



MORTGAGE BANKERS ASSOCIATION

September 16, 2024

Illinois Department of Financial and Professional Regulation
Attention: Craig Cellini
320 West Washington, 2nd Floor
Springfield, IL 62786
Craig.Cellini@illinois.gov

Re: Proposed Examination Fee Changes to the Illinois Mortgage Community Reinvestment

Dear Mr. Cellini

The Mortgage Bankers Association¹ appreciates this opportunity to comment on the proposed fee changes for Illinois state-licensed companies. These proposed changes published by the Department of Financial and Professional Regulation (IDFPR) in the Illinois State Register on August 2, 2024, suggest a new scheme for assessing fees to cover IDFPR's costs to implement the Illinois Mortgage Community Reinvestment Act (ILCRA). The previous regulatory construct, as noted in this re-proposal, was for those institutions that had been selected for ILCRA exams to pay for the IDFPR's cost to conduct the exam within 30 days of exam completion. That cost was calculated on a rate of \$2,200 per day, up to a maximum of 20 days per exam. The final fee would also include, for companies not located in Illinois, additional costs incurred by IDFPR staff for airfare, hotel, and per-diem consistent with the Illinois Code.

The new fee structure proposes to instead *annually* assess all Illinois licensed mortgage companies an "examination fee" based on each company's "total mortgage volume" as shown by its Mortgage Call Report for the previous calendar year. These reports are submitted quarterly to state regulators via the Nationwide Multistate Licensing System (NMLS). These fees would be required regardless of whether or not a company was subject to a CRA examination that year. For 2025 the fee will be due on November 1, 2024, and every January 30th in subsequent years.

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.

MBA Comments on Re-Proposal of Illinois CRA Exam Fee Structure

September 16, 2024

Page 2 of 6

MBA opposes this proposal for the following reasons:

The Proposal Converts an Exam Fee into a CRA Tax and is Contrary to Legislative Intent

The proposal revises the existing CRA rule and converts an Examination Fee – Sec. 1055.460 is in fact titled “Examination Fees” – into an annual assessment regardless of whether a CRA examination has even been conducted. The ILCRA statute states that the Secretary may collect *examination fees* – nothing in the statute suggests that the Legislature intended to impose a new annual fee on licensees regardless of whether a CRA examination was actually conducted.² In effect, the proposed rule replaces the statutorily authorized exam fee with new annual CRA tax on all companies doing business in the state of Illinois – whether an exam is performed or not.

No Data or Budget Justification Has Been Provided nor Has Any Impact Statement

IDFPR is proposing a major change in the cost of implementing the ILCRA before a single CRA exam has been conducted or even announced/scheduled. The Department has not provided any data or budget details in the Illinois Register explaining why such a massive change is necessary for stakeholder review. This makes it impossible for stakeholders to compare the relative cost of the CRA tax to the originally proposed exam fee.

This is wholly inappropriate when implementing a new law, and especially given the first payments are due only a few weeks following the comment deadline on the proposed rule. Before proceeding, IDFPR should take a reasonable time frame to consider comments, provide cost estimates between the initial rule and the latest revision, and hold a public hearing on the reason for the change and the potential impacts of this re-proposal. Only after considering the feedback should IDFPR proceed to a final rule and reasonable timeline for implementation of such a large change.

In the absence of any IDFPR analysis of the costs to licensees, MBA has reviewed the recently finalized structure to the proposed changes in order to estimate this additional

² ILCRA Sec. 35-15 says in part (emphasis added):
Sec. 35-15. Examinations.

(a) The Secretary shall have the authority to examine each covered financial institution for compliance with this Act, in consultation with State and federal regulators with an appropriate regulatory interest, for and in compliance with applicable State and federal fair lending laws, including, but not limited to, the Illinois Human Rights Act, the federal Equal Credit Opportunity Act, and the federal Home Mortgage Disclosure Act, as often as the Secretary deems necessary and proper. **The Secretary may adopt rules with respect to the frequency and manner of examination including the imposition of examination fees.**

MBA Comments on Re-Proposal of Illinois CRA Exam Fee Structure

September 16, 2024

Page 3 of 6

financial burden on its member companies. In the prior CRA exam fee structure, an Independent Mortgage Bank (IMB) would be required to pay \$2,200 per day up to a maximum of 20 days per examination. This total per examination could be a total of \$44,000 once every three years for a large independent mortgage bank (IMB). Considering that the legislative intent of the ILCRA is to motivate financial institutions to do even more lending to low- to moderate-income (LMI) borrowers and communities. One incentive for lenders to do well on the exam would be that high performing institutions would face fewer costly ILCRA exams.

By contrast, under this newly proposed fee structure, that same large IMB will be paying \$22,000 *per year*, and not *per examination*. So, even if the large IMB scores well on the ILCRA they will be paying a total of \$66,000 over three years – 150% their original cost. This steep fee increase will in effect punish high-performing IMBs. This inappropriate and counterintuitive structure will also increase the cost of compliance in Illinois for all IMBs.

Finally, this proposal stands in sharp contrast to the current customary IDFPR fees for a non-CRA exam of only \$510 per day.³ Using the current \$510 per day fee and the provided estimate of a twenty-day examination for ILCRA, IDFPR should not be charging more for a targeted CRA exam than the maximum of \$10,200 for a complete compliance and safety and soundness examination. Again, IDFPR has not provided any justification or cost analysis for the industry to understand why ILCRA examinations require such an extreme cost burden. These costs will be passed through to consumers and ultimately increase the cost of mortgage credit in the state. Those costs will also take potential funding away from any programs designed to enhance ILCRA compliance – decreasing the IMB's reach into communities in need.

IDFPR's Proposed CRA Exam Fees for IBMs Diverge Significantly from Massachusetts Model

When the IDFPR initially engaged with stakeholders on CRA rulemaking it held out Massachusetts – the only other state regulator with IMB CRA exam experience – as a model. MBA has reviewed the fees charged by the Massachusetts Division of Banks – and is alarmed by the IDFPR approach. In Massachusetts the rate for IMB CRA Exams is \$60 per hour per examiner. Moreover, that fee has remained consistent since it was initiated in 2009.⁴ IDFPR provides no explanation for its divergence from the Massachusetts model – neither the sharply higher costs or its decision to charge an annual CRA tax rather than a CRA examination fee.

³ <https://idfpr.illinois.gov/content/dam/soi/en/web/idfpr/banks/nmls/docs/mbfeeschedule.pdf>

⁴ <https://archives.lib.state.ma.us/server/api/core/bitstreams/be9ab6b8-8fa7-4483-974c-357b217c2e6f/content>, page 4.

MBA Comments on Re-Proposal of Illinois CRA Exam Fee Structure

September 16, 2024

Page 4 of 6

As noted by MBA in its March 2024 letter to IDFPR, it is only fair that industry be provided a clear analysis of this increased and expensive burden of doing business in Illinois.⁵ The cost projections provided thus far by IDFPR have been far too vague in terms of the impact on MBA member companies. The key passage – 2 (b) – from IDFPR’s rulemaking at the time, *Agency Analysis of Economic and Budgetary Effects of Proposed Rulemaking*, is:

*The rulemaking will result in additional costs for Illinois-licensed mortgage lenders. The rulemaking creates an ILCRA examination fee and breakeven assessment to cover the Department’s reasonable costs for implementing ILCRA as to covered mortgage licensees. **There will also be other expenses incurred by the mortgage lenders outlined below to comply with the ILCRA rulemaking. The dollar amount of cost per mortgage lenders is variable but will primarily depend on the length and frequency of cost of ILCRA exams. Generally, larger mortgage licensees will incur more costs than smaller licensees because they be examined more often and for more days.*** [Emphasis added]⁶

MBA again notes that no additional estimated examination cost details were provided in this document apropos to the comment “outlined below,” and MBA again urges IDFPR to leverage Massachusetts law and rules, as it stated it would in 2021, in crafting the regulatory framework for implementing the ILCRA.

Both the current and re-proposed fee structure of ILCRA exams stand in sharp contrast to that of Massachusetts. Thus, absent a more transparent cost-benefit analysis, MBA urges IDFPR to abandon the re-proposed fee structure and adopt a much more modest fee structure more closely aligned with the experience in Massachusetts.

Assessing an Annual Fee on Total Mortgage Volume is Flawed

The legislative intent of the ILCRA is to charge a CRA *examination fee*, not a CRA tax on all lenders, whether examined or not. Moreover, the annual fee approach provides no incentives – such as a longer exam cycle – for institutions that achieve outstanding CRA ratings. Additionally, the term “volume” in the mortgage industry refers to loan amounts in dollars. If read plainly, the current proposal would mean any covered licensee closing a mortgage loan of at least \$8,000 is pushed to the top tier and ultimately paying the state \$22,000 for that one loan. Instead, IDFPR should align with the Mortgage Call Report terminology and refer to “loan count,” the number of

⁵ https://www.mba.org/docs/default-source/policy/il-cra-comment-letter-from-mba-3-6-24.pdf?sfvrsn=109993e9_1

⁶ IDFPR *Agency Analysis of Economic and Budgetary Effects of Proposed Rulemaking*, attached.

MBA Comments on Re-Proposal of Illinois CRA Exam Fee Structure

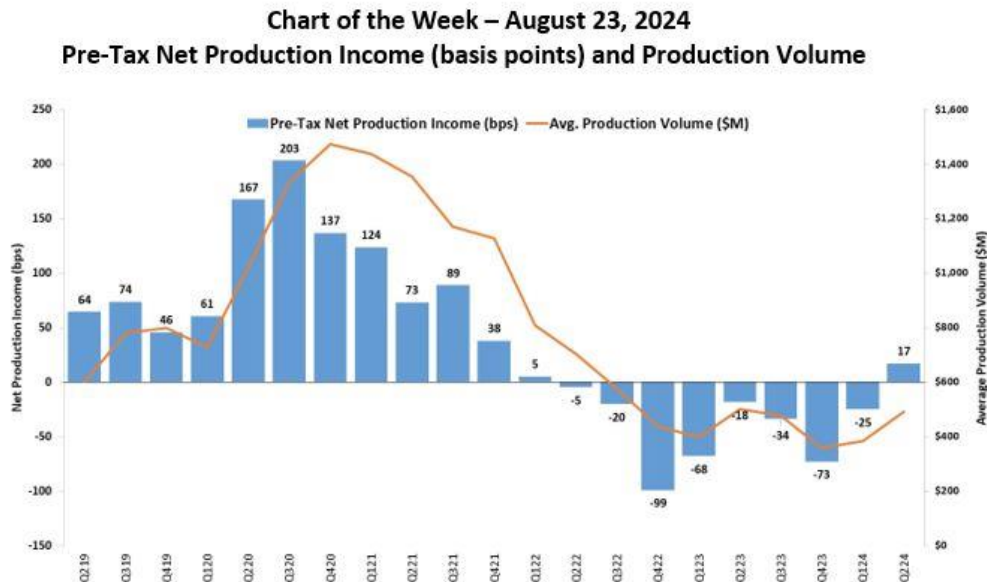
September 16, 2024

Page 5 of 6

originations in a calendar year, and adjust any loan count-based calculation to exclude loans made in other states.

Poor Timing for a Fee Increase

IDFPR is proposing to increase fees on mortgage lenders at an inopportune time for most IMBs. According to MBA's Quarterly Mortgage Banker Performance Report, MBA IMB member companies have just emerged from a historically long period of net production losses. The chart below compares production profits in basis points, relative to average production volume, over the five-year period from second quarter of 2019 through the second quarter of 2024. It reveals that after eight consecutive quarters of net production losses, net production income was only positive in the second quarter of 2024.



Source: MBA's Quarterly Mortgage Bankers Performance Report

Moreover, as IDFPR is aware, NMLS fees for IMBs are also increasing. The Conference of State Bank Supervisors (CSBS) announced licensing fee increases in July of this year.⁷ As part of that announcement, CSBS indicated that future fee increases – e.g. for NMLS approved education and testing – will follow. Additionally, MBA members are also experiencing rising costs for credit scores as well as income and employment verification costs member companies do not control. MBA urges IDFPR to work to contain costs in this context, not add to them.

⁷ <https://mortgage.nationwidelicencingsystem.org/news/ProposalsForComment/NMLS%20Fee%20Changes%20Request%20for%20Comment.pdf>

MBA Comments on Re-Proposal of Illinois CRA Exam Fee Structure

September 16, 2024

Page 6 of 6

First Fees Payable Only Six Weeks After Receiving Comments

As noted above, one of the changes in the re-proposal is for the first year's payment of CRA exam fees to be submitted to IDFPR by November 1, 2024. Subsequent year's payments are due on January 30th each year. This means the first payment is due a mere six weeks after comments on this proposal are due, but IDFPR has not provided a rationale in the Illinois State Register as to why it needs payment from lenders so soon. IDFPR is also demanding payment before it has any experiential data regarding its actual costs. Moreover, announcing such a sudden and immediate implementation date in a request for comments without any data or budgetary context strikes MBA as procedurally flawed and unfair.

MBA has significant concerns with this re-proposal by IDFPR on the fee structure for IMB CRA exams. It is easy to label this proposal as capricious given its last minute nature, the absence of comparative analysis to the prior rule, the lack any fiscal analysis or budget demonstrating the need for the steep annual fee, the absence of any consideration for the impact on Illinois lenders, and the divergence from the framework used by the only other state conducting IMB CRA exams. IDFPR should actually conduct IMB CRA exams under its original (and so far unimplemented) rule and seek to leverage that experience before implementing such a radical departure. The IDFPR should address these glaring shortcomings before finalizing this rule.

Respectfully,



Pete Mills
Senior Vice President
Residential Policy and Strategic Member Engagement

Attachments

- Massachusetts Division of Banks Activity Report, February 27, 2009
- IDFPR Agency Analysis of Economic and Budgetary Effects of Proposed Rulemaking

[OCABR Home](#)
[For Consumers](#)
[For Businesses](#)
[For Licensees](#)
[For Government](#)

[Home](#) > [Business](#) > [Banking Industry Services](#) > [Banking Legal Resources](#) > [Monthly Activity Reports of the Division of Banks](#) > [2009 Monthly Activity Reports](#) >

February 27, 2009 Activity Report

By the [Division of Banks](#)

BOARD OF BANK INCORPORATION

Applications Pending

[Independent Bank Corp., \(the "Petitioner"\) Rockland, Massachusetts](#) - permission to acquire Benjamin Franklin Bancorp, Inc., ("Bancorp") Franklin, Massachusetts. Bancorp is the holding company for Benjamin Franklin Bank, Franklin, Massachusetts. The Petitioner is the holding company for Rockland Trust Company, Rockland, Massachusetts. Comment period ended February 20, 2009.

[Middlesex Savings Bank, Natick, Massachusetts](#) - permission to establish a mutual savings bank in conjunction with its multi-step reorganization into a mutual holding company, Middlesex Bancorp, MHC. The continuing bank will operate under the name Middlesex Savings Bank. Comment period ended February 20, 2009.

[Power Corporation of Canada and Power Financial Corporation, Montreal, Quebec, Canada \(the "Petitioners"\)](#) - permission to acquire ownership and control of Putnam Fiduciary Trust Company, a de novo New Hampshire-chartered nondepository trust company (in formation). The acquisition is part of the corporate reorganization of Putnam Fiduciary Trust Company, Boston, Massachusetts, a Massachusetts-chartered trust company and indirect subsidiary of the Petitioners. Comment period ended January 31, 2008.

[Veritas Bank \(In Organization\), Lawrence, Massachusetts](#) - proposal for a named individual to acquire 51% of the stock of Veritas Bank (In Organization). Comment period ends March 4, 2009.

DIVISION OF BANKS

Decisions/Notices

[Eastern Bank, Boston](#) - permission to close a branch office located at 476 Main Street, Melrose - approved February 5, 2009.

[Eastern Bank, Boston](#) - permission to close a branch office located within Shaw-s Supermarket, 35 Columbia Road, Hanover - approved February 26, 2009.

Applications/Notices Pending

[Eastern Bank, Boston](#) - permission to close a branch office located at 410 Riverside Avenue, Medford. Comment period ended February 26, 2009.

[Legacy Banks, Pittsfield, Massachusetts](#) - permission to (1) purchase certain assets and assume certain deposit and other liabilities of the branch office of People-s United Bank, Bridgeport, Connecticut, located at 142 Main Street, Haydenville, Massachusetts; and in connection therewith (2) establish and maintain a branch office at that location. Comment period ended February 19, 2009.

[Lowell Five Cent Savings Bank, Lowell](#) - permission to relocate a branch office from 240 Main Street, Wilmington to 270 Main Street, Wilmington. Comment period ends March 4, 2009.

SEARCH

RELATED LINKS

[Division of Banks Consumer Assistance Unit](#)

[Division of Banks](#)

Martha's Vineyard Savings Bank, Edgartown - permission to close a branch office located at 65 Main Street, Vineyard Haven. Comment period ended February 25, 2009.

Middlesex Savings Bank, Natick - permission to reorganize into a mutual holding company, Middlesex Bancorp, MHC. Comment period ended February 20, 2009.

Premier Source Credit Union, East Longmeadow - permission to (1) close a branch office located at 425 Meadow Street, Chicopee; (2) close a branch office located at 263 Alden Street, Springfield; and (3) close a branch office located at 1215 Wilbraham Road, Springfield. Comment periods ended February 17, 2009.

Putnam Fiduciary Trust Company ("Putnam, MA"), Boston, Massachusetts - permission to merge with and into Putnam Fiduciary Trust Company ("Putnam, NH"), New Hampshire (in formation), a nondepository trust company. The main office of Putnam, MA will remain the main office of Putnam, NH. Comment period ended January 31, 2008.

Rockland Trust Company ("Rockland"), Rockland and Benjamin Franklin Bank ("Benjamin Franklin"), Franklin - permission to merge under the charter, by-laws and name of Rockland. The main office of Rockland would remain the main office of the continuing institution and the banking offices of Benjamin Franklin would be retained as branch offices. Comment period ends March 6, 2009.

State Street Bank and Trust Company, Boston, Massachusetts - permission to (1) relocate its main office from 225 Franklin Street, Boston to One Lincoln Street, Boston, Massachusetts; (2) close a branch office located at 200 Clarendon Street, Boston, Massachusetts; and (3) relocate its branch office from 500 College Road East to 600 College Road East, Princeton, New Jersey. Comment periods end March 19, 2009.

MARCH 2009 FILING DATE

Complete applications for the March Activity Report must be received by the Division or the Board on or before 5:00 P.M., Monday, March 16, 2009.

COMMUNITY REINVESTMENT ACT DESCRIPTIVE RATINGS AND EVALUATIONS WHICH BECAME PUBLIC DURING THE MONTH

The following state-chartered institutions have Community Reinvestment Act Descriptive Ratings and Evaluations describing the basis for the Rating issued by the Division of Banks pursuant to Massachusetts General Laws chapter 167, section 14. The ratings, as set out in the statute, for a bank's record of meeting community credit needs are: Outstanding ("O"); High Satisfactory ("HS"); Satisfactory ("S"); Needs to Improve ("NI"); and Substantial Noncompliance ("SNC").

Financial Institution	Rating	Date of Examination
Energy Credit Union, Waltham	S	11/17/08

MORTGAGE LENDERS TENTATIVELY SCHEDULED FOR A MORTGAGE LENDER COMMUNITY INVESTMENT (MLCI) EXAMINATION DURING THE SECOND QUARTER, 2009

Institution	Location
Monument Mortgage Company, Inc.	Lexington
MSA Mortgage, LLC	Winthrop
Radius Financial Group, Inc.	Norwell
Ross Mortgage Company, Inc.	Westborough

Shamrock Financial Corporation	East Providence, RI
Union Capital Mortgage Business Trust	Randolph

A mortgage lender, licensed pursuant to Massachusetts General Laws chapter 255E, that has made 50 or more mortgage loans reportable under the federal Home Mortgage Disclosure Act in the last calendar year is subject to examination under the Mortgage Lender Community Investment regulation. The schedule of mortgage lenders to be examined between April 1, 2009 and June 30, 2009 is based upon the best information now available. Examination schedules may change; unanticipated complex issues could arise, for example, that may require more time and resources than originally allotted, thus delaying completion of an examination and delaying other scheduled examinations. The Division will publish the public MLCI ratings and make available all MLCI public evaluations for all licensed mortgage lenders subject to the evaluation. If you have any questions regarding the Division's examination schedule, please call (617) 956-1544.

APPLICATIONS TO SELL INSURANCE

None

CHECK CASHER LICENSES

Hearing

March 31, 2009
Norwood Civic Center
165 Nahatan Street
Norwood, Massachusetts

At 6:00 p.m.

Forest Hills Check Cashing, Inc., Jamaica Plain, Massachusetts - permission to operate a check casher office at 18 Central Street, Norwood. Comment period ends April 7, 2009.

Decisions

BBP, Inc. d/b/a Muckey-s Liquors, Lakeville, Massachusetts - permission to operate a check casher office at 13 Harding Street, Lakeville, Massachusetts - approved February 3, 2009.

Juma Grocery and Check Services, LLC, Marlborough, Massachusetts - permission to operate a check casher office located at 55 Mechanic Street, Marlborough, Massachusetts - approved February 3, 2009.

Wal-Mart Stores East, LP d/b/a Wal-Mart Stores, Bentonville, Arkansas - permission to operate a check casher office at 11 Jungle Road, Leominster, Massachusetts - approved February 3, 2009.

Applications Pending

Castleridge, Inc., Fitchburg, Massachusetts - permission to operate a check casher office at 442 Mechanic Street, Fitchburg. Comment period ended November 20, 2008.

THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

AND

DIVISION OF BANKS

NOTICE OF PUBLIC HEARING

Pursuant to the provisions of Massachusetts General Laws chapter 7, section 3B and in accordance with Massachusetts General Laws chapter 30A, section 2, a joint public hearing will be held on Wednesday, March 18, 2009 at 11:00 a.m., Hearing Room A, 5th Floor, One South Station, Boston, Massachusetts at which comments will be received by the Executive Office for Administration and Finance and the Division of Banks (the "Division") relative to the increase of certain existing fees assessed licensees under regulation 801CMR 4.02.

The fees that are being increased can be characterized as examination fees, annual licensing fees, and investigation fees. Except as noted, the proposed fee increases will impact all licensees of the

Division. The 11 entities licensed by the Division are small loan companies, motor vehicle finance companies, insurance premium finance companies, retail installment sales finance companies, debt collectors, check cashers, checks sellers, foreign transmittal agencies, mortgage lenders, mortgage brokers and mortgage loan originators. The examination fee for all non-bank licensees will be changed from a per diem fee of \$220 per examiner to \$60 per hour per examiner to more accurately reflect among other things costs when an examination includes a fraction of a day. The proposed increase from \$500 to a standard \$1,000 for the annual licensing fee will serve to provide uniformity to existing fees and reflect the increased cost of supervision of these licensees. The proposed change to the annual licensing fee will not apply to mortgage lenders, mortgage brokers and mortgage loan originators due to other recent increased fees for the mortgage industry. The investigation fee of \$115 for a new license application will be increased to \$300 and the fee for an office relocation investigation will be set at \$200. The new investigation fee will not apply to mortgage loan originators. As part of this process the separate listing of each type of fee for each type of licensee will be changed to a consolidated fee reference based on the transaction. Other changes may be made based on testimony received at the public hearing or during the comment period.

Written comments may be submitted to the Division on the proposed fees until 5:00 p.m. on Thursday, March 19, 2009. Copies of the proposed fees are available at, and copies may be obtained from, the Massachusetts Division of Banks, One South Station, Boston, Massachusetts 02110 or at www.mass.gov/dob/.

PLEASE NOTE: All publications of the Division of Banks are now delivered electronically. To subscribe, simply send an email to:

dobactivityreport-subscribe@listserv.state.ma.us

If you need assistance or have questions, please contact Bernard N. Waxman at 617.956.1571.

For information relative to current Activity Reports please contact the [Consumer Assistance Unit](#).

**AGENCY ANALYSIS OF ECONOMIC AND BUDGETARY EFFECTS
OF PROPOSED RULEMAKING**

Agency: Illinois Department of Financial and Professional Regulation (IDFPR)
Part/Title: Mortgage Community Reinvestment,
38 Ill. Adm. Code 1055
Illinois Register Citation: Published at Volume 46 Ill. Reg. 19862 on December
16, 2022

Please attempt to provide as dollar-specific responses as possible and feel free to add any relevant narrative explanation.

1. Anticipated effect on State expenditures and revenues.

(a) Current cost to the agency for this program/activity.

\$ N/A

There are currently no rules in place.

(b) If this rulemaking will result in an increase or decrease in cost, specify the fiscal year in which this change will first occur and the dollar amount of the effect.

This rulemaking implements the Illinois Community Reinvestment Act (“ILCRA”) Act [205 ILCS 735]. Once adopted, the Department of Financial Institutions and Professional Regulations will be conducting ILCRA examinations of all Illinois-licensed mortgage lenders. The Department needs additional staff to fulfill the statutory mandate set forth by ILCRA and implement the rulemaking resulting in additional costs. The rulemaking creates an ILCRA examination fee and breakeven assessment to cover the Department’s reasonable costs of implementing ILCRA as to covered mortgage licensees. While the Department hopes to retain qualified persons on a pro bono basis to design and conduct a study (1) to identify and describe geographies in Illinois exhibiting significant disparities by race or other protected characteristics in access to relevant financial products or services, and (2) to develop methods and procedures to identify policies, procedures, patterns, or practices that have disparate impact or discriminatory effects, there could potentially be direct and indirect costs relating to the study. The rulemaking will result in an increase in costs upon adoption.

(c) Indicate the funding source, including Fund and appropriation lines, for this program/activity. N/A

(d) If an increase or decrease in the costs of another State agency is anticipated, specify the fiscal year in which this change will first occur and the estimated dollar amount of the effect. FY N/A \$ N/A Agency N/A

(e) Will this rulemaking have any effect on State revenues or expenditures not already indicated above? Specify effects and amounts. No

2. Economic effect on persons affected by the rulemaking.

(a) Indicate the economic effect and specify the persons affected:

Positive Negative No effect

Persons affected

Dollar amount per person

Total Statewide cost

See below.

(b) If an economic effect is predicted, please briefly describe how the effect will occur.

The rulemaking will result in additional costs for Illinois-licensed mortgage lenders. The rulemaking creates an ILCRA examination fee and breakeven assessment to cover the Department's reasonable costs of implementing ILCRA as to covered mortgage licensees. There will also be other expenses incurred by the mortgage lenders as outlined below to comply with ILCRA and rulemaking. The dollar amount of cost per mortgage lenders is variable but will primarily depend on the length and frequency of ILCRA exams. Generally, larger mortgage licensees will incur more costs than smaller mortgage licensees because they will be examined more often and for more days.

(c) Will the rulemaking have an indirect effect that may result in increased administrative costs? Will there be any change in requirements such as filing, documentation reporting or completion of forms? Compare to current requirements.

Yes. There will be indirect costs for covered mortgage licensees. For example, mortgage licensees may need to purchase additional software and hire additional personnel to comply with ILCRA.