LRB09319713LCB45454b

93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 2/6/2004, by Bill Brady

SYNOPSIS AS INTRODUCED:

765 ILCS 930/17 new

Amends the Mortgage Insurance Limitation and Notification Act. Prohibits a lender from requiring a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the real property. Requires the lender to disclose to the borrower, in writing, that the borrower is not required to have hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the real property. Effective immediately.

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A BILL FOR

1   AN ACT concerning mortgages.

2   **Be it enacted by the People of the State of Illinois,**

3   **represented in the General Assembly:**

4   Section 5. The Mortgage Insurance Limitation and
5   Notification Act is amended by adding Section 17 as follows:

6   (765 ILCS 930/17 new)
7   Sec. 17. Insurance coverage.
8   (a) No lender shall require a borrower, as a condition of
9   receiving or maintaining a loan secured by real property, to
10   provide hazard insurance coverage against risks to the
11   improvements on that real property in an amount exceeding the
12   replacement value of the improvements on the property.
13   (b) A lender shall disclose to a borrower, in writing, the
14   contents of subsection (a), as soon as practicable, but before
15   execution of any note or security documents.
16   (c) Any person harmed by a violation of this Section shall
17   be entitled to obtain injunctive relief and may recover damages
18   and reasonable attorney's fees and costs.
19   (d) A violation of this Section does not affect the
20   validity of the loan, note secured by a deed of trust,
21   mortgage, or deed of trust.

22   Section 99. Effective date. This Act takes effect upon
23   becoming law.