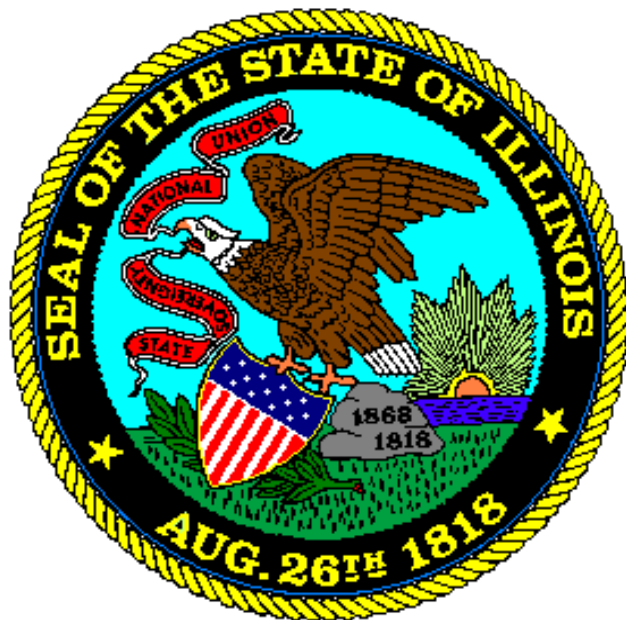


**Anti-Predatory Lending Database
Summary Report
May 1, 2010**



**Governor Pat Quinn
Secretary Brent E. Adams
Department of Financial and Professional Regulation**

Summary of Anti-Predatory Lending Database (APLD) Program

- While loans that trigger the counseling requirement continue to be offered in Cook County, they represent less than 2% 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 indicates that the counseling requirement has deterred loan originators from offering loans with predatory or exotic characteristics.
- Since program inception, the average number of days to close a loan with counseling is 8 days longer than a loan without counseling.
- The APLD interface with the IDFPR licensing database has facilitated timelier license renewal, data clean-up and accuracy, and enforcement of suspensions.
- APLD data has supported investigations and disciplinary actions. APLD data has enabled IDFPR to uncover unlicensed activity, unregistered loan originators, unreported branch offices, and unreported changes of licensee location.
- Since program inception, a total of 2,109 borrowers have received housing counseling. Of these, 1,767 (84%) closed their loans; 342 (16%) did not. In some cases, counselor advice may have resulted in non closure of a loan. However, IDFPR does not have specific data on this point.
- IDFPR has found no evidence that the APLD impedes mortgage lending in Cook County.

Data Required Pursuant to Act

- A total of **145,729** loans have been registered in the APLD since its inception.
 - 89,934 were related to the refinancing of a primary residence
 - 39,912 were related to the purchase of a primary residence
 - **26,810** purchasers were first-time homebuyers

Note: Not all loans registered were closed. Some remain in process or have been abandoned.
- **2,109** borrowers received counseling, of whom **1,767** (80%) closed on the loan.
- **92,125** loans have been closed in the APLD.
- Loan Type and Number requiring counseling:
 - Interest Only Loans: **1,404**
 - Negative Amortization Loans: **99**
 - Loans with Points and Fees Exceeding 5%: **76**
 - Loans with Prepayment Penalty: **1,222**
 - Adjustable Rate Loans: **312**

The total number of loans for which counseling was required is greater than the total number of borrowers receiving counseling because borrowers may have chosen not to attend counseling and thus, not proceed with the loan, or the loan contained multiple triggers. In some cases, the originator may have entered the loan into the database and subsequently abandoned it.

- **7,310** loans triggered the counseling requirement as originally entered but were thereafter modified to avoid counseling.
- **226,926** loans were exempt from APLD registration because the lender was exempt (e.g., national bank) or the property-type was exempt (e.g., secondary residence).
- **1,847** Mortgage Brokers have access to the system and **5,644** Mortgage Originators have accessed the APLD.

Data Required Pursuant to Act, continued

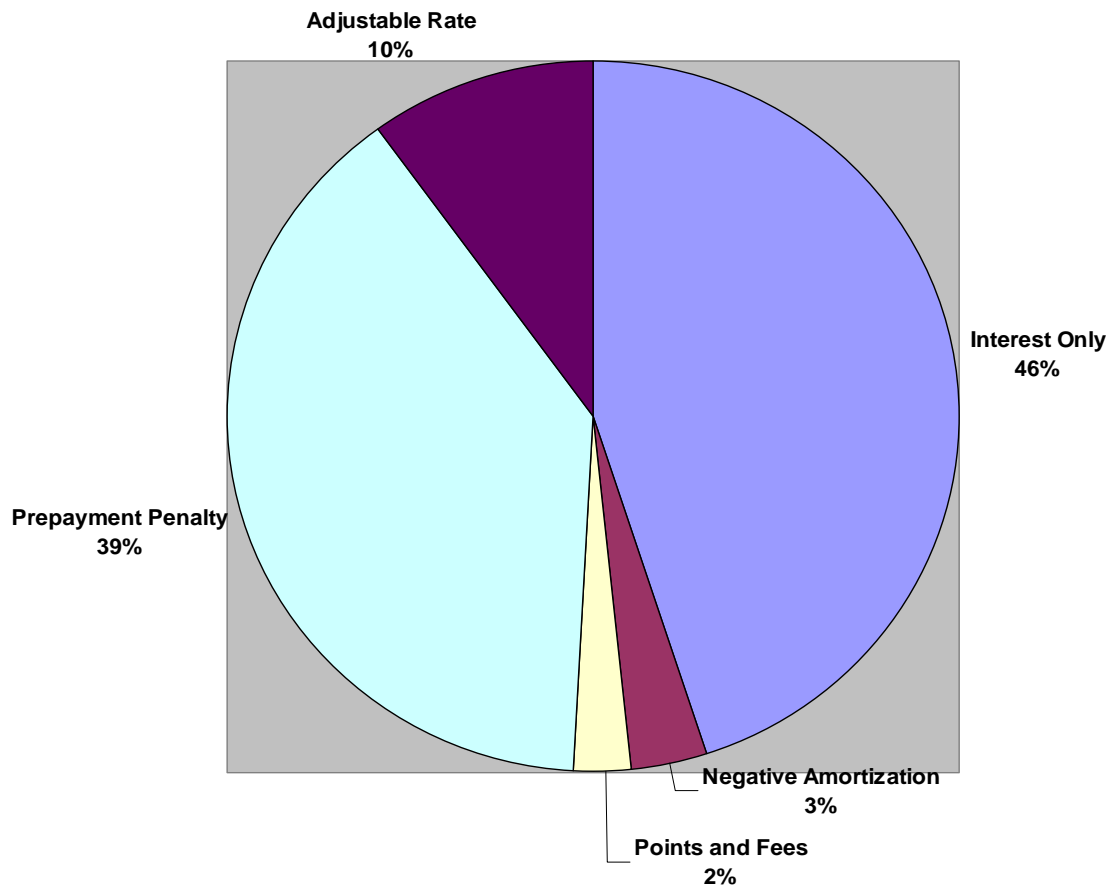
- Nine (9) investigations have resulted from information obtained from, or as a result of, the database. Some investigations have resulted from specific reports obtained from the database. One (1) such investigation resulted from a report of loans with excessive payment to income ratios entered in the database. Others result from ongoing monitoring of the database. Calls from brokers, originators, or lenders seeking access to the database have revealed unlicensed activity, illegal branches, or misrepresentation of activity. Three (3) licensees have been fined while other investigations remain in progress and may well result in disciplinary action. In addition, information from the database has contributed to Mortgage Fraud Task Force investigations and enforcements as well as disciplinary action against title agents. Violations are forwarded to the Senior Counsel for Mortgage Banking Enforcement who recommends appropriate discipline, subject to approval by the Director of Mortgage Banking and the Director of Banking. Violations by title agents are reported to the Supervisor of Title Insurance. Violations by counselors would be reported to HUD.
- Non-traditional products continue to be offered. These include interest-only loans, negative amortization loans, loans with prepayment penalties, adjustable rate mortgages with initial terms of three years or less, and high cost loans with points and fees exceeding 5%. A summary of these products may be found on pages 5-6 of this report.
- Active use of the database continues to expand. Mortgage banking examiners have received training and are being granted access to the database reporting functionality in order to be able to obtain data in real time. This will enhance their examination capabilities.
- All files in which counselors have indicated “Indicia of Fraud” are investigated. A report of such files is obtained on a regular basis. The investigator may interview the counselor, loan originator, or borrower and may order the subject files for review.

Data Required Pursuant to Act, continued

Required Data Pursuant to Act:	Last Six Months (10/15/09 - 04/15/10)	Prior Six Months (04/16/09 - 10/15/09)
Loans Registered with APLD	29,430	46,492
Refinancing Primary Residence	19,204	28,142
Purchasing Primary Residence	10,226	11,798
First Time Homebuyers	7,756	13,941
Borrowers Receiving Counseling	818	615
Loans Closed in APLD	23,948	27,808
Number of Loans Requiring Counseling:		
Interest Only Loans	491	410
Negative Amortization Loans	17	30
Loans with Points and Fees Exceeding 5%	17	19
Loans with Prepayment Penalty	388	335
Adjustable Rate Loans	97	103
Loans Modified to Avoid Counseling	1,446	1,901
Loans Exempt from APLD	55,845	69,333

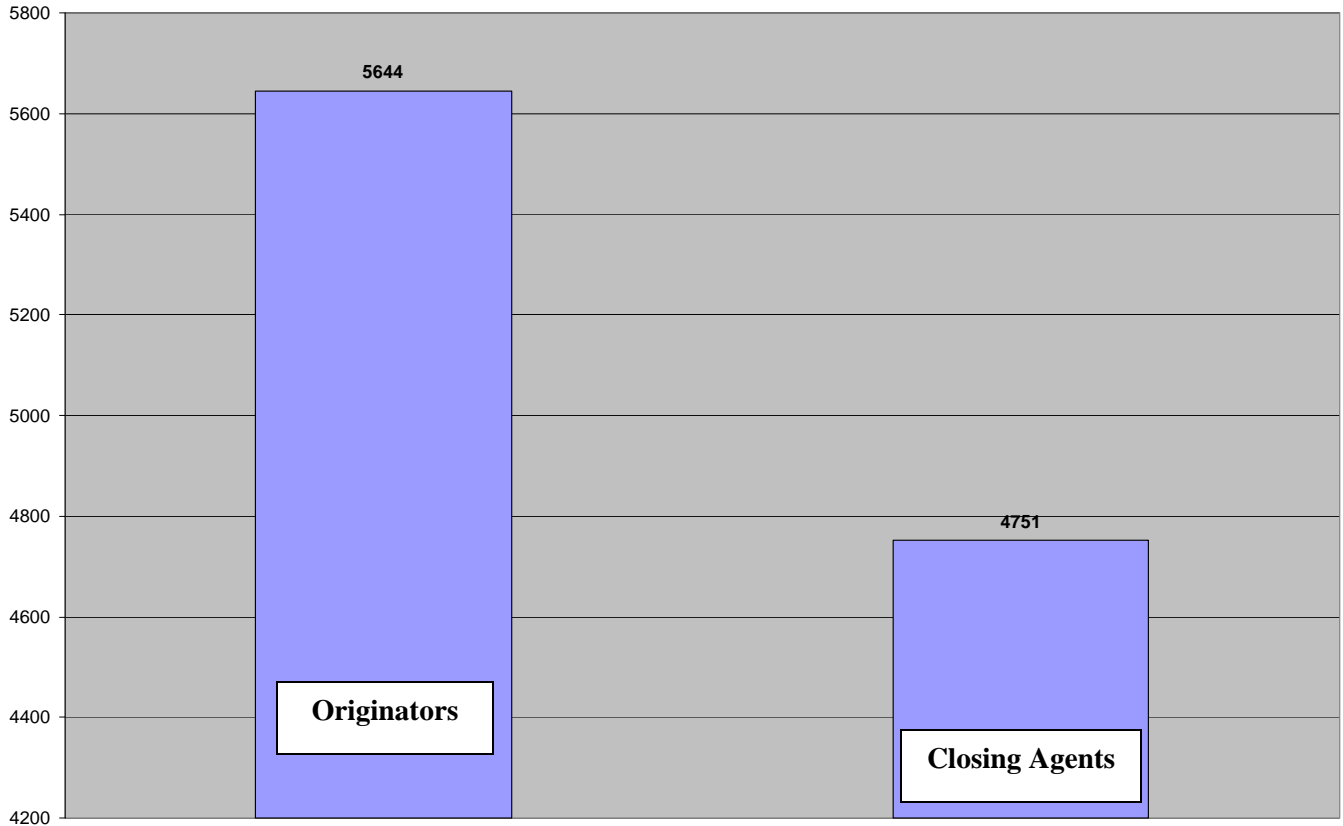
APLD Product Summary

Types of Loans Triggering the Counseling Requirement (Since program inception)



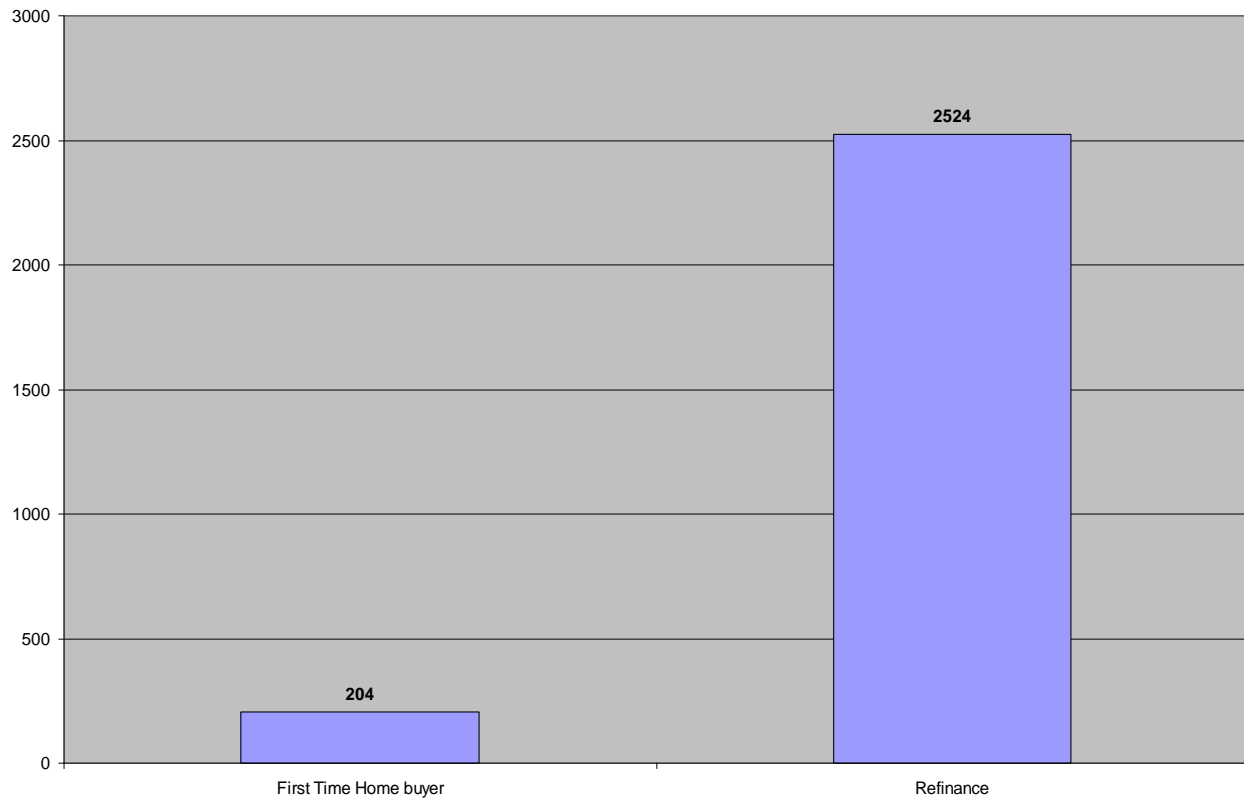
APLD User Summary

**Number of Individual Loan Originators and Closing Agents Accessing the APLD for Cook County
(Since program inception)**



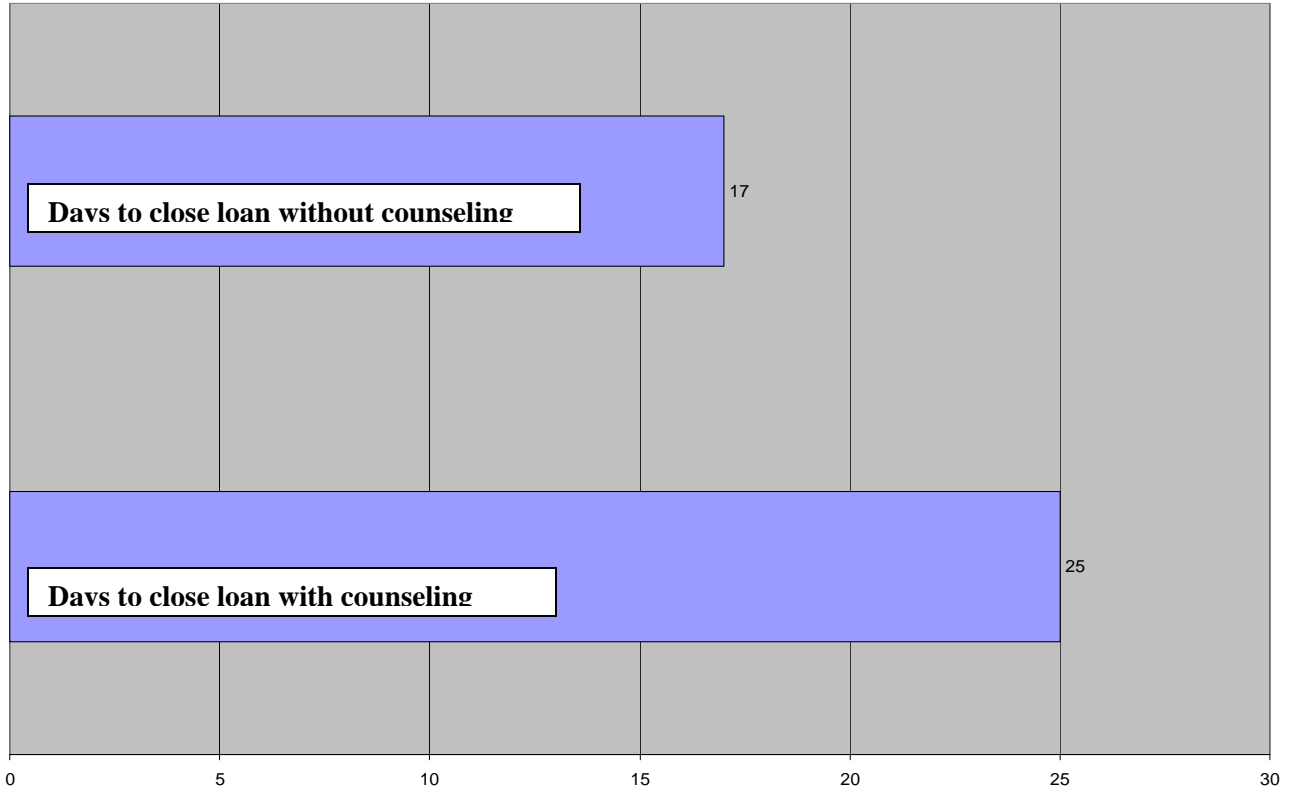
APLD Borrower Profile

**The majority of borrowers requiring counseling are refinancing existing properties
(Since program inception)**



Summary of Average Time to Closing

Counseling Requirement Postpones Closing by Eight Days on Average
(Since program inception).



APLD Exemption Basis

Basis and Number of Certificates of Exemption Printed from APLD (Since program inception)

