



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3815

Introduced 1/21/2022, by Sen. Donald P. DeWitte

SYNOPSIS AS INTRODUCED:

765 ILCS 940/40
765 ILCS 940/55

Amends the Mortgage Rescue Fraud Act. Requires, within 3 days of the execution of a distressed property conveyance contract, the distressed property purchaser to provide a copy of the contract to any party that has purchased taxes in connection with the distressed property at a tax sale. Allows a party that does not receive a copy of a distressed property conveyance contract to bring a civil action under the Consumer Fraud and Deceptive Business Practices Act.

LRB102 21862 LNS 30983 b

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Mortgage Rescue Fraud Act is amended by
5 changing Sections 40 and 55 as follows:

6 (765 ILCS 940/40)

7 Sec. 40. Notice of cancellation of a distressed property
8 conveyance contract.

9 (a) The contract must contain in immediate proximity to
10 the space reserved for the owner of the distressed property's
11 signature a conspicuous statement in a size equal to at least
12 12-point boldface type, if the contract is printed, or in
13 capital letters, if the contract is typed, as follows:

14 "You may cancel this contract for the sale of your
15 house, without any penalty or obligation, at any time
16 before(Date and time of
17 day). See the attached notice of cancellation form for an
18 explanation of this right."

19 The distressed property purchaser shall accurately
20 enter the date and time of day on which the cancellation
21 right ends.

22 (b) The contract must be accompanied by a completed form
23 in duplicate, captioned "NOTICE OF CANCELLATION" in a size

1 equal to a 12-point boldface type, if the contract is printed,
 2 or in capital letters, if the contract is typed, followed by a
 3 space in which the distressed property purchaser shall enter
 4 the date on which the owner of the distressed property
 5 executes any contract. This form must be attached to the
 6 contract, must be easily detachable, and must contain in at
 7 least 12-point type, if the contract is printed, or in capital
 8 letters, if the contract is typed, the following statement
 9 written in the same language as used in the contract:

10 "NOTICE OF CANCELLATION

11

12 (Enter date contract signed)

13 You may cancel this contract for the sale of your home,
 14 without any penalty or obligation, at any time before
 15(enter date and time of day). To
 16 cancel this transaction, mail or deliver a signed and
 17 dated copy of this cancellation notice to
 18(Name of purchaser) at
 19 (Street
 20 address of purchaser's place of business) NOT LATER THAN
 21 (Enter date and time of
 22 day).

23 I hereby cancel this transaction on
 24 (Date)
 25 (Seller's signature)".

26 (c) The distressed property purchaser shall provide the

1 owner of the distressed property with a copy of the contract
2 and the attached notice of cancellation immediately at the
3 time the contract is executed by all parties.

4 (c-5) Within 3 days of the execution of a distressed
5 property conveyance contract, if the contract has not been
6 canceled, the distressed property purchaser shall provide a
7 copy of the contract to any party that has purchased taxes in
8 connection with the distressed property at a tax sale
9 conducted pursuant to Article 21 of the Property Tax Code.

10 (d) The distressed property purchaser shall record the
11 contract with the recorder of deeds in the county where the
12 distressed property is located within 10 days of its
13 execution, provided the contract has not been canceled.

14 (e) The 5 business days during which the owner of the
15 distressed property may cancel the contract shall not begin to
16 run until all parties to the contract have executed the
17 contract and the distressed property purchaser has complied
18 with all the requirements of this Section.

19 (Source: P.A. 94-822, eff. 1-1-07.)

20 (765 ILCS 940/55)

21 Sec. 55. Civil remedies.

22 (a) A violation of any of the provisions of this Act
23 constitutes an unlawful practice under the Consumer Fraud and
24 Deceptive Business Practices Act. All remedies, penalties, and
25 authority granted to the Attorney General or State's Attorney

1 by the Consumer Fraud and Deceptive Business Practices Act
2 shall be available to him or her for the enforcement of this
3 Act.

4 (b) A consumer who suffers loss by reason of any violation
5 of any provision of this Act or a party that does not receive a
6 copy of a distressed property conveyance contract as required
7 by subsection (c-5) of Section 40 may bring a civil action in
8 accordance with the Consumer Fraud and Deceptive Business
9 Practices Act to enforce that provision. All remedies and
10 rights granted to a consumer, or to a party suffering actual
11 damages, by the Consumer Fraud and Deceptive Business
12 Practices Act shall be available to a ~~the~~ consumer or a party
13 bringing such an action. The remedies and rights provided for
14 in this Act are not exclusive, but cumulative, and all other
15 applicable claims, including, but not limited to, those
16 brought under the doctrine of equitable mortgage, are
17 specifically preserved.

18 (Source: P.A. 94-822, eff. 1-1-07.)