

Compliance Focus Areas – Illinois

Application Disclosures

Addendum to Residential Mortgage Loan Application (*a/k/a Domestic Partner Disclosure*)

- If separate disclosure from 1003, confirm dated prior to closing.
- Not required if Borrower is married.

Advance Fee Disclosure

- This disclosure only applies where an advance fee is collected (i.e. appraisal, credit report, origination, commitment etc.).
- Verify fees collected prior to close are listed on the disclosure, or disclosure is noted as “NA” if not applicable.

Borrower Information Document:

- Verify licensee name and license number are listed on disclosure.
- Must contain the following Regulatory Disclosure Statement:

“This document is being provided to you pursuant to the Residential Mortgage License Act of 1987 and Rules promulgated thereunder (38 Ill. Adm. Code 1050). The purpose of this document is to set forth those exhibits and materials you should receive or be receiving in connection with your residential mortgage loan application with (name of licensee), holder of License (license number) and regulated by the State of Illinois, Division of Banking, under the aforesaid Act”.

- Verify the disclosure date matches the date of the 1003.
- Must be signed by Borrower.

Copies of Signed Documents (Mail-Out Applications Only):

Verify the disclosure date matches the date of the 1003.

Description of Required Documentation:

Verify the disclosure date matches the date of the 1003.

Loan Brokerage Agreement and Loan Brokerage Disclosure Statement

- Verify disclosure date matches 1003 date.
- This disclosure applies to brokered loans only and must be signed by borrower and broker.

Rate-Lock Fee Agreement:

- Must be given on all loans, both floating and locked.
- Must be dated within three days of 1003 for retail/correspondent loans.
- Verify dated before submission to UW for wholesale loans.
- Must be signed by borrower and lender.

Fulfillment Disclosures

- Loan Approval Notice
- Change in Mortgage Terms

Marital Rights

- Illinois is **not** a community property state.
- Non-borrowing titled and non-titled spouses are required to sign the Mortgage, CD and Right of Rescission on homestead property (if applicable).

Predatory Lending

- UWM does not originate or purchase high-cost loans. A high-cost home loan is defined as a refinance that either: 1) the APR exceeds six percentage points over the yield of Treasury securities having comparable periods of maturity; or 2) total points and fees are in excess of 5% of the total loan amount.
- Predatory Lending Database. The title insurance company or closing agent must attach to the mortgage a certificate of its compliance with the requirements of the Predatory Lending Database Program in order to record the mortgage. This applies to Cook, Will, Kane and Peoria counties.

Closing Practices

Illinois does not have a wet settlement law, but local custom and practice require funds be disbursed to the settlement agent at, or before closing.