



## 103RD GENERAL ASSEMBLY

### State of Illinois

### 2023 and 2024

#### HB2717

Introduced 2/16/2023, by Rep. Edgar Gonzalez, Jr.

#### SYNOPSIS AS INTRODUCED:

765 ILCS 910/5  
765 ILCS 910/7

from Ch. 17, par. 4905  
from Ch. 17, par. 4907

Amends the Mortgage Escrow Account Act. Provides that a mortgage lender that complies with the escrow account requirements in Title 12 CFR Part 1026 for a mortgage loan that is a higher-priced mortgage loan is deemed to be in compliance with a provision regarding notification by a mortgage lender to a borrower about terminating or continuing such escrow account. Provides that the borrower shall not have the right to terminate any escrow account arrangement in conjunction with a mortgage loan that is a higher-priced mortgage loan unless the borrower has met all of the conditions for cancellation of an escrow account for a higher-priced mortgage loan in Title 12 CFR Part 1026. Effective immediately.

LRB103 30866 LNS 57379 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 Escrow Account Act is amended by  
5 changing Sections 5 and 7 as follows:

6 (765 ILCS 910/5) (from Ch. 17, par. 4905)

7 Sec. 5. (a) When the mortgage is reduced to 65% of its  
8 original amount by payments of the borrower, timely made  
9 according to the provisions of the loan agreement secured by  
10 the mortgage, and the borrower is otherwise not in default on  
11 the loan agreement, the mortgage lender must notify the  
12 borrower that he may terminate such escrow account or that he  
13 may elect to continue it until he requests a termination  
14 thereof, or until the mortgage is paid in full, whichever  
15 occurs first.

16 (b) Notwithstanding the requirements in subsection (a), a  
17 mortgage lender that complies with the escrow account  
18 requirements in Title 12 CFR Part 1026, as amended, for a  
19 mortgage loan that is a higher-priced mortgage loan, as  
20 defined in Title 12 CFR Part 1026, as amended, is deemed to be  
21 in compliance with subsection (a).

22 (Source: P.A. 79-625.)

1 (765 ILCS 910/7) (from Ch. 17, par. 4907)

2 Sec. 7. The borrower shall not have the right to terminate  
3 any such arrangement under Section 5 in conjunction with  
4 mortgages insured, guaranteed, supplemented, or assisted by  
5 the State of Illinois or the federal government that require  
6 an escrow arrangement for their continuation. The borrower  
7 shall not have the right to terminate any such arrangement  
8 under Section 5 in conjunction with a mortgage loan that is a  
9 higher-priced mortgage loan as defined in Title 12 CFR Part  
10 1026, as amended, unless the borrower has met all of the  
11 conditions for cancellation of an escrow account for a  
12 higher-priced mortgage loan in Title 12 CFR Part 1026, as  
13 amended.

14 (Source: P.A. 79-625.)

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.