

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.