



MORTGAGE BANKERS ASSOCIATION

December 18, 2024

Susana Soriano
Acting Director
Division of Banking
Illinois Department of Financial and Professional Regulation
555 West Monroe Street, 5th Floor
Chicago, IL 60661
Susana.Soriano@illinois.gov

Re: MBA Concerns Regarding Illinois Mortgage CRA Examination Fee Implementation

Dear Director Soriano,

The Mortgage Bankers Association (MBA)¹ is writing to express urgent concern regarding the January 1, 2025 due date for annual fees its independent mortgage bank (IMB) members are expected to pay to implement the Illinois Community Reinvestment Act (ILCRA). Because the new fee structure was only published in the Illinois Register on December 6th, MBA strongly urges the Illinois Department of Financial and Professional Regulation (IDFPR) to provide licensees at least a 60-day grace period for payment.

As you know, last August IDFPR re-proposed the ILCRA regulations to change the IMB CRA examination fee structure. Instead of assessing the fee on IMBs based on actual examination costs tied to hourly examiner rates (plus other incidentals. e.g. travel) after the completion of a CRA examination, IDFPR proposed a flat fee assessed on all Illinois licensed IMBs based on each lender's Illinois loan origination volume in "the previous calendar year." This fee will be assessed on IMBs regardless of whether the firm was selected for an IDFPR CRA examination and will be in addition to additional customary IDFPR examination costs.

¹ The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 275,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 2,000 companies includes all elements of real estate finance: independent mortgage banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: www.mba.org.

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December 18, 2024

Page 2 of 2

MBA strongly opposed this proposal and its approval by the Illinois Joint Committee on Administrative Rules (JCAR) is regrettable. However, the implementation date of this new fee by IDFPR, which in some cases will be several thousands of dollars of unbudgeted costs, less than a month after the official publication is alarming and unworkable.

MBA notes that IDFPR itself recognized that a brief implementation timeline for this fee was unfeasible. The original November 1st due date for these fees was only six weeks following the comment period. The timeliness between the new January first date and publication of the final rule in the Illinois State Register is half the previous timeline. Making matters worse is that MBA member companies are reporting that on the eve of December holidays they have not yet received IDFPR's invoices. Nor are member companies able to obtain any information about fees on the IDFPR's webpage for IMBs:

<https://idfpr.illinois.gov/banks/resfin.html>. (checked as of December 17, 12:00PM).

Additionally, with this change the rules are not clear on which calendar year the fee will be assessed. Technically, with the change in the fee due date to January 1, 2025, the previous calendar year is now 2024. The original filing of the rule requiring a November 2024 due date would have used 2023 origination numbers. At best, MBA members can only estimate figures for 2024 on the first day of 2025. By contrast, first quarter loan origination numbers are not required to be reported to IDFPR via the Nationwide Multistate Licensing System and Registry (NMLS) quarterly Mortgage Call Report (MCR) until March 1st. IDFPR should clarify that fees will be based on 2023 data as reported in a company's MCR.

Again, MBA urges IDFPR to offer a minimum 60-day grace period on the due date for the first ILCRA fees.

Sincerely,



Pete Mills
Senior Vice President
Residential Policy and Strategic Member Engagement
Mortgage Bankers Association