



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB2056

Introduced 2/14/2005, by Rep. Michael J. Madigan - Barbara Flynn Currie - Susana A Mendoza

SYNOPSIS AS INTRODUCED:

815 ILCS 137/15

Amends the High Risk Home Loan Act. Makes a technical change in a Section concerning the prohibition on certain home loans.

LRB094 02758 RXD 32759 b

1 AN ACT concerning business.

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

4 Section 5. The High Risk Home Loan Act is amended by
5 changing Section 15 as follows:

6 (815 ILCS 137/15)

7 Sec. 15. Ability to repay. A creditor or broker shall not
8 transfer, deal in, offer, or make a high risk home loan if the
9 ~~the~~ creditor or broker does not believe at the time the loan is
10 consummated that the borrower will be able to make the
11 scheduled payments to repay the obligation based upon a
12 consideration of his or her current and expected income,
13 current obligations, employment status, and other financial
14 resources (other than the borrower's equity in the dwelling
15 that secures repayment of the loan). A borrower shall be
16 presumed to be able to repay the loan if, at the time the loan
17 is consummated, or at the time of the first rate adjustment, in
18 the case of a lower introductory interest rate, the borrower's
19 scheduled monthly payments on the loan (including principal,
20 interest, taxes, insurance, and assessments), combined with
21 the scheduled payments for all other disclosed debts, do not
22 exceed 50% of the borrower's monthly gross income.

23 (Source: P.A. 93-561, eff. 1-1-04.)