



Executive Committee

## Adopted in House Comm. on Jan 09, 2008

09500HB4191ham001

LRB095 14795 BDD 42728 a

1 AMENDMENT TO HOUSE BILL 4191

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 4191 on page 1,  
3 immediately below line 10, by inserting the following:

4 "Section 10. The Deposit of State Moneys Act is amended by  
5 changing Section 7 as follows:

6 (15 ILCS 520/7) (from Ch. 130, par. 26)

7 Sec. 7. (a) Proposals made may either be approved or  
8 rejected by the State Treasurer. A bank or savings and loan  
9 association whose proposal is approved shall be eligible to  
10 become a State depository for the class or classes of funds  
11 covered by its proposal. A bank or savings and loan association  
12 whose proposal is rejected shall not be so eligible. The State  
13 Treasurer shall seek to have at all times a total of not less  
14 than 20 banks or savings and loan associations which are  
15 approved as State depositories for time deposits.

16 (b) The State Treasurer may, in his discretion, accept a

1 proposal from an eligible institution which provides for a  
2 reduced rate of interest provided that such institution  
3 documents the use of deposited funds for community development  
4 projects.

5 (b-5) The State Treasurer may, in his or her discretion,  
6 accept a proposal from an eligible institution that provides  
7 for a reduced rate of interest, provided that such institution  
8 agrees to expend an amount of money equal to the amount of the  
9 reduction for the preservation of Cahokia Mounds.

10 (b-10) The State Treasurer may, in his or her discretion,  
11 accept a proposal from an eligible institution that provides  
12 for a reduced rate of interest, provided that the institution  
13 agrees to expend an amount of money equal to the amount of the  
14 reduction for senior centers.

15 (c) The State Treasurer may, in his or her discretion,  
16 accept a proposal from an eligible institution that provides  
17 for interest earnings on deposits of State moneys to be held by  
18 the institution in a separate account that the State Treasurer  
19 may use to secure up to 10% of any (i) home loans to Illinois  
20 citizens purchasing a home in Illinois in situations where the  
21 participating financial institution would not offer the  
22 borrower a home loan under the institution's prevailing credit  
23 standards without the incentive of a reduced rate of interest  
24 on deposits of State moneys, (ii) existing home loans of  
25 Illinois citizens who are at risk of losing their homes if they  
26 experience ~~have failed to make payments on a home loan as a~~

1 ~~result of~~ a financial hardship due to circumstances beyond  
2 their ~~the~~ control ~~of the borrower~~ where there is a reasonable  
3 prospect that they ~~the borrower~~ will be able to resume or  
4 continue full mortgage payments, and (iii) loans in amounts  
5 that do not exceed the amount of arrearage on a mortgage and  
6 that are extended to enable a borrower to become current on his  
7 or her mortgage obligation.

8 The following factors shall be considered by the  
9 participating financial institution to determine whether the  
10 financial hardship is due to circumstances beyond the control  
11 of the borrower: (i) loss, reduction, or delay in the receipt  
12 of income because of the death or disability of a person who  
13 contributed to the household income, (ii) expenses actually  
14 incurred related to the uninsured damage or costly repairs to  
15 the mortgaged premises affecting its habitability, (iii)  
16 expenses related to the death or illness in the borrower's  
17 household or of family members living outside the household  
18 that reduce the amount of household income, (iv) loss of income  
19 or a substantial increase in total housing expenses because of  
20 divorce, abandonment, separation from a spouse, or failure to  
21 support a spouse or child, (v) unemployment or underemployment,  
22 (vi) loss, reduction, or delay in the receipt of federal,  
23 State, or other government benefits, and (vii) participation by  
24 the homeowner in a recognized labor action such as a strike. In  
25 determining whether there is a reasonable prospect that the  
26 borrower will be able to resume or continue full mortgage

1 payments, the participating financial institution shall  
2 consider factors including, but not necessarily limited to the  
3 following: (i) a favorable work and credit history, (ii) the  
4 borrower's ability to and history of paying the mortgage when  
5 employed, (iii) the lack of an impediment or disability that  
6 prevents reemployment, (iv) new education and training  
7 opportunities, (v) non-cash benefits that may reduce household  
8 expenses, and (vi) other debts.

9 For the purposes of this Section, "home loan" means a loan,  
10 other than an open-end credit plan or a reverse mortgage  
11 transaction, for which (i) the principal amount of the loan  
12 does not exceed 50% of the conforming loan size limit ~~for a~~  
13 ~~single family dwelling~~ as established from time to time by the  
14 Federal National Mortgage Association, (ii) the borrower is a  
15 natural person, (iii) the debt is incurred by the borrower  
16 primarily for personal, family, or household purposes, and (iv)  
17 the loan is secured by a mortgage or deed of trust on real  
18 estate upon which there is located or there is to be located a  
19 structure designed principally for the occupancy of no more  
20 than 4 families and that is or will be occupied by the borrower  
21 as the borrower's principal dwelling.

22 (d) If there is an agreement between the State Treasurer  
23 and an eligible institution that details the use of deposited  
24 funds, the agreement may not require the gift of money, goods,  
25 or services to a third party; this provision does not restrict  
26 the eligible institution from contracting with third parties in

1 order to carry out the intent of the agreement or restrict the  
2 State Treasurer from placing requirements upon third-party  
3 contracts entered into by the eligible institution.

4 (Source: P.A. 92-482, eff. 8-23-01; 92-531, eff. 2-8-02;  
5 92-625, eff. 7-11-02; 93-246, eff. 7-22-03.)".