

Illinois bill stops deceptive marketing in its tracks

Brokernewswire.com

September, 2007

Marketers are no longer allowed to send deceptive literature to Illinois consumers indicating a problem with the homeowner's mortgage or pass themselves off as agents of that mortgage company.

This maneuver, often used as just another marketing mail technique to get the homeowners' attention — and then their business — is no longer legal in the Prairie State, thanks to Senate Bill 1464. The bill, sponsored by **State Sen. Jacqueline Y. Collins**, D-16, and **State Sen. Kimberly A. Lightford**, (D-4), was passed Aug. 28 by the 95th General Assembly, and became effective immediately.

Violators of this law “commit an unlawful practice infraction within the meaning of the act,” SB 1464 states. The new legislation amends the Illinois Consumer Fraud and Deceptive Business Practices Act by adding a section which provides that “no person may send marketing materials to a consumer indicating that the person is connected to the consumer's mortgage company, indicating there is a problem with the consumer's mortgage, or stating that the marketing materials contain information concerning the consumer's mortgage, unless that person sending the marketing materials is actually employed by the consumer's mortgage company -- or an affiliate of the consumer's mortgage company.”

The Illinois Association of Mortgage Professionals (IAMP), formerly known as the Illinois Association of Mortgage Brokers (IAMB), was pleased with the pro-consumer act. “This is great,” **William McNamee**, IAMP president told *Broker Newswire*. “There are too many times when people use deceptive marketing materials to lure consumers in. “When a lender tries to make consumers believe they are receiving materials from their lender, that's just a *come on* by someone trying to get business dishonestly,” said McNamee, also president and owner of Pinnacle Home Mortgage Co., based in Lombard, Ill. Pretending to be the borrower's legitimate mortgage company when they are not is “shady right from the start,” he said. The IAMP members “are all pretty happy about this one.”

The association recently changed its name to be more inclusive of the brokerage community, he said. Its members include not only Illinois mortgage brokers, but mortgage bankers, lenders “and anyone who does business with mortgage brokers,” McNamee said. “We have a higher standard in our association than what the law requires.”