

1 AN ACT concerning housing.

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

4 Section 5. 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  
17 proposal from an eligible institution which provides for a  
18 reduced rate of interest provided that such institution  
19 documents the use of deposited funds for community development  
20 projects.

21 (b-5) The State Treasurer may, in his or her discretion,  
22 accept a proposal from an eligible institution that provides  
23 for a reduced rate of interest, provided that such institution

1 agrees to expend an amount of money equal to the amount of the  
2 reduction for the preservation of Cahokia Mounds.

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

8 (c) The State Treasurer may, in his or her discretion,  
9 accept a proposal from an eligible institution that provides  
10 for interest earnings on deposits of State moneys to be held by  
11 the institution in a separate account that the State Treasurer  
12 may use to secure up to 10% of any (i) home loans to Illinois  
13 citizens purchasing or refinancing a home in Illinois in  
14 situations where the participating financial institution would  
15 not offer the borrower a home loan under the institution's  
16 prevailing credit standards without the incentive of a reduced  
17 rate of interest on deposits of State moneys, (ii) existing  
18 home loans of Illinois citizens who have failed to make  
19 payments on a home loan as a result of a financial hardship due  
20 to circumstances beyond the control of the borrower where there  
21 is a reasonable prospect that the borrower will be able to  
22 resume full mortgage payments, and (iii) loans in amounts that  
23 do not exceed the amount of arrearage on a mortgage and that  
24 are extended to enable a borrower to become current on his or  
25 her mortgage obligation.

26 The following factors shall be considered by the

1 participating financial institution to determine whether the  
2 financial hardship is due to circumstances beyond the control  
3 of the borrower: (i) loss, reduction, or delay in the receipt  
4 of income because of the death or disability of a person who  
5 contributed to the household income, (ii) expenses actually  
6 incurred related to the uninsured damage or costly repairs to  
7 the mortgaged premises affecting its habitability, (iii)  
8 expenses related to the death or illness in the borrower's  
9 household or of family members living outside the household  
10 that reduce the amount of household income, (iv) loss of income  
11 or a substantial increase in total housing expenses because of  
12 divorce, abandonment, separation from a spouse, or failure to  
13 support a spouse or child, (v) unemployment or underemployment,  
14 (vi) loss, reduction, or delay in the receipt of federal,  
15 State, or other government benefits, and (vii) participation by  
16 the homeowner in a recognized labor action such as a strike. In  
17 determining whether there is a reasonable prospect that the  
18 borrower will be able to resume full mortgage payments, the  
19 participating financial institution shall consider factors  
20 including, but not necessarily limited to the following: (i) a  
21 favorable work and credit history, (ii) the borrower's ability  
22 to and history of paying the mortgage when employed, (iii) the  
23 lack of an impediment or disability that prevents reemployment,  
24 (iv) new education and training opportunities, (v) non-cash  
25 benefits that may reduce household expenses, and (vi) other  
26 debts.

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

14 (d) If there is an agreement between the State Treasurer  
15 and an eligible institution that details the use of deposited  
16 funds, the agreement may not require the gift of money, goods,  
17 or services to a third party; this provision does not restrict  
18 the eligible institution from contracting with third parties in  
19 order to carry out the intent of the agreement or restrict the  
20 State Treasurer from placing requirements upon third-party  
21 contracts entered into by the eligible institution.

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

24 Section 99. Effective date. This Act takes effect upon  
25 becoming law.