

**STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING
MORTGAGE BANKING REGULATION**

**EXEMPTION AGREEMENT UNDER SECTION 1-4(D)(3) OF THE
RESIDENTIAL MORTGAGE LICENSEE ACT OF 1987**

This Exemption Agreement (“Agreement”) is made and is effective as of the date set forth below by and between the designated Illinois residential mortgage licensee (the “Licensee”) and the Director of the Division of Banking of the Illinois Department of Financial and Professional Regulation (the “Director”). This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Licensee.

WHEREAS, the Director has jurisdiction over the entities, persons, and matters subject to this Agreement pursuant to the Illinois Residential Mortgage License of 1987 (the “RMLA”) [205 ILCS 635] and the rules promulgated under the RMLA (the “Rules”) [38 IAC Part 1050]; and

WHEREAS, the Licensee acknowledges the supervisory rights, powers, and authority of the Director with respect to the Licensee under the RMLA and Rules; and

WHEREAS, Section 1-4(d)(3) of the RMLA exempts from the licensing requirements of the RMLA any person “employed by a licensee to assist in the performance of the activities regulated by this Act who is compensated in any manner by only one licensee;” and

WHEREAS, the Licensee seeks an exemption from the licensure requirements under section 1-4(d)(3) of the RMLA for the persons who will exclusively assist and be compensated by the Licensee in its performance of activities regulated by the RMLA and seeks to avoid incurring the expense necessary to demonstrate under law that the relationship between the Licensee and the persons assisting the Licensee is one of an employer and employee; and

WHEREAS, the Licensee may have licensed additional full service offices and have branch managers assisting Licensee at said offices in the performance of activities regulated by the RMLA and the Director must ensure that at all times said offices and branch managers are at the exclusive direction and the responsibility of the Licensee; and

WHEREAS, the Director is willing to forbear the initiation of examination of the Licensee to determine whether an employer and employee relationship exists or would exist between the Licensee and persons assisting the Licensee so long as the Licensee expressly agrees as herein provided to take full legal responsibility for the conduct of otherwise licensable activity of persons assisting the Licensee and so long as the effectiveness of the consumer safeguards provided by the RMLA is maintained.

NOW, THEREFORE, in consideration of the Director’s above-stated forbearance and other good and valuable consideration, it is agreed between the parties hereto as follows:

IL EXEMPTION AGREEMENT (CONT.)

1. For actions of the Director under the RMLA and Rules, Licensee is directly, primarily, and originally responsible for all actions of any person assisting the Licensee in the performance of any activity regulated by the RMLA and Rules. Any act of a person providing such assistance shall be deemed to be an act of the Licensee itself and any violation of the RMLA or Rules that such act may constitute shall be deemed to have been committed by the Licensee and shall subject to the Licensee to any regulatory action of the Director authorized by the RMLA as if the Licensee itself had in fact committed the violation. This Item (1) shall not be affected by any agreement written or oral between the Licensee and persons described in this Item (1).
2. Persons described in Item (1) above shall be deemed an exempt person under Section 1-4(d)(3) of the RMLA so long as the Licensee complies with this Agreement and this Agreement remains in effect.
3. The Licensee shall not claim that the Director must pursue regulatory action against any person described in Item (1) above prior to or instead of pursuing regulatory action against the Licensee. Further, the Licensee shall not claim that any regulatory action or lack of action constitutes any affirmative claim or defense of the Licensee.
4. The Licensee shall not employ a branch manager who is authorized or permitted to act independently of Licensee in the performance of activities regulated by the RMLA, and operation of an additional full service office by a branch manager shall not be in any other name or as any other corporate or other entity that is legally separate from the Licensee.
5. The Licensee shall not knowingly hire or employ a loan originator or mortgage loan originator who is not registered or licensed with the Director as required under Section 7-1 or Section 7-1A of the RMLA. Licensee shall verify that each loan originator or mortgage loan originator hired or employed is currently registered or licensed with the Director through the Nationwide Mortgage Licensing System and Registry and/or any system maintained by the Director and that the Director is properly notified of any loan originator or mortgage loan originator who is employed by or ceases employment with the Licensee. This Item (5) does not affect the Director's authority to examine, investigate, institute reporting requirements, or otherwise regulate the Licensee for the purpose of identifying such loan originators, mortgage loan originators, or persons described in Item (1).
6. This Agreement, including but not limited to any exemption provided hereunder, shall terminate without further action if any of the following events occur: (a) the Director changes or repeals this Agreement as it applies to all licensees under the RMLA; (b) Licensee's license expires, becomes inactive, or is suspended or revoked; (c) the Licensee fails to comply with or breaches this Agreement; (d) Licensee, if so directed by the Director, does not terminate its employment or contractual relationship with any person described in Item (1) above who fails to comply with the conditions of Section 1-4(d)(3) of the RMLA; or (e) a change in control or ownership of the Licensee not in accordance with the RMLA and Rules.
7. This Agreement is not intended to: (a) indemnify or provide any defense for any person described in Item (1) above against any action of the Director or the Licensee; or (b) waive any requirement of the RMLA that may apply to any person described in Item (1) above. This Item (6) is not intended to limit the Director's right under Item (3), above, to pursue regulatory action against the Licensee prior to or instead of an action against person described in Item (1) above.

IL EXEMPTION AGREEMENT (CONT.)

8. This Agreement shall be interpreted in manner that provides the greatest protection under the RMLA for the consumers of the Licensee’s products and services.

9. This Agreement may be modified only upon written consent of both the Director and the Licensee.

10. This Agreement creates no entitlement on the part of the Licensee to notice of any kind other than notice that is required under the RMLA or Rules.

11. The terms and provisions of this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest, except as limited by Item (6)(e) above.

IN WITNESS THEREOF, the Director, or his designee, and the Licensee, by its authorized signatory, have executed this Agreement on the date written.

Licensee Name: _____

License Number _____

Authorizing Signature: _____

Title: _____

Date: _____

Illinois Department of Financial and Professional Regulation
DIRECTOR, DIVISION OF BANKING

Date: _____