



Rep. Karen A. Yarbrough

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09700HB1810ham001

LRB097 09653 AJO 52642 a

1 AMENDMENT TO HOUSE BILL 1810

2 AMENDMENT NO. _____. Amend House Bill 1810 by replacing
3 the title with the following:

4 "AN ACT concerning civil law."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Code of Civil Procedure is amended by
8 changing Section 15-1512 and by adding Section 15-1510.5 as
9 follows:

10 (735 ILCS 5/15-1510.5 new)

11 Sec. 15-1510.5. Mortgage Foreclosure Prevention Fee.

12 (a) Definitions.

13 "Civil legal services provider" means a not-for-profit
14 corporation that (1) employs one or more attorneys who are
15 licensed to practice law in the State of Illinois and who

1 directly provide civil legal services or (2) is established
2 for the purpose of providing civil legal services by an
3 organized panel of pro bono attorneys.

4 "Community-based outreach" means in-person contact
5 with mortgagors in foreclosure intended to inform such
6 mortgagors about the foreclosure process and the
7 mortgagors' rights and options for assistance in the
8 process, including the availability of mortgage
9 foreclosure housing counseling and mortgage foreclosure
10 legal services.

11 "Comprehensive court-sponsored foreclosure mediation
12 programs" means programs, administered at least in part by
13 an Illinois Circuit Court, that offer mediation in actions
14 for foreclosure. Programs shall provide mortgagors access
15 to housing counseling and legal services and include
16 community-based outreach.

17 "Governmental agency" means any State, county, or
18 local government body in Illinois, and any agency or
19 instrumentality thereof, corporate or otherwise.

20 "HUD-approved housing counseling agency" means a
21 mortgage foreclosure housing counseling agency that is
22 approved by the United States Department of Housing and
23 Urban Development, or any successor agency.

24 "Mortgage foreclosure housing counseling" means
25 housing counseling provided by a mortgage foreclosure
26 counselor that works for a HUD-approved housing counseling

1 agency.

2 "Mortgage foreclosure legal services" means legal
3 services to mortgagors with an interest in a property
4 subject to a mortgage foreclosure proceeding under Article
5 XV of the Code of Civil Procedure provided by a civil legal
6 service attorney that works for a civil legal services
7 provider.

8 "Mortgage Foreclosure Prevention Fund" means a special
9 fund used expressly to support mortgage foreclosure
10 prevention programs.

11 (b) There shall be a \$500 Mortgage Foreclosure Prevention
12 Fee collected from the proceeds resulting from a judicial sale
13 of residential real estate conducted pursuant to a foreclosure
14 judgment under this Article. The fee shall be remitted to the
15 Department of Revenue by the purchaser at the time of sale and
16 the Department shall deposit these amounts into the Mortgage
17 Foreclosure Prevention Fund. Amounts in the Fund may be
18 expended only for eligible activities described in this
19 Section.

20 Eligible foreclosure mitigation activities are mortgage
21 foreclosure housing counseling, mortgage foreclosure legal
22 services, community-based outreach, and administration of
23 comprehensive court-sponsored foreclosure mediation programs.

24 Eligible entities are HUD-approved housing counseling
25 agencies, civil legal services providers, not-for-profit
26 corporations, and governmental agencies.

1 (c) All of the moneys in the Fund collected in counties
2 with a population greater than 3,000,000 shall be used to make
3 grants to eligible entities for eligible foreclosure
4 mitigation activities to be carried out in coordination with
5 comprehensive court-sponsored foreclosure mediation programs
6 servng residents of the county in which the funds were
7 collected. At least 75% of those moneys shall be used to make
8 grants to eligible entities for mortgage foreclosure housing
9 counseling or mortgage foreclosure legal services.

10 (d) Moneys in the Fund collected in counties with a
11 population less than 3,000,000 shall be used to make grants to
12 eligible entities for eligible foreclosure mitigation
13 activities serving residents of the county in which the funds
14 were collected. At least 75% of those moneys shall be used to
15 make grants to eligible entities for mortgage foreclosure
16 housing counseling or mortgage foreclosure legal services.

17 (e) All grants shall be made by the Illinois Housing
18 Development Authority (IDHA). IHDA may prescribe reasonable
19 rules for the administration of this Section.

20 (735 ILCS 5/15-1512) (from Ch. 110, par. 15-1512)

21 Sec. 15-1512. Application of Proceeds of Sale and Surplus.
22 The proceeds resulting from a sale of real estate under this
23 Article shall be applied in the following order:

24 (a) the reasonable expenses of sale;

25 (b) the reasonable expenses of securing possession before

1 sale, holding, maintaining, and preparing the real estate for
2 sale, including payment of taxes and other governmental
3 charges, premiums on hazard and liability insurance,
4 receiver's and management fees, the Mortgage Foreclosure
5 Prevention Fee, and, to the extent provided for in the mortgage
6 or other recorded agreement and not prohibited by law,
7 reasonable attorneys' fees, payments made pursuant to Section
8 15-1505 and other legal expenses incurred by the mortgagee;

9 (c) if the sale was pursuant to judicial foreclosure,
10 satisfaction of claims in the order of priority adjudicated in
11 the judgment of foreclosure or order confirming the sale; and

12 (d) remittance of any surplus to be held by the person
13 appointed by the court to conduct the sale until further order
14 of the court. If there is a surplus, such person conducting the
15 sale shall send written notice to all parties to the proceeding
16 advising them of the amount of the surplus, and that the
17 surplus shall be held until a party obtains a court order for
18 its distribution or until, in the absence of an order, the
19 surplus is forfeited to the State.

20 (Source: P.A. 86-974.)

21 Section 10. The State Finance Act is amended by adding
22 Section 5.786 as follows:

23 (30 ILCS 105/5.786 new)

24 Sec. 5.786. The Mortgage Foreclosure Prevention Fund.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".