

AN ACT concerning reverse mortgage loans.

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

Section 5. The Residential Mortgage License Act of 1987 is amended by changing Section 5-5 as follows:

(205 ILCS 635/5-5)

Sec. 5-5. Reverse mortgages ~~mortgage~~; disclosure; good faith dealings, fraudulent or deceptive practices.

(a) At the time a reverse mortgage loan is made or brokered, a licensee must provide to the mortgagor a separate document that informs the mortgagor that by obtaining the reverse mortgage the mortgagor's eligibility to obtain a tax deferral under the Senior Citizens Real Estate Tax Deferral Act may be adversely affected. The mortgagor must sign the disclosure document as part of the reverse mortgage transaction.

(b) A licensee must act in good faith in all relations with a borrower, including but not limited to, transferring, dealing in, offering, or making a reverse mortgage loan. No licensee shall employ fraudulent or deceptive acts or practices in the making of a reverse mortgage loan, including deceptive marketing and sales efforts.

(Source: P.A. 92-577, eff. 6-26-02.)

Section 99. Effective date. This Act takes effect upon becoming law.