**Section 1050.820 Transfer of Servicing**

a) No licensee shall sell or transfer servicing to, or accept or purchase servicing from, any entity other than a licensee or an entity exempt from licensing pursuant to Section 1-4(d) of the Act unless specifically authorized by the Director.

b) Any licensee who is a party to an arrangement for large transfers of servicing shall make certain that sufficient staff and facilities are dedicated to the transfers to prevent inconvenience to mortgagors.

c) Notice to Mortgagor of Transfer. Licensee shall comply with the notice requirement set forth in 12 CFR 1024.33 (Mortgage Servicing Transfers) (2017, no subsequent dates or editions included).

d) Responsibilities of Transferring Licensee. Responsibilities of a licensee who transfers or sells servicing on a residential mortgage loan shall:

1) Promptly providing the insurance carrier or agent with a notice of transfer identifying both the policy number and loan number when servicing includes payment of hazard insurance premiums;

2) Promptly notifying the tax-bill service or taxing authority of the transfer when servicing includes payment of real property taxes;

3) Forward to the buying or accepting servicer:

A) Escrow (impound) balances;

B) Correspondence, bills, receipts and documents relating to the transferred loans;

C) Mortgage payments daily, for a period of at least 60 days.

e) In addition to the notice described in subsection (c), responsibilities of a licensee buying or accepting transfer of servicing of a residential mortgage loan shall include but not be limited to:

1) Promptly furnishing to the customer payment identification materials required by the licensee for efficient processing of customer remittances. Examples of such items are payment coupon books and preprinted envelopes;

2) Promptly responding to each mortgagor's questions regarding payoffs, assumptions, statements of account and general servicing procedures;

3) Practicing forbearance with the mortgagor when sorting out transfer-related problems, including but not limited to delinquency and assessment of late charges.

(Source: Amended at 41 Ill. Reg. 12405, effective October 6, 2017)