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CHEP Lauds Adoption of Comprehensive Regulatory Framework for Shared Equity Products in Illinois

*Stakeholder-driven rulemaking process balances consumer protection
with access to these valuable solutions, serving as a national model*

MANASSAS, Va. (May 13, 2026) — The [Coalition for Home Equity Partnership \(CHEP\)](https://www.homeequitypartnership.org), a national non-profit association dedicated to the protection and promotion of the shared equity product (SEP) industry, commended the Joint Committee on Administrative Rules (JCAR) for its adoption of the Illinois Department of Financial and Professional Regulation's (IDFPR) rule at 38 Ill. Adm. Code 1050, Subpart T, governing SEPs, which are referred to as shared appreciation agreements in Illinois. This approval makes the rule final, subject to implementation by the IDFPR.

The rule is the product of a rigorous, inclusive rulemaking process in which the IDFPR engaged a diverse range of stakeholders for help in crafting a framework that balances robust consumer protections with meaningful access to these innovative home equity products. More than 120 individual changes were made between issuance of the First Notice and Second Notice of the proposed rule, reflecting the diligent evidence-based analysis conducted in a concerted effort to deliver the best outcome for all stakeholders.

“The IDFPR approached this rulemaking the right way, listening carefully to a wide range of voices across consumer groups, industry leaders, and other interested parties. Ultimately, it reached its own well-reasoned conclusions grounded in the record,” said Cliff Andrews, President of CHEP. “Illinois has demonstrated that tailored regulation is both necessary and achievable for shared equity products to strengthen consumer awareness and understanding while protecting choice. CHEP is proud to have been an integral part of the collaboration and will continue its advocacy efforts in hopes that Illinois can serve as a model for other states to follow.”

The Illinois rule is now the most comprehensive set of SEP regulations in the country to date, building upon foundational regulations promulgated by Connecticut and Maryland. As such, it serves as a regulatory beacon for other states considering how to regulate this rapidly growing new financial product. CHEP believes that its adoption will catalyze the development of a uniform national regulatory framework, resulting in strong consumer protection and a streamlined compliance pathway for providers, while increasing competition and ultimately lowering costs for homeowners.

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The final rule fulfills the mandate of Public Act 103-1015, which directed the IDFPR to bring SEPs within the regulated framework of the Residential Mortgage License Act of 1987. It contains a comprehensive set of operating requirements and restrictions, including a detailed new disclosure form that substantially incorporates CHEP's proposed model disclosure structure and approach, which will provide homeowners with robust cost transparency based on cost scenario tables. Beyond the disclosure form, the rule offers targeted solutions to key incompatibilities between shared equity product mechanics and traditional mortgage loan requirements, including a fit-for-purpose alternative to the ability-to-repay requirements.

CHEP looks forward to continuing its engagement with the IDFPR during the implementation phase of this rule and working with regulators in a growing number of states who are launching their own regulatory development processes and looking to Illinois as a successful model framework.

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ABOUT THE COALITION FOR HOME EQUITY PARTNERSHIP

The Coalition for Home Equity Partnership (CHEP) is a collective of financial services companies that offer flexible ways to tap home equity. The association is dedicated to the protection and promotion of the shared equity product industry with a focus on education, advocacy and marketplace innovation that improves homeowners' financial lives. For more information, visit homeequitypartnership.org.