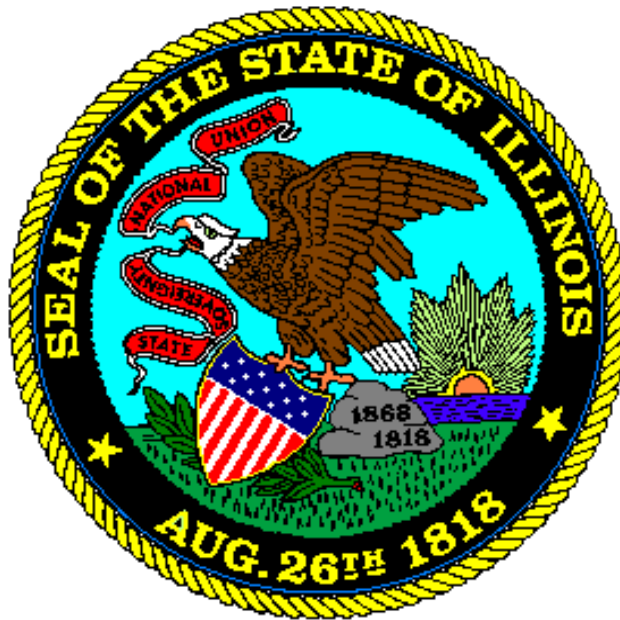


**Anti-Predatory Lending Database
Semi-Annual Summary Report
May 1, 2025**



**Governor JB Pritzker
Secretary Mario Treto, Jr.
Department of Financial and Professional Regulation**

ABOUT THE INFORMATION IN THIS REPORT

THIS REPORT IS BASED ON STATISTICAL INFORMATION FROM THE ANTI-PREDATORY LENDING DATABASE ("APLD") PURSUANT TO 765 ILCS 77/70. THE APLD WENT INTO EFFECT ON JULY 1, 2008.

Illinois Department of Financial and Professional Regulation

Office of the Secretary

JB Pritzker
Governor

Mario Treto, Jr.
Secretary

May 1, 2025

Governor JB Pritzker
207 State House
Springfield, IL 62706

Illinois General Assembly
State House
Springfield, IL 62706

Dear Governor Pritzker & Members of the General Assembly:

As required by Section 70(k) of the Residential Real Property Act, enclosed is the Department's semi-annual report detailing certain findings regarding the Anti-Predatory Lending Database Program. We are grateful for the opportunity to provide you with this report. If you have any questions, please do not hesitate to contact me at (217) 785-2165 or Mario.Treto@Illinois.gov.

Very truly yours,

A handwritten signature in blue ink, reading "Mario Treto, Jr.", with a stylized flourish at the end.

Mario Treto, Jr.

Summary of Anti-Predatory Lending Database (APLD) Program

- As a result of the financial crises in 2008, in part due to predatory mortgage loans, the APLD was conceived. The APLD's purpose is to combat predatory lending practices by increasing the borrowers' understanding of the loans they are considering and thereby reduce the number of foreclosures resulting from inappropriate loans. The act does not prohibit any type of loan. It is solely the borrowers' decision whether to proceed. The APLD also collects important data to allow the Department to track mortgage lending trends and provides data to support other investigations.
- Loans that trigger the APLD's counseling requirement continue to be offered in the program area and represent approximately 0.7% of all loans entered into the APLD. Loans that trigger the counseling requirement include adjustable rate, interest-only and negative amortization loans, as well as loans with points and fees exceeding 5% of principal, and loans with prepayment penalties.
- Product offering trend data suggests the APLD's counseling requirement has deterred loan originators from offering loans with predatory or non-traditional characteristics. Since the program's inception, a total of 16,389 loans required borrower counseling. Of these, 4,047 (25%) loans were closed, and 12,342 (75%) were not closed. In comparison, for *all* loans registered with the APLD since inception the closing rate was 55%.
- On average, it takes 3.9 *fewer* days to close a loan *with* counseling than to close a loan *without* counseling (calculated since program inception on July 1, 2008). This differential has been steadily changing from a high point of 8 days *longer* in 2010.
- APLD data has supported investigations and disciplinary actions by enabling IDFPR to uncover fraudulent lending activity, unlicensed activity, unregistered loan originators, unreported branch offices and unreported changes of a licensee location.
- IDFPR examiners routinely access the database's reporting capabilities to analyze data in real time, which has enhanced examination capabilities. Reports from the APLD are required for all examinations and have been used to support findings and ratings.
- IDFPR has found no evidence that the APLD restricts responsible mortgage lending in the four-county program area of Cook, Will, Kane, and Peoria counties.

APLD FACTS AT A GLANCE¹

(Cumulative to date since program inception on July 1, 2008)

- Loans registered with the APLD: **2,220,424**
- Loans closed: **1,229,813**
- Borrowers requiring counseling: **21,075**
- Borrowers receiving counseling: **7,308**
- Borrowers requiring counseling by county: Cook (**16,929**); Kane (**1,071**); Peoria (**303**); Will (**1,978**); n/a (**794**)²
- Borrowers receiving counseling by county: Cook (**6,515**); Kane (**154**); Peoria (**20**); Will (**217**); n/a (**402**)³
- Loan types requiring counseling:⁴
 - Interest-Only Loans: **3,648**
 - Negative Amortization Loans: **2,126**
 - Loans with Points and Fees Exceeding 5%: **7,261**
 - Loans with Prepayment Penalty: **2,730**
 - Adjustable Rate Loans: **2,571**
- **41,474** loans triggered the counseling requirement as originally entered but were thereafter modified to no longer require counseling.
- Actively licensed mortgage brokers/loan originators who have entered loans into the APLD: **11,459**⁵

Investigations and Other Regulatory Actions Based on APLD Information

During the current reporting period of October 1, 2024, through March 31, 2025, IDFPR entered into three consent orders and four memoranda of understanding with licensed mortgage banking companies due to APLD-related violations. Pursuant to these agreements, each company that continues to originate loans must implement and send to IDFPR enhanced policies and procedures, training plans, and quarterly audits of APLD activity. In addition, IDFPR opened four new investigations into possible APLD violations involving title companies, and two new investigations involving mortgage banking companies. Other investigations remain ongoing.

¹ Statistics for each county can be found in the table on page 9.

² Loans with invalid zip codes.

³ Loans with invalid zip codes.

⁴ The total number of loans reflected in this section does not match the total number of borrowers requiring counseling because individual mortgage loans often have more than one borrower, borrowers may have chosen not to attend counseling (and thus not proceeded with the loan), or the loan may have contained multiple counseling triggers.

⁵ Number reduced from previous reports to exclude brokers and originators who have not entered a loan into the APLD.

Types of Non-Traditional Mortgage Products Being Offered and Lending Trends

During the current reporting period of October 1, 2024, through March 31, 2025, the number of loan applications registered in the APLD increased modestly by 7.15% over the previous reporting period. This is the second consecutive reporting period reflecting an increase in the number of loan applications. The reporting period one year ago, ending in April of 2024, contained the lowest number of loan applications registered in the APLD since April of 2014, a ten-year low. The reporting period ending in April of 2021 contained the highest number of loan applications in the history of the APLD, with 153,497 loan applications. In contrast, the current reporting period, at 54,247 loan applications, is barely greater than one-third of the amount of the highest reporting period.

The increase in loan applications during the current reporting period is largely attributable to an increase in refinance loan applications. Loan applications for refinance loans increased by 40% over the previous reporting period. Conversely, purchase loan applications decreased, although there was a slight increase of 1.18% in applications from first time home buyers during the current reporting period. Despite the increase in refinance loan applications during the current reporting period, refinance loan applications account for less than 29% of the total loan applications. The percentage of refinance loan applications to total loan applications has steadily increased during the last four reporting periods. In the reporting period ending October of 2023, refinance loan applications accounted for only 15% of all loan applications.

Loan applications registered in the APLD that required housing counseling due to predatory or non-traditional terms increased by 8.19% during the current reporting period over the last reporting period. During the last reporting period, 1.18% of loans required housing counseling for predatory terms. During the current reporting period, 1.19% of loans required housing counseling for predatory terms. This is the fourth consecutive reporting period with an increase in the number of loans containing predatory or non-traditional terms and requiring housing counseling. For example, during the reporting period ending October of 2023, the number of loan applications registered in the APLD was 54,023, very close to the number of loan applications in the current reporting period. The number of loans with predatory terms requiring housing counseling during the reporting period ending October 2023 was 503. The number of loans requiring counseling during the current reporting period was 647, an increase of 144 loans, and a percentage increase of 28%. During the current reporting period, 703 loans that initially required housing counseling due to predatory terms were modified to remove the predatory terms from the loan offer.

During the current reporting period, 9% more loans required counseling due to points and fees exceeding 5% of the loan amount, compared to the previous reporting period. Additionally, the current reporting period demonstrates a 2% increase in adjustable rate loans, over the previous reporting period. Points and fees continue to comprise a larger percentage of loan requiring counseling during the current reporting period, compared to historic data on points and fees since the program's inception.

The Consumer Financial Protection Bureau issued a report in December of 2024 entitled “2023 Mortgage Market Activity and Trends.”⁶ The report found a decline in loan applications and originations in 2023.⁷ In fact, loan origination activity in 2023 was less than 40% of the peak activity in 2021.⁸ The declines in 2023 were in both home purchase and refinance loans.⁹ The report also noted the rise in interest rates in 2023, and found an accompanying rise in discount points and total loan costs paid by borrowers.¹⁰

The Consumer Financial Protection Bureau also reports quarterly Home Mortgage Disclosure Act data for those financial institutions required to report quarterly.¹¹ Refinance loan applications for the first, second, and third quarter of 2024 remain under 200,000 for conventional conforming loans. The quarterly data reflected a slight increase in refinance loan applications for conventional conforming loans from the second quarter of 2024, with 79,485 loan applications, to the third quarter of 2024, with 106,858 loan applications.¹² Home purchase conventional conforming loan applications showed a small decline from the second quarter of 2024 to the third quarter of 2024, decreasing from 257,168 loan applications to 251,318 loan applications.¹³

According to Freddie Mac’s Primary Mortgage Market Survey, for a 30-year, fixed rate mortgage, the 52-week average ending on April 10, 2025, was 6.73%.¹⁴ The 52-week range for the same period was 6.08%-7.22%.¹⁵ Freddie Mac reports that 2024 mortgage rates were higher than expected.¹⁶ Freddie Mac noted, however, that existing home sale increased from 2023 to 2024, by 6.1%.¹⁷ Finally, Freddie Mac projects an increase in both purchase and refinance loan origination for 2025.¹⁸

The Mortgage Bankers Association reported in February of 2025 that the number of loans in workouts or forbearances increased compared to February of 2024.¹⁹ Temporary hardship such as job loss, death, divorce, or disability accounts for nearly three-fourths of loans in forbearance.²⁰ Natural disaster also plays a significant role, being the cause of over 20% of loans in forbearances.²¹

The APLD tracks new residential foreclosure filings in the four-county program area. New residential foreclosure filings for 2024 increased by 2.7% over 2023. During the current

⁶ [2023 Mortgage Market Activity and Trends](#)

⁷ [2023 Mortgage Market Activity and Trends](#), p. 5.

⁸ [2023 Mortgage Market Activity and Trends](#), p. 5.

⁹ [2023 Mortgage Market Activity and Trends](#), p. 15

¹⁰ [2023 Mortgage Market Activity and Trends](#), p. 5.

¹¹ [HMDA Data Browser](#)

¹² [HMDA Data Browser](#)

¹³ [HMDA Data Browser](#)

¹⁴ [Mortgage Rates - Freddie Mac](#)

¹⁵ [Mortgage Rates - Freddie Mac](#)

¹⁶ [Economic, Housing and Mortgage Market Outlook – January 2025 - Freddie Mac](#)

¹⁷ [Economic, Housing and Mortgage Market Outlook – January 2025 - Freddie Mac](#)

¹⁸ [Economic, Housing and Mortgage Market Outlook – January 2025 - Freddie Mac](#)

¹⁹ [Share of Mortgage Loans in Forbearance Decreases Slightly to 0.38% in February | MBA](#)

²⁰ [Share of Mortgage Loans in Forbearance Decreases Slightly to 0.38% in February | MBA](#)

²¹ [Share of Mortgage Loans in Forbearance Decreases Slightly to 0.38% in February | MBA](#)

reporting period, average monthly new foreclosure filings equal 575. That represents a significant decrease from the previous reporting period, which averaged 824 foreclosures per month.

As loan applications requiring counseling due to predatory terms increased for the fourth consecutive reporting period, and forbearances and workouts are on the rise, the opportunity afforded borrowers to attend housing counseling through the APLD program is invaluable. Housing counseling provides borrowers with education and information to enable them to make informed choices about their home loan options.

IDFPR Utilization of APLD Data to Combat Mortgage Fraud, Predatory Lending, and Other Questionable Practices

IDFPR proposed to the General Assembly amendments to the statute governing the APLD, the Residential Real Property Disclosure Act.²² The amendments were passed by the General Assembly and took effect during the current reporting period, on January 1, 2025. The amendments permit virtual housing counseling for borrowers and allow nationally HUD-approved counseling agencies to provide housing counseling, where applicable.

IDFPR continues to focus and act on information received from housing counseling agencies, as well as investigate instances where licensed companies closed loans with borrowers without providing required housing counseling. IDFPR also works with the examination and supervision units to address situations where violations of the APLD are found during examinations of licensed companies.

Finally, IDFPR frequently utilizes APLD data to assist in other types of mortgage-related investigations. Information provided to APLD by licensed mortgage banking and title companies is invaluable to investigations of fraud, unlicensed practice, and other areas of concern.

²² 765 ILCS 77/70 *et seq.*

STATISTICAL INFORMATION

Required Data Pursuant to Act:	April 2025 Reporting Period (10/01/24 - 03/31/25)	October 2024 Reporting Period (04/01/24 - 09/30/24)
Loans Registered with APLD²³	54,247	50,624
Refinancing Primary Residence	15,664	11,160
Purchasing Primary Residence	32,741	34,091
First Time Home Buyers	28,183	27,854
Loans Closed in APLD	25,121	23,857
Borrowers Requiring Counseling	763	702
Borrowers Receiving Counseling	15	11
Loans Requiring Counseling²⁴	647	598
Interest Only Loans	89	91
Negative Amortization Loans	2	3
Loans with Points and Fees Exceeding 5%	440	403
Loans with Prepayment Penalty	5	5
Adjustable Rate Loans	195	191
Loans Modified to No Longer Require Counseling	703	651
Loans Exempt from APLD	44,371	40,155

²³ The totals may include loans that are in process or have been abandoned.

²⁴ The number of loans requiring counseling is often less than the number of borrowers requiring counseling because there may be multiple borrowers per loan.

Required Data Pursuant to Act:²⁵	April 2025 Reporting Period (10/01/24 - 03/31/25)			
	Cook County	Kane County	Peoria County	Will County
Loans Registered with APLD²⁶	40,154	5,036	1010	7,670
Refinancing Primary Residence	11,243	1470	278	2,548
Purchasing Primary Residence	24,056	3,260	656	4,589
First Time Home Buyers	21,117	2,761	561	3,608
Loans Closed in APLD	17,960	2,748	544	3,843
Borrowers Requiring Counseling	565	53	13	125
Borrowers Receiving Counseling	13	0	0	2
Loans Requiring Counseling²⁷	479	47	12	103
Interest Only Loans	70	5	2	12
Negative Amortization Loans	2	0	0	0
Loans with Points and Fees Exceeding 5%	316	33	6	80
Loans with Prepayment Penalty	2	2	0	1
Adjustable Rate Loans	147	15	6	26
Loans Modified to No Longer Require Counseling	509	82	14	91
Loans Exempt from APLD	28,956	3,131	519	4,098

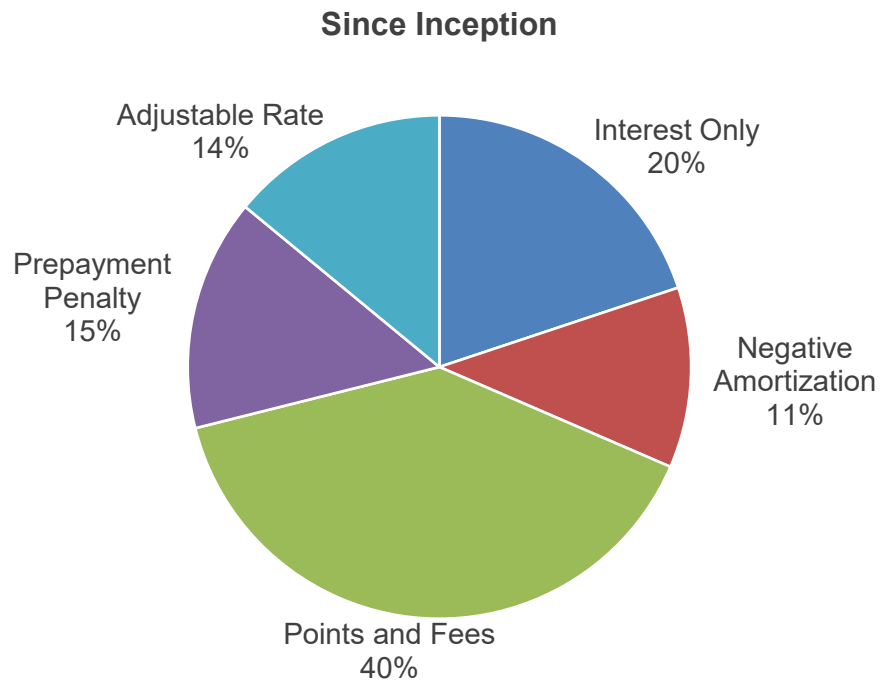
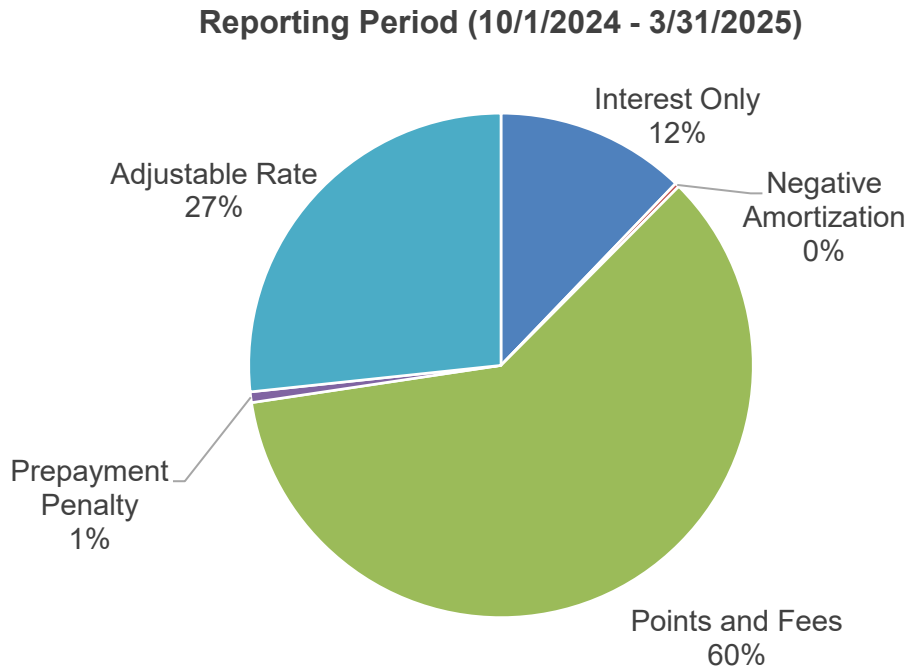
²⁵ County totals may be lower than the overall totals because some loans do not have county information recorded in the database.

²⁶ The totals may include loans that are in process or have been abandoned.

²⁷ The number of loans requiring counseling is often less than the number of borrowers requiring counseling because there may be multiple borrowers per loan.

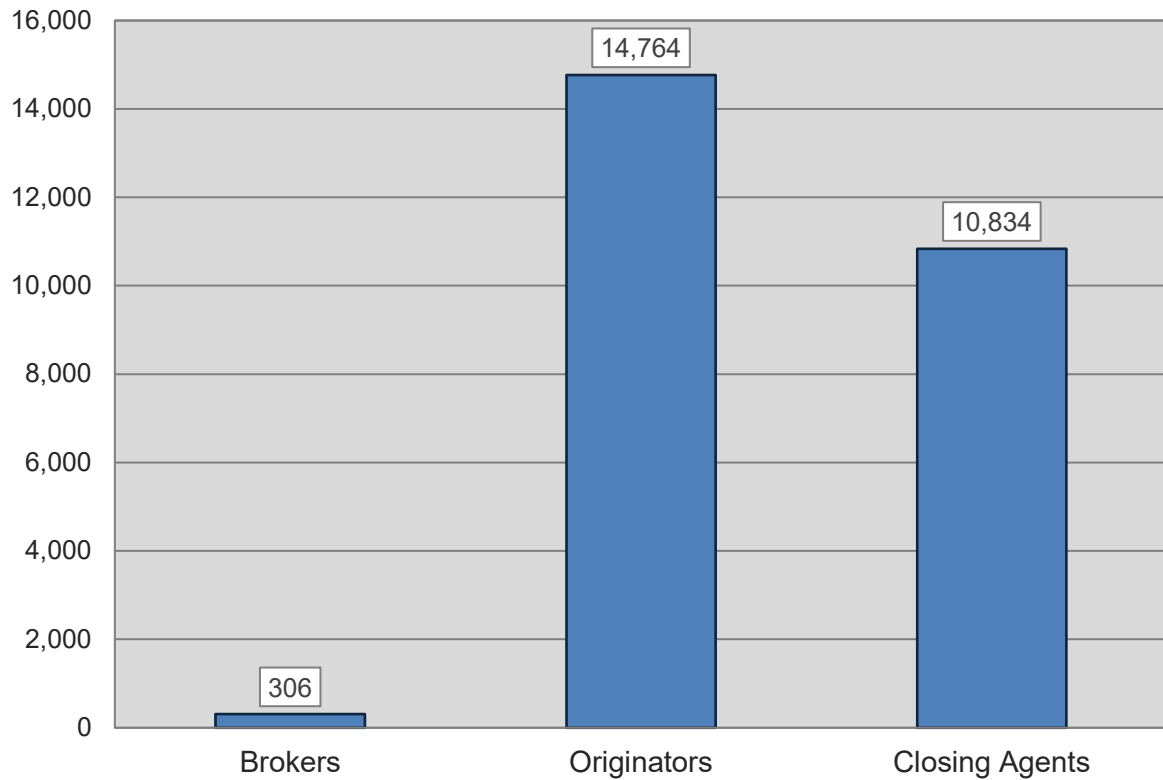
APLD Product Summary

Types of Loans Triggering the Counseling Requirement



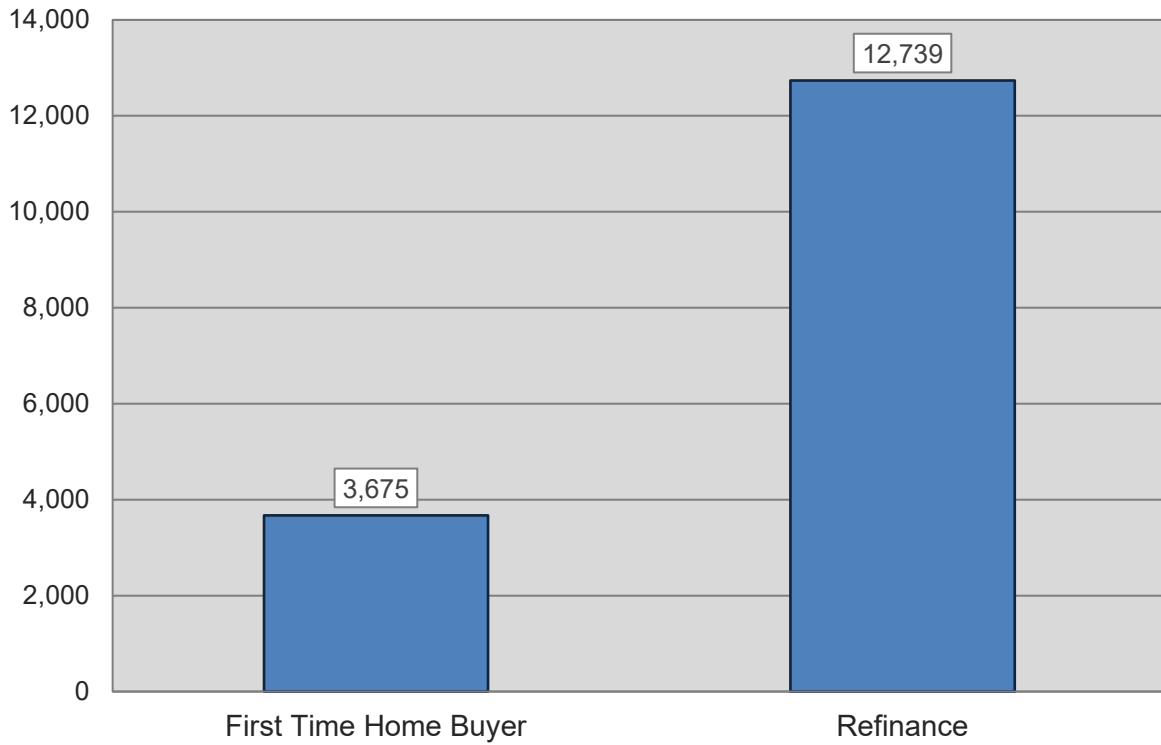
APLD User Summary

Number of Individual Brokers, Loan Originators, and Closing Agents with Access to the APLD in the Four County Program Area
(Since program inception)



APLD Loan Profile

The majority of loans requiring counseling are refinances of existing properties.
(Since program inception)



Summary of Average Time to Closing

Counseling requirement decreased time to close by 3.9 days on average.
(Since program inception)

