logically associated with an electronic
2 record.

3 "Owner" means a person who holds legal document of
4 ownership of a vehicle, limited to a certificate of origin,
5 certificate of title, salvage certificate, or junking
6 certificate. However, in the event a vehicle is the subject of
7 an agreement for the conditional sale or lease thereof with the
8 right of purchase upon performance of the conditions stated in
9 the agreement and with an immediate right of possession vested
10 in the conditional vendee or lessee, or in the event a
11 mortgagor of such vehicle is entitled to possession, then such
12 conditional vendee or lessee or mortgagor shall be deemed the
13 owner for the purpose of this Chapter, except as provided under
14 paragraph (c) of Section 3-118.

15 "Record" means information that is inscribed, stored, or
16 otherwise fixed on a tangible medium or that is stored in an
17 electronic or other medium and is retrievable in perceivable
18 form.

19 "Signature" or "signed" includes any symbol executed or
20 adopted, or any security procedure employed or adopted, using
21 electronic means or otherwise, by or on behalf of a person with
22 intent to authenticate a record.

23 "Vehicle" means a vehicle as defined in Section 1-217 of
24 this Code. Unless otherwise specified, "vehicle" also means a
25 "manufactured home" as defined in Section 1-144.03 of this
26 Code.

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

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

4 Sec. 3-102. Exclusions.

5 No certificate of title need be obtained for:

6 1. A vehicle owned by the State of Illinois; or a vehicle
7 owned by the United States unless it is registered in this
8 State;

9 2. A vehicle owned by a manufacturer or dealer and held for
10 sale, even though incidentally moved on the highway or used for
11 purposes of testing or demonstration, provided a dealer
12 reassignment area is still available on the manufacturer's
13 certificate of origin or the Illinois title; or a vehicle used
14 by a manufacturer solely for testing;

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

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

21 5. A vehicle moved solely by animal power;

22 6. An implement of husbandry;

23 7. Special mobile equipment;

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

1 9. A manufactured home for which an affidavit of affixation
2 has been recorded pursuant to the Conveyance and Encumbrance of
3 Manufactured Homes as Real Property and Severance Act unless
4 with respect to the same manufactured home there has been
5 recorded an affidavit of severance pursuant to that Act.

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

7 (625 ILCS 5/3-103) (from Ch. 95 1/2, par. 3-103)

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

9 (a) The owner of an implement of husbandry or special
10 mobile equipment may apply for and obtain a certificate of
11 title on it. All of the provisions of this chapter, except part
12 (e) of Section 3-104, are applicable to a certificate of title
13 so issued, except that a person who receives a transfer of an
14 interest in the vehicle without knowledge of the certificate of
15 title is not prejudiced by reason of the existence of the
16 certificate, and the perfection of a security interest under
17 this act is not effective until the lienholder has complied
18 with the provisions of applicable law which otherwise relate to
19 the perfection of security interests in personal property.

20 An application for an optional certificate of title must be
21 accompanied by either an exemption determination from the
22 Department of Revenue showing that no tax imposed under the
23 "Use Tax Act" or the "Retailers' Occupation Tax Act" is owed by
24 anyone with respect to that vehicle or by a receipt from the
25 Department of Revenue showing that any tax so imposed has been

1 paid. No optional certificate of title shall be issued in the
2 absence of such a receipt or exemption determination.

3 If the proof of payment or of nonliability is, after the
4 issuance of the optional certificate of title, found to be
5 invalid, the Secretary of State shall revoke the optional
6 certificate of title and require that it be returned to him.

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

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

20 (625 ILCS 5/3-104) (from Ch. 95 1/2, par. 3-104)

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

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

25 1. The name, Illinois residence and mail address of the

1 owner;

2 2. A description of the vehicle including, so far as
3 the following data exists: Its make, year-model,
4 identifying number, type of body, whether new or used, as
5 to house trailers as defined in Section 1-128 of this
6 Code,and as to manufactured homes as defined in Section
7 1-144.03 of this Code, the square footage ~~of the house~~
8 ~~trailer~~ based upon the outside dimensions ~~of the house~~
9 ~~trailer~~ excluding the length of the tongue and hitch, and,
10 as to vehicles of the second division, whether for-hire,
11 not-for-hire, or both for-hire and not-for-hire;

12 3. The date of purchase by applicant and, if
13 applicable, the name and address of the person from whom
14 the vehicle was acquired and the names and addresses of any
15 lienholders in the order of their priority and signatures
16 of owners;

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

21 5. Any further information the Secretary of State
22 reasonably requires to identify the vehicle and to enable
23 him to determine whether the owner is entitled to a
24 certificate of title and the existence or nonexistence of
25 security interests in the vehicle.

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

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

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

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

11 1. Any certified document of ownership so recognized
12 and issued by the other State or country and acceptable to
13 the Secretary of State, and

14 2. Any other information and documents the Secretary of
15 State reasonably requires to establish the ownership of the
16 vehicle and the existence or nonexistence of security
17 interests in it.

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

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

1 (f) An application for a certificate of title for any
2 vehicle, whether purchased in Illinois or outside Illinois, and
3 even if previously registered in another State, must be
4 accompanied by either an exemption determination from the
5 Department of Revenue showing that no tax imposed pursuant to
6 the Use Tax Act or the vehicle use tax imposed by Section
7 3-1001 of the Illinois Vehicle Code is owed by anyone with
8 respect to that vehicle, or a receipt from the Department of
9 Revenue showing that any tax so imposed has been paid. An
10 application for a certificate of title for any vehicle
11 purchased outside Illinois, even if previously registered in
12 another state, must be accompanied by either an exemption
13 determination from the Department of Revenue showing that no
14 tax imposed pursuant to the Municipal Use Tax Act or the County
15 Use Tax Act is owed by anyone with respect to that vehicle, or
16 a receipt from the Department of Revenue showing that any tax
17 so imposed has been paid. In the absence of such a receipt for
18 payment or determination of exemption from the Department, no
19 certificate of title shall be issued to the applicant.

20 If the proof of payment of the tax or of nonliability
21 therefor is, after the issuance of the certificate of title and
22 display certificate of title, found to be invalid, the
23 Secretary of State shall revoke the certificate and require
24 that the certificate of title and, when applicable, the display
25 certificate of title be returned to him.

26 (g) If the application refers to a vehicle not manufactured

1 in accordance with federal safety and emission standards, the
2 application must be accompanied by all documents required by
3 federal governmental agencies to meet their standards before a
4 vehicle is allowed to be issued title and registration.

5 (h) If the application refers to a vehicle sold at public
6 sale by a sheriff, it must be accompanied by the required fee
7 and a bill of sale issued and signed by a sheriff. The bill of
8 sale must identify the new owner's name and address, the year
9 model, make and vehicle identification number of the vehicle,
10 court order document number authorizing such sale, if
11 applicable, and the name and address of any lienholders in
12 order of priority, if applicable.

13 (i) If the application refers to a vehicle for which a
14 court of law determined the ownership, it must be accompanied
15 with a certified copy of such court order and the required fee.
16 The court order must indicate the new owner's name and address,
17 the complete description of the vehicle, if known, the name and
18 address of the lienholder, if any, and must be signed and dated
19 by the judge issuing such order.

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

25 (k) The Secretary may provide an expedited process for the
26 issuance of vehicle titles. Expedited title applications must

1 be delivered to the Secretary of State's Vehicle Services
2 Department in Springfield by express mail service or hand
3 delivery. Applications must be complete, including necessary
4 forms, fees, and taxes. Applications received before noon on a
5 business day will be processed and shipped that same day.
6 Applications received after noon on a business day will be
7 processed and shipped the next business day. The Secretary
8 shall charge an additional fee of \$30 for this service, and
9 that fee shall cover the cost of return shipping via an express
10 mail service. All fees collected by the Secretary of State for
11 expedited services shall be deposited into the Motor Vehicle
12 License Plate Fund. In the event the Vehicle Services
13 Department determines that the volume of expedited title
14 requests received on a given day exceeds the ability of the
15 Vehicle Services Department to process those requests in an
16 expedited manner, the Vehicle Services Department may decline
17 to provide expedited services, and the additional fee for the
18 expedited service shall be refunded to the applicant.

19 (1) If the application refers to a homemade trailer, (i) it
20 must be accompanied by the appropriate documentation regarding
21 the source of materials used in the construction of the
22 trailer, as required by the Secretary of State, (ii) the
23 trailer must be inspected by a Secretary of State employee
24 prior to the issuance of the title, and (iii) upon approval of
25 the Secretary of State, the trailer must have a vehicle
26 identification number, as provided by the Secretary of State,

1 stamped or riveted to the frame.

2 (m) The holder of a Manufacturer's Statement of Origin to a
3 manufactured home may deliver it to any person to facilitate
4 conveying or encumbering the manufactured home. Any person
5 receiving any such Manufacturer's Statement of Origin so
6 delivered holds it in trust for the person delivering it.

7 (n) Within 45 days after the completion of the first retail
8 sale of a manufactured home, the Manufacturer's Statement of
9 Origin to that manufactured home must be surrendered to the
10 Secretary of State either in conjunction with an application
11 for a certificate of title for that manufactured home or in
12 accordance with Section 3-116.1.

13 (Source: P.A. 96-519, eff. 1-1-10; 96-554, eff. 1-1-10;
14 96-1000, eff. 7-2-10; 97-918, eff. 1-1-13.)

15 (625 ILCS 5/3-106) (from Ch. 95 1/2, par. 3-106)

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

1 title, shall issue a certificate of title of the vehicle.

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

6 (c) The Secretary of State shall not issue a certificate of
7 title, including a certificate of title issued in accordance
8 with subsection (b) of Section 3-109, to a manufactured home
9 for which there has been recorded an affidavit of affixation
10 pursuant to the Conveyance and Encumbrance of Manufactured
11 Homes as Real Property and Severance Act unless with respect to
12 the same manufactured home there has been recorded an affidavit
13 of severance pursuant to the Conveyance and Encumbrance of
14 Manufactured Homes as Real Property and Severance Act.

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

21 (e) The Secretary of State shall maintain a record of each
22 affidavit of affixation and each affidavit of severance filed
23 in accordance with subsection (d) of this Section. The record
24 shall state the name of the owner of the related manufactured
25 home, the name of manufacturer, make, model name, model year,
26 vehicle identification number, and any other data the Secretary

1 of State prescribes.

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

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

12 (h) The Secretary of State shall maintain a record,
13 including a record in the form of a searchable electronic
14 database accessible to the public, of each Manufacturer's
15 Statement of Origin accepted for surrender as provided in
16 Section 3-116.1. The record shall state the date the
17 Manufacturer's Statement of Origin was accepted for surrender,
18 the name of manufacturer, make, model name, model year, vehicle
19 identification number, and any other data the Secretary of
20 State prescribes.

21 (i) The Secretary of State shall maintain a record,
22 including a record in the form of a searchable electronic
23 database accessible to the public, of each manufactured home
24 certificate of title accepted for surrender as provided in
25 Section 3-116.2. The record shall state the date the
26 certificate of title was accepted for surrender, the name of

1 manufacturer, make, model name, model year, vehicle
2 identification number, and any other data the Secretary of
3 State prescribes.

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

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

6 Sec. 3-107. Contents and effect.

7 (a) Each certificate of title issued by the Secretary of
8 State shall contain:

9 1. the date issued;

10 2. the name and address of the owner;

11 3. the names and addresses of any lienholders, in the
12 order of priority as shown on the application or, if the
13 application is based on a certificate of title, as shown on
14 the certificate;

15 4. the title number assigned to the vehicle;

16 5. a description of the vehicle including, so far as
17 the following data exists: its make, year-model,
18 identifying number, type of body, whether new or used, as
19 to house trailers as defined in Section 1-128 of this Code,
20 and as to manufactured homes as defined in Section 1-144.03
21 of this Code, the square footage of the vehicle based upon
22 the outside dimensions ~~of the house trailer~~ excluding the
23 length of the tongue and hitch, and, if a new vehicle, the
24 date of the first sale of the vehicle for use;

25 6. an odometer certification as provided for in this

1 Code; and

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

3 (a-5) In the event the applicant seeks to have the vehicle
4 titled as a custom vehicle or street rod, that fact must be
5 stated in the application. The custom vehicle or street rod
6 must be inspected as required by Section 3-406 of this Code
7 prior to issuance of the title. Upon successful completion of
8 the inspection, the vehicle may be titled in the following
9 manner. The make of the vehicle shall be listed as the make of
10 the actual vehicle or the make it is designed to resemble
11 (e.g., Ford or Chevrolet); the model of the vehicle shall be
12 listed as custom vehicle or street rod; and the year of the
13 vehicle shall be listed as the year the actual vehicle was
14 manufactured or the year it is designed to resemble. A vehicle
15 previously titled as other than a custom vehicle or street rod
16 may be issued a corrected title reflecting the custom vehicle
17 or street rod model if it otherwise meets the requirements for
18 the designation.

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

25 (b-5) The Secretary of State shall designate on a
26 certificate of title a space where the owner of a vehicle may

1 designate a beneficiary, to whom ownership of the vehicle shall
2 pass in the event of the owner's death.

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

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

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

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

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

20 (625 ILCS 5/3-109) (from Ch. 95 1/2, par. 3-109)

21 Sec. 3-109. Registration without certificate of title;
22 bond. If the Secretary of State is not satisfied as to the
23 ownership of the vehicle, including but not limited to, in the
24 case of a manufactured home, a circumstance in which the
25 manufactured home is covered by a Manufacturer's Statement of

1 Origin that the owner of the manufactured home, after diligent
2 search and inquiry, is unable to produce, or that there are no
3 undisclosed security interests in it, the Secretary of State
4 may register the vehicle but shall either:

5 (a) Withhold issuance of a certificate of title until the
6 applicant presents documents reasonably sufficient to satisfy
7 the Secretary of State as to the applicant's ownership of the
8 vehicle and that there are no undisclosed security interests in
9 it; or

10 (b) As a condition of issuing a certificate of title,
11 require the applicant to file with the Secretary of State a
12 bond in the form prescribed by the Secretary of State and
13 executed by the applicant, and either accompanied by the
14 deposit of cash with the Secretary of State or also executed by
15 a person authorized to conduct a surety business in this State.
16 The bond shall be in an amount equal to one and one-half times
17 the value of the vehicle as determined by the Secretary of
18 State and conditioned to indemnify any prior owner and
19 lienholder and any subsequent purchaser of the vehicle or
20 person acquiring any security interest in it, and their
21 respective successors in interest, against any expense, loss or
22 damage, including reasonable attorney's fees, by reason of the
23 issuance of the certificate of title of the vehicle or on
24 account of any defect in or undisclosed security interest upon
25 the right, title and interest of the applicant in and to the
26 vehicle. Any such interested person has a right of action to

1 recover on the bond for any breach of its conditions, but the
2 aggregate liability of the surety to all persons shall not
3 exceed the amount of the bond. The bond, and any deposit
4 accompanying it, shall be returned at the end of three (3)
5 years or prior thereto if (i) the vehicle is no longer
6 registered in this State and the currently valid certificate of
7 title is surrendered to the Secretary of State or (ii), in the
8 case of a certificate of title to a manufactured home, the
9 currently valid certificate of title is surrendered to the
10 Secretary of State in accordance with Section 3-116.2, unless
11 the Secretary of State has been notified of the pendency of an
12 action to recover on the bond.

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

15 (c) During July, annually, the Secretary shall compile a
16 list of all bonds on deposit, pursuant to this Section, for
17 more than 3 years and concerning which he has received no
18 notice as to the pendency of any judicial proceeding that could
19 affect the disposition thereof. Thereupon, he shall promptly
20 send a notice by certified mail to the last known address of
21 each depositor advising him that his bond will be subject to
22 escheat to the State of Illinois if not claimed within 30 days
23 after the mailing date of such notice. At the expiration of
24 such time, the Secretary of State shall file with the State
25 Treasurer an order directing the transfer of such deposit to
26 the Road Fund in the State Treasury. Upon receipt of such

1 order, the State Treasurer shall make such transfer, after
2 converting to cash any other type of security. Thereafter any
3 person having a legal claim against such deposit may enforce it
4 by appropriate proceedings in the Court of Claims subject to
5 the limitations prescribed for such Court. At the expiration of
6 such limitation period such deposit shall escheat to the State
7 of Illinois.

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

9 (625 ILCS 5/3-110) (from Ch. 95 1/2, par. 3-110)

10 Sec. 3-110. Refusing certificate of title. The Secretary of
11 State shall refuse issuance of a certificate of title if any
12 required fee is not paid or if he has reasonable grounds to
13 believe that:

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

15 (b) the application contains a false or fraudulent
16 statement;

17 (c) the applicant fails to furnish required
18 information or documents or any additional information the
19 Secretary of State reasonably requires; or

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

23 Except as provided in Section 3-116.2, the Secretary of
24 State shall not refuse to issue a certificate of title to a
25 manufactured home by reason of the fact that, at any time, in

1 any manner, it shall have been affixed to real property.

2 (Source: P.A. 97-333, eff. 8-12-11.)

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

4 Sec. 3-116. When Secretary of State to issue a certificate
5 of title.

6 (a) The Secretary of State, upon receipt of a properly
7 assigned certificate of title, with an application for a
8 certificate of title, the required fee and any other documents
9 required by law, shall issue a new certificate of title in the
10 name of the transferee as owner and mail it to the first
11 lienholder named in it or, if none, to the owner or owner's
12 designee.

13 (b) The Secretary of State, upon receipt of an application
14 for a new certificate of title by a transferee other than by
15 voluntary transfer, with proof of the transfer, the required
16 fee and any other documents required by law, shall issue a new
17 certificate of title in the name of the transferee as owner.

18 (c) Any person, firm or corporation, who shall knowingly
19 possess, buy, sell, exchange or give away, or offer to buy,
20 sell, exchange or give away the certificate of title to any
21 motor vehicle which is a junk or salvage, or who shall fail to
22 surrender the certificate of title to the Secretary of State as
23 required under the provisions of this Section and Section
24 3-117.2, shall be guilty of Class 3 felony.

25 (d) The Secretary of State shall file and retain for four

1 (4) years a record of every surrendered certificate of title or
2 proof of ownership accepted by the Secretary of State, the file
3 to be maintained so as to permit the tracing of title of the
4 vehicle designated therein. Such filing and retention
5 requirements shall be in addition to and not in substitution
6 for the recordkeeping requirements set forth in Section 3-106
7 of this Code, which recordkeeping requirements are not limited
8 to any period of time.

9 (e) The Secretary of State, upon receipt of an application
10 for corrected certificate of title, with the original title,
11 the required fee and any other required documents, shall issue
12 a corrected certificate of title in the name of the owner and
13 mail it to the first lienholder named in it or, if none, to the
14 owner or owner's designee.

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

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

20 (625 ILCS 5/3-116.1 new)

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

23 (a) The owner (all, if more than one) of a manufactured
24 home that is covered by a Manufacturer's Statement of Origin
25 and that is permanently affixed to real property as defined in

1 the Conveyance and Encumbrance of Manufactured Homes as Real
2 Property and Severance Act, or which the owner intends to
3 permanently affix to real property as defined in the Conveyance
4 and Encumbrance of Manufactured Homes as Real Property and
5 Severance Act, may surrender the Manufacturer's Statement of
6 Origin to the manufactured home to the Secretary of State by
7 filing with the Secretary of State an application for surrender
8 of Manufacturer's Statement of Origin containing or
9 accompanied by:

10 (1) the name, residence, and mailing address of the
11 owner;

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

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

23 (4) a statement signed by the owner, stating either
24 (i) any facts or information known to the owner that could
25 reasonably affect the validity of the title to the
26 manufactured home or the existence or non-existence of a

1 security interest in or lien on it or (ii) that no such
2 facts or information are known to the owner;

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

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

8 (7) the name and mailing address of each owner of
9 the manufactured home or such owner's designee wishing to
10 receive written acknowledgment of surrender from the
11 Secretary of State; and

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

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

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

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

18 (d) Upon written request by a person identified on the
19 application for surrender of Manufacturer's Statement of
20 Origin pursuant to subsection (a) (7) of this Section, the
21 Secretary of State shall provide written acknowledgment of
22 compliance with the provisions of this Section.

23 (625 ILCS 5/3-116.2 new)

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

25 (a) The owner (all, if more than one) of a manufactured

1 home that is covered by a certificate of title, including, if
2 applicable, a certificate of title issued in accordance with
3 subsection (b) of Section 3-109, and that is permanently
4 affixed to real property as defined in the Conveyance and
5 Encumbrance of Manufactured Homes as Real Property and
6 Severance Act, or which the owner intends to permanently affix
7 to real property as defined in the Conveyance and Encumbrance
8 of Manufactured Homes as Real Property and Severance Act, may
9 surrender the certificate of title to the manufactured home to
10 the Secretary of State by filing with the Secretary of State an
11 application for surrender of title containing or accompanied
12 by:

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

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

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

26 (4) a statement signed by the owner, stating either,

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

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

9 (6) the original certificate of title;

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

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

15 (9) any other information and documents the Secretary
16 of State reasonably requires to identify the owner of the
17 manufactured home and to enable him or her to determine
18 whether the owner satisfied the requirements of the
19 Conveyance and Encumbrance of Manufactured Homes as Real
20 Property and Severance Act and is entitled to surrender the
21 certificate of title and the existence or non-existence of
22 security interests in or liens on the manufactured home.

23 (b) The Secretary of State shall not accept for surrender a
24 certificate of title to a manufactured home unless and until
25 all security interests or liens perfected pursuant to Sections
26 3-106 and 3-202 have been released.

1 (c) When satisfied as to the genuineness and regularity of
2 the surrender of a certificate of title to a manufactured home,
3 payment of any applicable fees and upon satisfaction of the
4 requirements of subsections (a) and (b) of this Section, the
5 Secretary of State shall (i) cancel the certificate of title
6 and update his or her records in accordance with the provisions
7 of Section 3-106 and (ii) provide written acknowledgment of
8 compliance with the provisions of this Section to each person
9 identified on the application for surrender of title pursuant
10 to subsection (a) (7) of this Section.

11 (d) Upon satisfaction of the requirements of this Section,
12 a manufactured home shall be conveyed and encumbered as
13 provided in the Conveyance and Encumbrance of Manufactured
14 Homes as Real Property and Severance Act. If the application to
15 surrender a certificate of title is delivered to the Secretary
16 of State within 60 days of recording the related affidavit of
17 affixation with the recording officer in the county in which
18 the real property to which the manufactured home is or shall be
19 affixed, and the application is thereafter accepted by the
20 Secretary of State, the requirements of this Section shall be
21 deemed satisfied as of the date the affidavit of affixation is
22 recorded.

23 (e) Upon written request by a person identified on the
24 application for surrender of title pursuant to subsection
25 (a) (7) of this Section, the Secretary of State shall provide
26 written acknowledgment of compliance with the provisions of

1 this Section.

2 (625 ILCS 5/3-116.3 new)

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

5 (a) Notwithstanding any other provision of law, where a
6 manufactured home has been permanently affixed to real
7 property, and an affidavit of affixation has been recorded as
8 part of the real property records in the county in which the
9 manufactured home is located in accordance with the Conveyance
10 and Encumbrance of Manufactured Homes as Real Property and
11 Severance Act, and where the manufactured home subsequently is
12 detached or severed from the real property, the owner (all, if
13 more than one) of the manufactured home shall, unless exempted
14 by other provisions of this Code, apply for a new certificate
15 of title by filing with the Secretary of State an application
16 for a certificate of title to a manufactured home, to be issued
17 in accordance with subsection (b) of Section 3-109, containing
18 or accompanied by:

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

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

1 State requires;

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

8 (4) a certified copy of the affidavit of severance
9 provided in accordance with the Conveyance and Encumbrance
10 of Manufactured Homes as Real Property and Severance Act;
11 and

12 (5) any other information and documents the Secretary
13 of State reasonably requires.

14 (b) Upon satisfaction of the requirements of subsection (a)
15 of this Section and subsection (b) of Section 3-109, the
16 Secretary of State shall issue a new certificate of title
17 pursuant to subsection (b) of Section 3-109 and update his or
18 her records in accordance with the provisions of Section 3-106.

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

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

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

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

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

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

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

26 1. If the parties understood at the time the security

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

6 2. If the security interest was perfected under the law
7 of the jurisdiction where the vehicle was when the security
8 interest attached, the following rules apply:

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

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

21 3. If the security interest was not perfected under the
22 law of the jurisdiction where the vehicle was when the
23 security interest attached, it may be perfected in this
24 State; in that case perfection dates from the time of
25 perfection in this State.

26 4. A security interest may be perfected under paragraph

1 3 of this subsection either as provided in subsection (b)
2 or by the lienholder delivering to the Secretary of State a
3 notice of security interest in the form the Secretary of
4 State prescribes and the required fee.

5 (d) Except as otherwise provided in Sections 3-116.1,
6 3-116.2, 3-207, and the Conveyance and Encumbrance of
7 Manufactured Homes as Real Property and Severance Act, after a
8 certificate of title has been issued for a manufactured home
9 and as long as the manufactured home is subject to any security
10 interest perfected pursuant to this Section, the Secretary of
11 State shall not file an affidavit of affixation, nor cancel the
12 Manufacturer's Statement of Origin, nor revoke the certificate
13 of title, nor issue a certificate of title under Section 3-106,
14 and, in any event, the validity and priority of any security
15 interest perfected pursuant to this Section shall continue,
16 notwithstanding the provision of any other law.

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

18 (625 ILCS 5/3-205) (from Ch. 95 1/2, par. 3-205)

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

20 (a) Within 21 days after receiving payment to satisfy a
21 security interest in a vehicle for which the certificate of
22 title is in the possession of the lienholder, he shall execute
23 a release of his security interest, and mail or deliver the
24 certificate and release to the next lienholder named therein,
25 or, if none, to the owner or any person who delivers to the

1 lienholder an authorization from the owner to receive the
2 certificate. If the payment is in the form of cash, a cashier's
3 check, or a certified check, the number of days is reduced to
4 10 business days. If the owner desires a new certificate
5 reflecting no lien, the certificate and release from the
6 lienholder may be submitted to the Secretary of State, along
7 with the prescribed application and required fee, for issuance
8 of that new certificate.

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

24 (c) In addition to any other penalty, a lienholder who
25 fails to execute a release of his or her security interest or
26 who fails to mail or deliver the certificate and release within

1 the time limit provided in subsection (a) or (b) is liable to
2 the person or entity that was supposed to receive the release
3 or certificate for \$150 plus reasonable attorney fees and court
4 costs. An action under this Section may be brought in small
5 claims court or in any other appropriate court.

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

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

13 (625 ILCS 5/3-207) (from Ch. 95 1/2, par. 3-207)

14 Sec. 3-207. Exclusiveness of procedure.

15 The method provided in this act of perfecting and giving
16 notice of security interests subject to this act is exclusive.
17 Security interests subject to this act are hereby exempted from
18 the provisions of law which otherwise require or relate to the
19 recording or filing of instruments creating or evidencing
20 security interests in vehicles including chattel mortgages and
21 conditional sale agreements, provided, however, that with
22 respect to a manufactured home that is or will be permanently
23 affixed to real property, upon recordation of an affidavit of
24 affixation pursuant to the Conveyance and Encumbrance of
25 Manufactured Homes as Real Property and Severance Act and

1 satisfaction of the requirements of Section 3-116.1 or 3-116.2,
2 as applicable, any perfection or termination of a security
3 interest with respect to such permanently affixed property
4 shall be governed by the laws applicable to real property.

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

6 (625 ILCS 5/3-208) (from Ch. 95 1/2, par. 3-208)

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

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

12 1. The certificate of title was fraudulently procured
13 or erroneously issued, or

14 2. The vehicle has been scrapped, dismantled or
15 destroyed.

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

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

23 (c) When the Secretary of State suspends or revokes a
24 certificate of title, the owner or person in possession of it
25 shall, immediately upon receiving notice of the suspension or

1 revocation, mail or deliver the certificate to the Secretary of
2 State.

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

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

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

8 (735 ILCS 5/15-1213) (from Ch. 110, par. 15-1213)

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

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

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

1 (765 ILCS 5/38) (from Ch. 30, par. 37)

2 Sec. 38. The term "real estate," as used in this act, shall
3 be construed as co-extensive in meaning with "lands, tenements
4 and hereditaments," and as embracing all chattels real. "Real
5 estate" and "real property" include a manufactured home as
6 defined in subdivision (53) of Section 9-102 of the Uniform
7 Commercial Code that is real property as defined in the
8 Conveyance and Encumbrance of Manufactured Homes as Real
9 Property and Severance Act. This act shall not be construed so
10 as to embrace last wills, except as herein expressly provided.
11 (Source: P.A. 84-551.)

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

14 (765 ILCS 77/5)

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

18 "Residential real property" means real property improved
19 with not less than one nor more than 4 residential dwelling
20 units; units in residential cooperatives; or, condominium
21 units, including the limited common elements allocated to the
22 exclusive use thereof that form an integral part of the
23 condominium unit. The term includes a manufactured home as
24 defined in subdivision (53) of Section 9-102 of the Uniform

1 Commercial Code that is real property as defined in the
2 Conveyance and Encumbrance of Manufactured Homes as Real
3 Property and Severance Act.

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

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

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

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

20 (765 ILCS 745/3) (from Ch. 80, par. 203)

21 Sec. 3. Definitions. Unless otherwise expressly defined,
22 all terms in this Act shall be construed to have their
23 ordinarily accepted meanings or such meaning as the context
24 therein requires.

1 (a) "Person" means any legal entity, including but not
2 limited to, an individual, firm, partnership, association,
3 trust, joint stock company, corporation or successor of any of
4 the foregoing.

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

1 "manufactured home" are synonymous for the purposes of this
2 Act.

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

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

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

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

19 (g) "Master antenna television service" means any and all
20 services provided by or through the facilities of any closed
21 circuit coaxial cable communication system, or any microwave or
22 similar transmission services other than a community antenna
23 television system as defined in Section 11-42-11 of the
24 Illinois Municipal Code.

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

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

3 (765 ILCS 905/13.1 new)

4 Sec. 13.1. Real estate; real property. As used in this Act,
5 "real estate" and "real property" include a manufactured home
6 as defined in subdivision (53) of Section 9-102 of the Uniform
7 Commercial Code that is real property as defined in the
8 Conveyance and Encumbrance of Manufactured Homes as Real
9 Property and Severance Act.

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

12 (765 ILCS 1005/5 new)

13 Sec. 5. Real estate; real property. As used in this Act,
14 "real estate" and "real property" include a manufactured home
15 as 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.

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

21 (810 ILCS 5/9-102) (from Ch. 26, par. 9-102)

1 (Text of Section before amendment by P.A. 97-1034)

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

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

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

7 (2) "Account", except as used in "account for", means a
8 right to payment of a monetary obligation, whether or not
9 earned by performance, (i) for property that has been or is
10 to be sold, leased, licensed, assigned, or otherwise
11 disposed of, (ii) for services rendered or to be rendered,
12 (iii) for a policy of insurance issued or to be issued,
13 (iv) for a secondary obligation incurred or to be incurred,
14 (v) for energy provided or to be provided, (vi) for the use
15 or hire of a vessel under a charter or other contract,
16 (vii) arising out of the use of a credit or charge card or
17 information contained on or for use with the card, or
18 (viii) as winnings in a lottery or other game of chance
19 operated or sponsored by a State, governmental unit of a
20 State, or person licensed or authorized to operate the game
21 by a State or governmental unit of a State. The term
22 includes health-care-insurance receivables. The term does
23 not include (i) rights to payment evidenced by chattel
24 paper or an instrument, (ii) commercial tort claims, (iii)
25 deposit accounts, (iv) investment property, (v)
26 letter-of-credit rights or letters of credit, or (vi)

1 rights to payment for money or funds advanced or sold,
2 other than rights arising out of the use of a credit or
3 charge card or information contained on or for use with the
4 card.

5 (3) "Account debtor" means a person obligated on an
6 account, chattel paper, or general intangible. The term
7 does not include persons obligated to pay a negotiable
8 instrument, even if the instrument constitutes part of
9 chattel paper.

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

12 (A) authenticated by a secured party;

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

16 (C) identifying the components of the obligations
17 in reasonable detail.

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

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

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

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

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

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

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

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

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

12 (7) "Authenticate" means:

13 (A) to sign; or

14 (B) to execute or otherwise adopt a symbol, or
15 encrypt or similarly process a record in whole or in
16 part, with the present intent of the authenticating
17 person to identify the person and adopt or accept a
18 record.

19 (8) "Bank" means an organization that is engaged in the
20 business of banking. The term includes savings banks,
21 savings and loan associations, credit unions, and trust
22 companies.

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

25 (10) "Certificate of title" means a certificate of
26 title with respect to which a statute provides for the

1 security interest in question to be indicated on the
2 certificate as a condition or result of the security
3 interest's obtaining priority over the rights of a lien
4 creditor with respect to the collateral.

5 (11) "Chattel paper" means a record or records that
6 evidence both a monetary obligation and a security interest
7 in specific goods, a security interest in specific goods
8 and software used in the goods, a security interest in
9 specific goods and license of software used in the goods, a
10 lease of specific goods, or a lease of specified goods and
11 a license of software used in the goods. In this paragraph,
12 "monetary obligation" means a monetary obligation secured
13 by the goods or owed under a lease of the goods and
14 includes a monetary obligation with respect to software
15 used in the goods. The term does not include (i) charters
16 or other contracts involving the use or hire of a vessel or
17 (ii) records that evidence a right to payment arising out
18 of the use of a credit or charge card or information
19 contained on or for use with the card. If a transaction is
20 evidenced by records that include an instrument or series
21 of instruments, the group of records taken together
22 constitutes chattel paper.

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

25 (A) proceeds to which a security interest
26 attaches;

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

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

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

6 (A) the claimant is an organization; or

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

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

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

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

15 (15) "Commodity contract" means a commodity futures
16 contract, an option on a commodity futures contract, a
17 commodity option, or another contract if the contract or
18 option is:

19 (A) traded on or subject to the rules of a board of
20 trade that has been designated as a contract market for
21 such a contract pursuant to federal commodities laws;
22 or

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

26 (16) "Commodity customer" means a person for which a

1 commodity intermediary carries a commodity contract on its
2 books.

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

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

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

10 (18) "Communicate" means:

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

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

14 (C) in the case of transmission of a record to or
15 by a filing office, to transmit a record by any means
16 prescribed by filing-office rule.

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

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

22 (A) the merchant:

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

25 (ii) is not an auctioneer; and

26 (iii) is not generally known by its creditors

1 to be substantially engaged in selling the goods of
2 others;

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

6 (C) the goods are not consumer goods immediately
7 before delivery; and

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

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

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

14 (23) "Consumer goods" means goods that are used or
15 bought for use primarily for personal, family, or household
16 purposes.

17 (24) "Consumer-goods transaction" means a consumer
18 transaction in which:

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

21 (B) a security interest in consumer goods secures
22 the obligation.

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

1 (26) "Consumer transaction" means a transaction in
2 which (i) an individual incurs an obligation primarily for
3 personal, family, or household purposes, (ii) a security
4 interest secures the obligation, and (iii) the collateral
5 is held or acquired primarily for personal, family, or
6 household purposes. The term includes consumer-goods
7 transactions.

8 (27) "Continuation statement" means an amendment of a
9 financing statement which:

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

12 (B) indicates that it is a continuation statement
13 for, or that it is filed to continue the effectiveness
14 of, the identified financing statement.

15 (28) "Debtor" means:

16 (A) a person having an interest, other than a
17 security interest or other lien, in the collateral,
18 whether or not the person is an obligor;

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

21 (C) a consignee.

22 (29) "Deposit account" means a demand, time, savings,
23 passbook, nonnegotiable certificates of deposit,
24 uncertificated certificates of deposit, nontransferrable
25 certificates of deposit, or similar account maintained
26 with a bank. The term does not include investment property

1 or accounts evidenced by an instrument.

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

4 (31) "Electronic chattel paper" means chattel paper
5 evidenced by a record or records consisting of information
6 stored in an electronic medium.

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

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

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

15 (A) crops grown, growing, or to be grown,
16 including:

17 (i) crops produced on trees, vines, and
18 bushes; and

19 (ii) aquatic goods produced in aquacultural
20 operations;

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

23 (C) supplies used or produced in a farming
24 operation; or

25 (D) products of crops or livestock in their
26 unmanufactured states.

1 (35) "Farming operation" means raising, cultivating,
2 propagating, fattening, grazing, or any other farming,
3 livestock, or aquacultural operation.

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

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

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

10 (39) "Financing statement" means a record or records
11 composed of an initial financing statement and any filed
12 record relating to the initial financing statement.

13 (40) "Fixture filing" means the filing of a financing
14 statement covering goods that are or are to become fixtures
15 and satisfying Section 9-502(a) and (b). The term includes
16 the filing of a financing statement covering goods of a
17 transmitting utility which are or are to become fixtures.

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

21 (42) "General intangible" means any personal property,
22 including things in action, other than accounts, chattel
23 paper, commercial tort claims, deposit accounts,
24 documents, goods, instruments, investment property,
25 letter-of-credit rights, letters of credit, money, and
26 oil, gas, or other minerals before extraction. The term

1 includes payment intangibles and software.

2 (43) "Good faith" means honesty in fact and the
3 observance of reasonable commercial standards of fair
4 dealing.

5 (44) "Goods" means all things that are movable when a
6 security interest attaches. The term includes (i)
7 fixtures, (ii) standing timber that is to be cut and
8 removed under a conveyance or contract for sale, (iii) the
9 unborn young of animals, (iv) crops grown, growing, or to
10 be grown, even if the crops are produced on trees, vines,
11 or bushes, and (v) manufactured homes. The term also
12 includes a computer program embedded in goods and any
13 supporting information provided in connection with a
14 transaction relating to the program if (i) the program is
15 associated with the goods in such a manner that it
16 customarily is considered part of the goods, or (ii) by
17 becoming the owner of the goods, a person acquires a right
18 to use the program in connection with the goods. The term
19 does not include a computer program embedded in goods that
20 consist solely of the medium in which the program is
21 embedded. The term also does not include accounts, chattel
22 paper, commercial tort claims, deposit accounts,
23 documents, general intangibles, instruments, investment
24 property, letter-of-credit rights, letters of credit,
25 money, or oil, gas, or other minerals before extraction.

26 (45) "Governmental unit" means a subdivision, agency,

1 department, county, parish, municipality, or other unit of
2 the government of the United States, a State, or a foreign
3 country. The term includes an organization having a
4 separate corporate existence if the organization is
5 eligible to issue debt on which interest is exempt from
6 income taxation under the laws of the United States.

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

11 (47) "Instrument" means a negotiable instrument or any
12 other writing that evidences a right to the payment of a
13 monetary obligation, is not itself a security agreement or
14 lease, and is of a type that in ordinary course of business
15 is transferred by delivery with any necessary indorsement
16 or assignment. The term does not include (i) investment
17 property, (ii) letters of credit, (iii) nonnegotiable
18 certificates of deposit, (iv) uncertificated certificates
19 of deposit, (v) nontransferrable certificates of deposit,
20 or (vi) writings that evidence a right to payment arising
21 out of the use of a credit or charge card or information
22 contained on or for use with the card.

23 (48) "Inventory" means goods, other than farm
24 products, which:

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

26 (B) are held by a person for sale or lease or to be

1 furnished under a contract of service;

2 (C) are furnished by a person under a contract of
3 service; or

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

6 (49) "Investment property" means a security, whether
7 certificated or uncertificated, security entitlement,
8 securities account, commodity contract, or commodity
9 account.

10 (50) "Jurisdiction of organization", with respect to a
11 registered organization, means the jurisdiction under
12 whose law the organization is organized.

13 (51) "Letter-of-credit right" means a right to payment
14 or performance under a letter of credit, whether or not the
15 beneficiary has demanded or is at the time entitled to
16 demand payment or performance. The term does not include
17 the right of a beneficiary to demand payment or performance
18 under a letter of credit.

19 (52) "Lien creditor" means:

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

22 (B) an assignee for benefit of creditors from the
23 time of assignment;

24 (C) a trustee in bankruptcy from the date of the
25 filing of the petition; or

26 (D) a receiver in equity from the time of

1 appointment.

2 (53) "Manufactured home" means a structure,
3 transportable in one or more sections, which, in the
4 traveling mode, is eight body feet or more in width or 40
5 body feet or more in length, or, when erected on site, is
6 320 or more square feet, and which is built on a permanent
7 chassis and designed to be used as a dwelling with or
8 without a permanent foundation when connected to the
9 required utilities, and includes the plumbing, heating,
10 air-conditioning, and electrical systems contained
11 therein. The term includes any structure that meets all of
12 the requirements of this paragraph except the size
13 requirements and with respect to which the manufacturer
14 voluntarily files a certification required by the United
15 States Secretary of Housing and Urban Development and
16 complies with the standards established under Title 42 of
17 the United States Code ~~factory assembled, completely~~
18 ~~integrated structure designed for permanent habitation,~~
19 ~~with a permanent chassis, and so constructed as to permit~~
20 ~~its transport, on wheels temporarily or permanently~~
21 ~~attached to its frame, and is a movable or portable unit~~
22 ~~that is (i) 8 body feet or more in width, (ii) 40 body feet~~
23 ~~or more in length, and (iii) 320 or more square feet,~~
24 ~~constructed to be towed on its own chassis (comprised of~~
25 ~~frame and wheels) from the place of its construction to the~~
26 ~~location, or subsequent locations, at which it is installed~~

1 ~~and set up according to the manufacturer's instructions and~~
2 ~~connected to utilities for year-round occupancy for use as~~
3 ~~a permanent habitation, and designed and situated so as to~~
4 ~~permit its occupancy as a dwelling place for one or more~~
5 ~~persons. The term shall include units containing parts that~~
6 ~~may be folded, collapsed, or telescoped when being towed~~
7 ~~and that may be expected to provide additional cubic~~
8 ~~capacity, and that are designed to be joined into one~~
9 ~~integral unit capable of being separated again into the~~
10 ~~components for repeated towing. The term shall exclude~~
11 ~~campers and recreational vehicles.~~

12 (54) "Manufactured-home transaction" means a secured
13 transaction:

14 (A) that creates a purchase-money security
15 interest in a manufactured home, other than a
16 manufactured home held as inventory; or

17 (B) in which a manufactured home, other than a
18 manufactured home held as inventory, is the primary
19 collateral.

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

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

26 (57) "New value" means (i) money, (ii) money's worth in

1 property, services, or new credit, or (iii) release by a
2 transferee of an interest in property previously
3 transferred to the transferee. The term does not include an
4 obligation substituted for another obligation.

5 (58) "Noncash proceeds" means proceeds other than cash
6 proceeds.

7 (59) "Obligor" means a person that, with respect to an
8 obligation secured by a security interest in or an
9 agricultural lien on the collateral, (i) owes payment or
10 other performance of the obligation, (ii) has provided
11 property other than the collateral to secure payment or
12 other performance of the obligation, or (iii) is otherwise
13 accountable in whole or in part for payment or other
14 performance of the obligation. The term does not include
15 issuers or nominated persons under a letter of credit.

16 (60) "Original debtor", except as used in Section
17 9-310(c), means a person that, as debtor, entered into a
18 security agreement to which a new debtor has become bound
19 under Section 9-203(d).

20 (61) "Payment intangible" means a general intangible
21 under which the account debtor's principal obligation is a
22 monetary obligation.

23 (62) "Person related to", with respect to an
24 individual, means:

25 (A) the spouse of the individual;

26 (B) a brother, brother-in-law, sister, or

1 sister-in-law of the individual;

2 (C) an ancestor or lineal descendant of the
3 individual or the individual's spouse; or

4 (D) any other relative, by blood or marriage, of
5 the individual or the individual's spouse who shares
6 the same home with the individual.

7 (63) "Person related to", with respect to an
8 organization, means:

9 (A) a person directly or indirectly controlling,
10 controlled by, or under common control with the
11 organization;

12 (B) an officer or director of, or a person
13 performing similar functions with respect to, the
14 organization;

15 (C) an officer or director of, or a person
16 performing similar functions with respect to, a person
17 described in subparagraph (A);

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

20 (E) an individual who is related by blood or
21 marriage to an individual described in subparagraph
22 (A), (B), (C), or (D) and shares the same home with the
23 individual.

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

26 (A) whatever is acquired upon the sale, lease,

1 license, exchange, or other disposition of collateral;

2 (B) whatever is collected on, or distributed on
3 account of, collateral;

4 (C) rights arising out of collateral;

5 (D) to the extent of the value of collateral,
6 claims arising out of the loss, nonconformity, or
7 interference with the use of, defects or infringement
8 of rights in, or damage to, the collateral; or

9 (E) to the extent of the value of collateral and to
10 the extent payable to the debtor or the secured party,
11 insurance payable by reason of the loss or
12 nonconformity of, defects or infringement of rights
13 in, or damage to, the collateral.

14 (65) "Promissory note" means an instrument that
15 evidences a promise to pay a monetary obligation, does not
16 evidence an order to pay, and does not contain an
17 acknowledgment by a bank that the bank has received for
18 deposit a sum of money or funds.

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

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

26 (A) debt securities are issued;

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

3 (C) the debtor, obligor, secured party, account
4 debtor or other person obligated on collateral,
5 assignor or assignee of a secured obligation, or
6 assignor or assignee of a security interest is a State
7 or a governmental unit of a State.

8 (68) "Pursuant to commitment", with respect to an
9 advance made or other value given by a secured party, means
10 pursuant to the secured party's obligation, whether or not
11 a subsequent event of default or other event not within the
12 secured party's control has relieved or may relieve the
13 secured party from its obligation.

14 (69) "Record", except as used in "for record", "of
15 record", "record or legal title", and "record owner", means
16 information that is inscribed on a tangible medium or which
17 is stored in an electronic or other medium and is
18 retrievable in perceivable form.

19 (70) "Registered organization" means an organization
20 organized solely under the law of a single State or the
21 United States and as to which the State or the United
22 States must maintain a public record showing the
23 organization to have been organized.

24 (71) "Secondary obligor" means an obligor to the extent
25 that:

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

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

4 (72) "Secured party" means:

5 (A) a person in whose favor a security interest is
6 created or provided for under a security agreement,
7 whether or not any obligation to be secured is
8 outstanding;

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

10 (C) a consignor;

11 (D) a person to which accounts, chattel paper,
12 payment intangibles, or promissory notes have been
13 sold;

14 (E) a trustee, indenture trustee, agent,
15 collateral agent, or other representative in whose
16 favor a security interest or agricultural lien is
17 created or provided for; or

18 (F) a person that holds a security interest arising
19 under Section 2-401, 2-505, 2-711(3), 2A-508(5),
20 4-210, or 5-118.

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

23 (74) "Send", in connection with a record or
24 notification, means:

25 (A) to deposit in the mail, deliver for
26 transmission, or transmit by any other usual means of

1 communication, with postage or cost of transmission
2 provided for, addressed to any address reasonable
3 under the circumstances; or

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

7 (75) "Software" means a computer program and any
8 supporting information provided in connection with a
9 transaction relating to the program. The term does not
10 include a computer program that is included in the
11 definition of goods.

12 (76) "State" means a State of the United States, the
13 District of Columbia, Puerto Rico, the United States Virgin
14 Islands, or any territory or insular possession subject to
15 the jurisdiction of the United States.

16 (77) "Supporting obligation" means a letter-of-credit
17 right or secondary obligation that supports the payment or
18 performance of an account, chattel paper, a document, a
19 general intangible, an instrument, or investment property.

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

23 (79) "Termination statement" means an amendment of a
24 financing statement which:

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

1 (B) indicates either that it is a termination
2 statement or that the identified financing statement
3 is no longer effective.

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

6 (A) operating a railroad, subway, street railway,
7 or trolley bus;

8 (B) transmitting communications electrically,
9 electromagnetically, or by light;

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

11 (D) transmitting or producing and transmitting
12 electricity, steam, gas, or water.

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

16 "Applicant". Section 5-102.

17 "Beneficiary". Section 5-102.

18 "Broker". Section 8-102.

19 "Certificated security". Section 8-102.

20 "Check". Section 3-104.

21 "Clearing corporation". Section 8-102.

22 "Contract for sale". Section 2-106.

23 "Customer". Section 4-104.

24 "Entitlement holder". Section 8-102.

25 "Financial asset". Section 8-102.

26 "Holder in due course". Section 3-302.

1 "Issuer" (with respect to a letter of credit or
2 letter-of-credit right). Section 5-102.

3 "Issuer" (with respect to a security). Section 8-201.

4 "Issuer" (with respect to documents of title). Section
5 7-102.

6 "Lease". Section 2A-103.

7 "Lease agreement". Section 2A-103.

8 "Lease contract". Section 2A-103.

9 "Leasehold interest". Section 2A-103.

10 "Lessee". Section 2A-103.

11 "Lessee in ordinary course of business". Section 2A-103.

12 "Lessor". Section 2A-103.

13 "Lessor's residual interest". Section 2A-103.

14 "Letter of credit". Section 5-102.

15 "Merchant". Section 2-104.

16 "Negotiable instrument". Section 3-104.

17 "Nominated person". Section 5-102.

18 "Note". Section 3-104.

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

20 "Prove". Section 3-103.

21 "Sale". Section 2-106.

22 "Securities account". Section 8-501.

23 "Securities intermediary". Section 8-102.

24 "Security". Section 8-102.

25 "Security certificate". Section 8-102.

26 "Security entitlement". Section 8-102.

1 "Uncertificated security". Section 8-102.

2 (c) Article 1 definitions and principles. Article 1
3 contains general definitions and principles of construction
4 and interpretation applicable throughout this Article.

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

6 (Text of Section after amendment by P.A. 97-1034)

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

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

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

12 (2) "Account", except as used in "account for", means a
13 right to payment of a monetary obligation, whether or not
14 earned by performance, (i) for property that has been or is
15 to be sold, leased, licensed, assigned, or otherwise
16 disposed of, (ii) for services rendered or to be rendered,
17 (iii) for a policy of insurance issued or to be issued,
18 (iv) for a secondary obligation incurred or to be incurred,
19 (v) for energy provided or to be provided, (vi) for the use
20 or hire of a vessel under a charter or other contract,
21 (vii) arising out of the use of a credit or charge card or
22 information contained on or for use with the card, or
23 (viii) as winnings in a lottery or other game of chance
24 operated or sponsored by a State, governmental unit of a
25 State, or person licensed or authorized to operate the game

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

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

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

18 (A) authenticated by a secured party;

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

22 (C) identifying the components of the obligations
23 in reasonable detail.

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

26 (A) which secures payment or performance of an

1 obligation for goods or services furnished in
2 connection with a debtor's farming operation;

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

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

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

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

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

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

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

18 (7) "Authenticate" means:

19 (A) to sign; or

20 (B) with present intent to adopt or accept a
21 record, to attach to or logically associate with the
22 record an electronic sound, symbol, or process.

23 (8) "Bank" means an organization that is engaged in the
24 business of banking. The term includes savings banks,
25 savings and loan associations, credit unions, and trust
26 companies.

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

3 (10) "Certificate of title" means a certificate of
4 title with respect to which a statute provides for the
5 security interest in question to be indicated on the
6 certificate as a condition or result of the security
7 interest's obtaining priority over the rights of a lien
8 creditor with respect to the collateral. The term includes
9 another record maintained as an alternative to a
10 certificate of title by the governmental unit that issues
11 certificates of title if a statute permits the security
12 interest in question to be indicated on the record as a
13 condition or result of the security interest's obtaining
14 priority over the rights of a lien creditor with respect to
15 the collateral.

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

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

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

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

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

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

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

17 (A) the claimant is an organization; or

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

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

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

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

26 (15) "Commodity contract" means a commodity futures

1 contract, an option on a commodity futures contract, a
2 commodity option, or another contract if the contract or
3 option is:

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

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

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

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

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

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

21 (18) "Communicate" means:

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

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

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

1 prescribed by filing-office rule.

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

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

7 (A) the merchant:

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

10 (ii) is not an auctioneer; and

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

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

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

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

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

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

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

1 purposes.

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

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

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

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

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

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

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

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

26 (28) "Debtor" means:

1 (A) a person having an interest, other than a
2 security interest or other lien, in the collateral,
3 whether or not the person is an obligor;

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

6 (C) a consignee.

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

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

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

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

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

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

26 (A) crops grown, growing, or to be grown,

1 including:

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

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

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

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

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

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

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

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

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

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

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

1 the filing of a financing statement covering goods of a
2 transmitting utility which are or are to become fixtures.

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

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

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

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

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

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

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

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

1 or assignment. The term does not include (i) investment
2 property, (ii) letters of credit, (iii) nonnegotiable
3 certificates of deposit, (iv) uncertificated certificates
4 of deposit, (v) nontransferrable certificates of deposit,
5 or (vi) writings that evidence a right to payment arising
6 out of the use of a credit or charge card or information
7 contained on or for use with the card.

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

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

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

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

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

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

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

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

1 demand payment or performance. The term does not include
2 the right of a beneficiary to demand payment or performance
3 under a letter of credit.

4 (52) "Lien creditor" means:

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

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

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

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

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

1 complies with the standards established under Title 42 of
2 the United States Code ~~factory assembled, completely~~
3 ~~integrated structure designed for permanent habitation,~~
4 ~~with a permanent chassis, and so constructed as to permit~~
5 ~~its transport, on wheels temporarily or permanently~~
6 ~~attached to its frame, and is a movable or portable unit~~
7 ~~that is (i) 8 body feet or more in width, (ii) 40 body feet~~
8 ~~or more in length, and (iii) 320 or more square feet,~~
9 ~~constructed to be towed on its own chassis (comprised of~~
10 ~~frame and wheels) from the place of its construction to the~~
11 ~~location, or subsequent locations, at which it is installed~~
12 ~~and set up according to the manufacturer's instructions and~~
13 ~~connected to utilities for year-round occupancy for use as~~
14 ~~a permanent habitation, and designed and situated so as to~~
15 ~~permit its occupancy as a dwelling place for one or more~~
16 ~~persons. The term shall include units containing parts that~~
17 ~~may be folded, collapsed, or telescoped when being towed~~
18 ~~and that may be expected to provide additional cubic~~
19 ~~capacity, and that are designed to be joined into one~~
20 ~~integral unit capable of being separated again into the~~
21 ~~components for repeated towing. The term shall exclude~~
22 ~~campers and recreational vehicles.~~

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

25 (A) that creates a purchase-money security
26 interest in a manufactured home, other than a

1 manufactured home held as inventory; or

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

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

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

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

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

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

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

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

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

10 (A) the spouse of the individual;

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

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

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

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

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

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

26 (C) an officer or director of, or a person

1 performing similar functions with respect to, a person
2 described in subparagraph (A);

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

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

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

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

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

15 (C) rights arising out of collateral;

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

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

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

1 evidence an order to pay, and does not contain an
2 acknowledgment by a bank that the bank has received for
3 deposit a sum of money or funds.

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

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

11 (A) debt securities are issued;

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

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

19 (68) "Public organic record" means a record that is
20 available to the public for inspection and is:

21 (A) a record consisting of the record initially
22 filed with or issued by a State or the United States to
23 form or organize an organization and any record filed
24 with or issued by the State or the United States which
25 amends or restates the initial record;

26 (B) an organic record of a business trust

1 consisting of the record initially filed with a State
2 and any record filed with the State which amends or
3 restates the initial record, if a statute of the State
4 governing business trusts requires that the record be
5 filed with the State; or

6 (C) a record consisting of legislation enacted by
7 the legislature of a State or the Congress of the
8 United States which forms or organizes an
9 organization, any record amending the legislation, and
10 any record filed with or issued by the State or the
11 United States which amends or restates the name of the
12 organization.

13 (69) "Pursuant to commitment", with respect to an
14 advance made or other value given by a secured party, means
15 pursuant to the secured party's obligation, whether or not
16 a subsequent event of default or other event not within the
17 secured party's control has relieved or may relieve the
18 secured party from its obligation.

19 (70) "Record", except as used in "for record", "of
20 record", "record or legal title", and "record owner", means
21 information that is inscribed on a tangible medium or which
22 is stored in an electronic or other medium and is
23 retrievable in perceivable form.

24 (71) "Registered organization" means an organization
25 formed or organized solely under the law of a single State
26 or the United States by the filing of a public organic

1 record with, the issuance of a public organic record by, or
2 the enactment of legislation by the State or the United
3 States. The term includes a business trust that is formed
4 or organized under the law of a single State if a statute
5 of the State governing business trusts requires that the
6 business trust's organic record be filed with the State.

7 (72) "Secondary obligor" means an obligor to the extent
8 that:

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

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

13 (73) "Secured party" means:

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

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

19 (C) a consignor;

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

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

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

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

6 (75) "Send", in connection with a record or
7 notification, means:

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

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

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

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

25 (78) "Supporting obligation" means a letter-of-credit
26 right or secondary obligation that supports the payment or

1 performance of an account, chattel paper, a document, a
2 general intangible, an instrument, or investment property.

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

6 (80) "Termination statement" means an amendment of a
7 financing statement which:

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

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

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

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

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

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

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

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

25 "Applicant". Section 5-102.

26 "Beneficiary". Section 5-102.

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

1 "Note". Section 3-104.

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

3 "Prove". Section 3-103.

4 "Sale". Section 2-106.

5 "Securities account". Section 8-501.

6 "Securities intermediary". Section 8-102.

7 "Security". Section 8-102.

8 "Security certificate". Section 8-102.

9 "Security entitlement". Section 8-102.

10 "Uncertificated security". Section 8-102.

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

14 (Source: P.A. 96-1477, eff. 1-1-11; 97-1034, eff. 7-1-13.)

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

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

18 Sec. 4. General interest rate.

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

1 for a greater or less sum, or for a longer or shorter time,
2 except as herein provided.

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

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

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

1 of interest or compensation with respect to the following
2 transactions:

3 (a) Any loan made to a corporation;

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

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

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

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

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

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

21 (g) Interest charged by a broker or dealer registered
22 under the Securities Exchange Act of 1934, as amended, or
23 registered under the Illinois Securities Law of 1953,
24 approved July 13, 1953, as now or hereafter amended, on a
25 debit balance in an account for a customer if such debit
26 balance is payable at will without penalty and is secured

1 by securities as defined in Uniform Commercial
2 Code-Investment Securities;

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

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

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

23 (k) Written contracts, agreements or bonds for deed
24 providing for installment purchase of real estate,
25 including a manufactured home as defined in subdivision
26 (53) of Section 9-102 of the Uniform Commercial Code that

1 is real property as defined in the Conveyance and
2 Encumbrance of Manufactured Homes as Real Property and
3 Severance Act;

4 (1) Loans secured by a mortgage on real estate,l
5 including a manufactured home as defined in subdivision
6 (53) of Section 9-102 of the Uniform Commercial Code that
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.)

1

ARTICLE 99. EFFECTIVE DATE

2

Section 99-999. Effective date. This Act takes effect upon

3

becoming law.

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6	35 ILCS 515/4	from Ch. 120, par. 1204
7	205 ILCS 5/3	from Ch. 17, par. 309
8	205 ILCS 5/5a	from Ch. 17, par. 312
9	205 ILCS 5/5d	from Ch. 17, par. 312.3
10	205 ILCS 5/6.1	from Ch. 17, par. 313.1
11	205 ILCS 105/1-10.30	from Ch. 17, par. 3301-10.30
12	205 ILCS 105/5-2	from Ch. 17, par. 3305-2
13	205 ILCS 205/6002	from Ch. 17, par. 7306-2
14	205 ILCS 205/6008	from Ch. 17, par. 7306-8
15	205 ILCS 305/46	from Ch. 17, par. 4447
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17	205 ILCS 635/1-4	
18	210 ILCS 115/2.1	from Ch. 111 1/2, par. 712.1
19	210 ILCS 117/10	
20	430 ILCS 115/2	from Ch. 67 1/2, par. 502
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17	765 ILCS 745/3	from Ch. 80, par. 203
18	765 ILCS 905/13.1 new	
19	765 ILCS 1005/5 new	
20	810 ILCS 5/9-102	from Ch. 26, par. 9-102
21	815 ILCS 205/4	from Ch. 17, par. 6404
22	815 ILCS 205/4.2	from Ch. 17, par. 6407
23	815 ILCS 205/4a	from Ch. 17, par. 6410
24	815 ILCS 375/2.1	from Ch. 121 1/2, par. 562.1
25	815 ILCS 405/2.1	from Ch. 121 1/2, par. 502.1