

1 AN ACT concerning property.

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 2 and 4 and by adding Section 15 as follows:

6 (765 ILCS 910/2) (from Ch. 17, par. 4902)

7 Sec. 2. As used in this Act, unless the context requires
8 otherwise:

9 (a) "Escrow Account" means any account established by the
10 mortgage lender in conjunction with a mortgage loan on a
11 residence, into which the borrower is required to make regular
12 periodic payments and out of which the lender pays the taxes on
13 the property covered by the mortgage.

14 (b) "Borrower" means the person obligated under the
15 mortgage loan.

16 (c) "Mortgage Lender" means any bank, savings bank, savings
17 and loan association, credit union, mortgage banker, ~~building~~
18 ~~and loan association~~ or other institution, association,
19 partnership, corporation or person who extends the loan of
20 monies for the purpose of enabling another to purchase a
21 residence or who services the loan, including successors in
22 interest of the foregoing.

23 (d) "Escrow-like Arrangement" means any arrangement the
24 intent of which is to serve the same purposes as an escrow
25 account but which does not require the formal establishment of
26 an account.

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

28 (765 ILCS 910/4) (from Ch. 17, par. 4904)

29 Sec. 4. On or after the effective date of this Act, each
30 mortgage lender in conjunction with the granting or servicing
31 of a mortgage on a single-family owner occupied residential

1 property, shall comply with the provisions of this Act.

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

3 (765 ILCS 910/15 new)

4 Sec. 15. Notice of tax payments.

5 (a) When any mortgage lender pays the property tax from an
6 escrow account, the mortgage lender must give the borrower
7 written notice of the following, within 45 business days after
8 the tax payment:

9 (1) the date the taxes were paid;

10 (2) the amount of taxes paid; and

11 (3) the permanent index number, mortgage account
12 number, address of the property, or other property
13 description that is used for assessment and taxation
14 purposes under the Property Tax Code.

15 (b) The notice required in subsection (a) may be included
16 on or with other documents, notices, or statements provided to
17 the borrower. If more than one borrower is obligated on the
18 loan, only one borrower who is primarily liable on the loan
19 need be given notice. Notice may be delivered, mailed, or
20 transmitted by any usual means of communication.

21 (c) Notwithstanding the requirements in subsection (a), a
22 mortgage lender that provides notice to a borrower in the
23 manner provided in subsection (b) of a means of communication
24 for the borrower to access the information set forth in
25 subsection (a) by telephone, facsimile, e-mail, Internet
26 access, or other means of communication, is deemed to be in
27 compliance with subsection (a).