



Rep. Will Guzzardi

Filed: 3/15/2021

10200HB2614ham001

LRB102 16892 AWJ 23286 a

1 AMENDMENT TO HOUSE BILL 2614

2 AMENDMENT NO. _____. Amend House Bill 2614 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Home Equity Assurance Act is amended by
5 changing Section 11 as follows:

6 (65 ILCS 95/11) (from Ch. 24, par. 1611)

7 Sec. 11. Guarantee Fund.

8 (a) Each governing commission and program created by
9 referendum under the provisions of this Act shall maintain a
10 guarantee fund for the purposes of paying the costs of
11 administering the program and extending protection to members
12 pursuant to the limitations and procedures set forth in this
13 Act.

14 (b) The guarantee fund shall be raised by means of an
15 annual tax levied on all residential property within the
16 territory of the program having at least one, but not more than

1 6 dwelling units and classified by county ordinance as
2 residential. The rate of this tax may be changed from year to
3 year by majority vote of the governing commission but in no
4 case shall it exceed a rate of .12% of the equalized assessed
5 valuation of all property in the territory of the program
6 having at least one, but not more than 6 dwelling units and
7 classified by county ordinance as residential, or the maximum
8 tax rate approved by the voters of the territory at the
9 referendum which created the program or, in the case of a
10 merged program, the maximum tax rate approved by the voters at
11 the referendum authorizing the merger, whichever rate is
12 lower. The commissioners shall cause the amount to be raised
13 by taxation in each year to be certified to the county clerk in
14 the manner provided by law, and any tax so levied and certified
15 shall be collected and enforced in the same manner and by the
16 same officers as those taxes for the purposes of the county and
17 city within which the territory of the commission is located.
18 Any such tax, when collected, shall be paid over to the proper
19 officer of the commission who is authorized to receive and
20 receipt for such tax. The governing commission may issue tax
21 anticipation warrants against the taxes to be assessed for the
22 calendar year in which the program is created and for the first
23 full calendar year after the creation of the program.

24 (c) The moneys deposited in the guarantee fund shall, as
25 nearly as practicable, be fully and continuously invested or
26 reinvested by the governing commission in investment

1 obligations which shall be in such amounts, and shall mature
2 at such times, that the maturity or date of redemption at the
3 option of the holder of such investment obligations shall
4 coincide, as nearly as practicable, with the times at which
5 monies will be required for the purposes of the program. For
6 the purposes of this Section investment obligation shall mean
7 direct general municipal, state, or federal obligations which
8 at the time are legal investments under the laws of this State
9 and the payment of principal of and interest on which are
10 unconditionally guaranteed by the governing body issuing them.

11 (d) Except as permitted by this subsection and subsection
12 (d-5), the guarantee fund shall be used solely and exclusively
13 for the purpose of providing guarantees to members of the
14 particular Guaranteed Home Equity Program and for reasonable
15 salaries, expenses, bills, and fees incurred in administering
16 the program, and shall be used for no other purpose.

17 A governing commission, with no less than \$4,000,000 in
18 its guarantee fund, may, if authorized (i) by referendum duly
19 adopted by a majority of the voters or (ii) by resolution of
20 the governing commission upon approval by two-thirds of the
21 commissioners, establish a Low Interest Home Improvement Loan
22 Program in accordance with and subject to procedures
23 established by a financial institution, as defined in the
24 Illinois Banking Act. Whenever the question of creating a Low
25 Interest Home Improvement Loan Program is initiated by
26 resolution or ordinance of the corporate authorities of the

1 municipality or by a petition signed by not less than 10% of
2 the total number of registered voters of each precinct in the
3 territory, the registered voters of which are eligible to sign
4 the petition, it shall be the duty of the election authority
5 having jurisdiction over the municipality to submit the
6 question of creating the program to the electors of each
7 precinct within the territory at the regular election
8 specified in the resolution, ordinance, or petition initiating
9 the question. A petition initiating a question described in
10 this subsection shall be filed with the election authority
11 having jurisdiction over the municipality. The petition shall
12 be filed and objections to the petition shall be made in the
13 manner provided in the Election Code. A resolution, ordinance,
14 or petition initiating a question described in this subsection
15 shall specify the election at which the question is to be
16 submitted. The referendum on the question shall be held in
17 accordance with the Election Code. The question shall be in
18 substantially the following form:

19 "Shall the (name of the home equity program) implement
20 a Low Interest Home Improvement Loan Program with money
21 from the guarantee fund of the established guaranteed home
22 equity program?"

23 The votes must be recorded as "Yes" or "No".

24 Whenever a majority of the voters on the public question
25 approve the creation of the program as certified by the proper
26 election authorities or a resolution of the governing

1 commission is approved by a two-thirds majority, the
2 commission shall establish the program and administer the
3 program with funds collected under the Guaranteed Home Equity
4 Program, subject to the following conditions:

5 (1) At any given time, the cumulative total of all
6 loans and loan guarantees (if applicable) issued under
7 this program may not reduce the balance of the guarantee
8 fund to less than \$3,000,000.

9 (2) Only eligible applicants may apply for a loan.

10 (3) The loan must be used for the repair, maintenance,
11 remodeling, alteration, or improvement of a guaranteed
12 residence. This condition is intended to include the
13 repair or maintenance of a guaranteed residence's water
14 and sewer pipes and repair of a guaranteed residence,
15 including but not limited to basement repairs, following
16 flooding damage to the property. This condition is not
17 intended to exclude the repair, maintenance, remodeling,
18 alteration, or improvement of a guaranteed residence's
19 landscape. This condition is intended to exclude the
20 demolition of a current residence. This condition is also
21 intended to exclude the construction of a new residence.

22 (4) An eligible applicant may not borrow more than the
23 amount of equity value in his or her residence.

24 (5) A commission must ensure that loans issued are
25 secured with collateral that is at least equal to the
26 amount of the loan or loan guarantee.

1 (6) A commission shall charge an interest rate which
2 it determines to be below the market rate of interest
3 generally available to the applicant.

4 (7) A commission may, by resolution, establish other
5 administrative rules and procedures as are necessary to
6 implement this program including, but not limited to, loan
7 dollar amounts and terms. A commission may also impose on
8 loan applicants a one-time application fee for the purpose
9 of defraying the costs of administering the program.

10 (d-5) A governing commission, with no less than \$4,000,000
11 in its guarantee fund, may, if authorized by referendum duly
12 adopted by a majority of the voters, establish a Foreclosure
13 Prevention Loan Fund to provide low interest emergency loans
14 to eligible applicants that may be forced into foreclosure
15 proceedings.

16 Whenever the question of creating a Foreclosure Prevention
17 Loan Fund is initiated by resolution or ordinance of the
18 corporate authorities of the municipality or by a petition
19 signed by not less than 10% of the total number of registered
20 voters of each precinct in the territory, the registered
21 voters of which are eligible to sign the petition, it shall be
22 the duty of the election authority having jurisdiction over
23 the municipality to submit the question of creating the
24 program to the electors of each precinct within the territory
25 at the regular election specified in the resolution,
26 ordinance, or petition initiating the question. A petition

1 initiating a question described in this subsection shall be
2 filed with the election authority having jurisdiction over the
3 municipality. The petition shall be filed and objections to
4 the petition shall be made in the manner provided in the
5 Election Code. A resolution, ordinance, or petition initiating
6 a question described in this subsection shall specify the
7 election at which the question is to be submitted. The
8 referendum on the question shall be held in accordance with
9 the Election Code. The question shall be in substantially the
10 following form:

11 "Shall the (name of the home equity program) implement a
12 Foreclosure Prevention Loan Fund with money from the guarantee
13 fund of the established guaranteed home equity program?"

14 The votes must be recorded as "Yes" or "No".

15 Whenever a majority of the voters on the public question
16 approve the creation of a Foreclosure Prevention Loan Fund as
17 certified by the proper election authorities, the commission
18 shall establish the program and administer the program with
19 funds collected under the Guaranteed Home Equity Program,
20 subject to the following conditions:

21 (1) At any given time, the cumulative total of all
22 loans and loan guarantees (if applicable) issued under
23 this program may not exceed \$3,000,000.

24 (2) Only eligible applicants may apply for a loan. The
25 Commission may establish, by resolution, additional
26 criteria for eligibility.

1 (3) The loan must be used to assist with preventing
2 foreclosure proceedings.

3 (4) An eligible applicant may not borrow more than the
4 amount of equity value in his or her residence.

5 (5) A commission must ensure that loans issued are
6 secured as a second lien on the property.

7 (6) A commission shall charge an interest rate which
8 it determines to be below the market rate of interest
9 generally available to the applicant.

10 (7) A commission may, by resolution, establish other
11 administrative rules and procedures as are necessary to
12 implement this program including, but not limited to,
13 eligibility requirements for eligible applicants, loan
14 dollar amounts, and loan terms.

15 (8) A commission may also impose on loan applicants a
16 one-time application fee for the purpose of defraying the
17 costs of administering the program.

18 (d-10) A governing commission, with no less than
19 \$4,000,000 in its guarantee fund, may, if authorized (i) by
20 referendum approved by a majority of the voters or (ii) by
21 resolution of the governing commission upon approval by
22 two-thirds of the commissioners, establish a Delinquent Tax
23 Repayment Loan Fund to provide low-interest emergency loans to
24 eligible applicants.

25 If the question of creating a Delinquent Tax Repayment
26 Loan Fund is initiated by resolution or ordinance of the

1 corporate authorities of the municipality or by a petition
2 signed by not less than 10% of the total number of registered
3 voters of each precinct in the territory, the registered
4 voters of which are eligible to sign the petition, it shall be
5 the duty of the election authority having jurisdiction over
6 the municipality to submit the question of creating the
7 program to the electors of each precinct within the territory
8 at the regular election specified in the resolution,
9 ordinance, or petition initiating the question. A resolution,
10 ordinance, or petition initiating a question described in this
11 subsection shall be filed with the election authority having
12 jurisdiction over the municipality. The resolution, ordinance,
13 or petition shall be filed and objections to the resolution,
14 ordinance, or petition shall be made in the manner provided in
15 the Election Code. A resolution, ordinance, or petition
16 initiating a question described in this subsection shall
17 specify the election at which the question is to be submitted.
18 The referendum on the question shall be held in accordance
19 with the Election Code. The question shall be in substantially
20 the following form:

21 "Shall the (name of the home equity program) implement
22 a Delinquent Tax Repayment Loan Fund with money from the
23 guarantee fund of the established guaranteed home equity
24 program?"

25 The votes must be recorded as "Yes" or "No".

26 If a majority of the voters on the question approve the

1 creation of a Delinquent Tax Repayment Loan Fund as certified
2 by the proper election authorities or two-thirds of the
3 commissioners, by resolution, approve the creation of a
4 Delinquent Tax Repayment Loan Fund, the commission shall
5 establish the program and administer the program with funds
6 collected under the program, subject to the following
7 conditions:

8 (1) At any given time, the cumulative total of all
9 loans and loan guarantees (if applicable) issued under
10 this program may not exceed \$3,000,000.

11 (2) Only eligible applicants may apply for a loan. The
12 Commission may establish, by resolution, additional
13 criteria for eligibility.

14 (3) The loan must be used to assist with repayment of
15 delinquent property taxes and for those facing imminent
16 delinquency.

17 (4) An eligible applicant may not borrow more than the
18 amount due to the treasurer's office.

19 (5) A commission shall charge an interest rate which
20 it determines to be below the market rate of interest
21 generally available to the applicant.

22 (6) A commission may, by resolution, establish other
23 administrative rules and procedures as are necessary to
24 implement this program including, but not limited to,
25 eligibility requirements for eligible applicants, loan
26 dollar amounts, and loan terms.

1 (7) Where practicable, it shall be required that a
2 borrower obtain free housing counseling services prior to
3 applying to this tax program for the purpose of assisting
4 with budgeting and providing a recommendation as to
5 whether this client is suited for this program.

6 (8) A commission may also impose on loan applicants a
7 one-time application fee for the purpose of defraying the
8 costs of administering the program.

9 (e) The guarantee fund shall be maintained, invested, and
10 expended exclusively by the governing commission of the
11 program for whose purposes it was created. Under no
12 circumstance shall the guarantee fund be used by any person or
13 persons, governmental body, or public or private agency or
14 concern other than the governing commission of the program for
15 whose purposes it was created. Under no circumstances shall
16 the guarantee fund be commingled with other funds or
17 investments.

18 (e-1) No commissioner or family member of a commissioner,
19 or employee or family member of an employee, may receive any
20 financial benefit, either directly or indirectly, from the
21 guarantee fund. Nothing in this subsection (e-1) shall be
22 construed to prohibit payment of expenses to a commissioner in
23 accordance with Section 4 or payment of salaries or expenses
24 to an employee in accordance with this Section.

25 As used in this subsection (e-1), "family member" means a
26 spouse, child, stepchild, parent, brother, or sister of a

1 commissioner or a child, stepchild, parent, brother, or sister
2 of a commissioner's spouse.

3 (f) An independent audit of the guarantee fund and the
4 management of the program shall be conducted annually and made
5 available to the public through any office of the governing
6 commission or a public facility such as a local public library
7 located within the territory of the program.

8 (Source: P.A. 98-1160, eff. 6-1-15; 99-37, eff. 1-1-16.)".