

1 AN ACT concerning reverse mortgage loans.

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

4 Section 5. The Illinois Banking Act is amended by adding
5 Section 6.2 as follows:

6 (205 ILCS 5/6.2 new)

7 Sec. 6.2. Reverse mortgage; disclosure. At the time a
8 reverse mortgage loan is made, the lender must provide to the
9 mortgagor a separate document that informs the mortgagor that
10 by obtaining the reverse mortgage the mortgagor's eligibility
11 to obtain a tax deferral under the Senior Citizens Real
12 Estate Tax Deferral Act may be adversely affected. The
13 mortgagor must sign the disclosure document as part of the
14 reverse mortgage transaction.

15 Section 10. The Illinois Savings and Loan Act of 1985 is
16 amended by adding Section 1-6e as follows:

17 (205 ILCS 105/1-6e new)

18 Sec. 1-6e. Reverse mortgage; disclosure. At the time a
19 reverse mortgage loan is made, the lender must provide to the
20 mortgagor a separate document that informs the mortgagor that
21 by obtaining the reverse mortgage the mortgagor's eligibility
22 to obtain a tax deferral under the Senior Citizens Real
23 Estate Tax Deferral Act may be adversely affected. The
24 mortgagor must sign the disclosure document as part of the
25 reverse mortgage transaction.

26 Section 15. The Savings Bank Act is amended by adding
27 Section 1010 as follows:

1 (205 ILCS 205/1010 new)

2 Sec. 1010. Reverse mortgage; disclosure. At the time a
3 reverse mortgage loan is made, the lender must provide to the
4 mortgagor a separate document that informs the mortgagor that
5 by obtaining the reverse mortgage the mortgagor's eligibility
6 to obtain a tax deferral under the Senior Citizens Real
7 Estate Tax Deferral Act may be adversely affected. The
8 mortgagor must sign the disclosure document as part of the
9 reverse mortgage transaction.

10 Section 20. The Illinois Credit Union Act is amended by
11 adding Section 46.2 as follows:

12 (205 ILCS 305/46.2 new)

13 Sec. 46.2. Reverse mortgage; disclosure. At the time a
14 reverse mortgage loan is made, the lender must provide to the
15 mortgagor a separate document that informs the mortgagor that
16 by obtaining the reverse mortgage the mortgagor's eligibility
17 to obtain a tax deferral under the Senior Citizens Real
18 Estate Tax Deferral Act may be adversely affected. The
19 mortgagor must sign the disclosure document as part of the
20 reverse mortgage transaction.

21 Section 25. The Residential Mortgage License Act of 1987
22 is amended by adding Section 5-5 as follows:

23 (205 ILCS 635/5-5 new)

24 Sec. 5-5. Reverse mortgage; disclosure. At the time a
25 reverse mortgage loan is made or brokered, a licensee must
26 provide to the mortgagor a separate document that informs the
27 mortgagor that by obtaining the reverse mortgage the
28 mortgagor's eligibility to obtain a tax deferral under the
29 Senior Citizens Real Estate Tax Deferral Act may be adversely
30 affected. The mortgagor must sign the disclosure document as

1 part of the reverse mortgage transaction.

2 Section 99. Effective date. This Act takes effect upon

3 becoming law.