

UPDATE REGARDING PRIVATE MORTGAGES

August 2, 2011

SB1603, which amends the Illinois Residential Mortgage License Act, has been signed into law as PA 97-0143. Effective immediately and retroactive to January 1, 2011, an exempt person or entity includes any person or entity that does not originate mortgage loans in the ordinary course of business, but makes or acquires residential mortgage loans with his or her own funds for his or her or its own investment without intent to make, acquire, or resell more than 3 residential mortgage loans in any one calendar year. 205 ILCS 635/1-4(d)(1.8). Private loans between family members are included in this provision. It is permissible to charge interest. An exempt person or entity does not require an Illinois residential mortgage license.

To request a private mortgage certificate of exemption for mortgages in Cook, Will, Kane or Peoria County, send a copy of the fully executed mortgage to service@ilapld.com or fax to 904-421-7181, attention PLEC. Indicate how the certificate should be sent – by email, fax, or regular mail. Please allow at least four business days for processing.