



Executive Committee

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09500SB1979ham001

LRB095 18777 MJR 51551 a

1 AMENDMENT TO SENATE BILL 1979

2 AMENDMENT NO. _____. Amend Senate Bill 1979 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Illinois Homeowner's Emergency Assistance Program Act.

6 Section 5. Illinois Housing Development Authority; powers;
7 duties.

8 (a) The Illinois Housing Development Authority shall have
9 the power to issue grants to residents of Illinois who are
10 eligible for assistance as described in this Act.

11 (b) The Authority shall implement and administer the
12 program established by this Act.

13 (c) The Authority shall ensure that a homeowner receiving
14 assistance under this Act has received counseling from a
15 HUD-certified housing counseling agency.

1 Section 10. Definitions. For purposes of this Act:

2 "Authority" means the Illinois Housing Development
3 Authority.

4 "Counseling" means in-person counseling provided by a
5 counselor employed by a HUD-certified housing counseling
6 agency or, where a hardship would be imposed on a homeowner,
7 documented telephone counseling. A hardship exists if the
8 homeowner is confined to his or her home due to a medical
9 condition, as verified in writing by a physician, or the
10 homeowner resides 50 miles or more from the nearest
11 participating HUD-certified housing counseling agency. In
12 instances of telephone counseling, the homeowner must supply
13 any necessary documents to the counselor at least 72 hours
14 prior to the scheduled telephone counseling session.

15 "Counselor" means a counselor employed by a HUD-certified
16 housing counseling agency.

17 "Lender" means that term as it is defined in Section 1-4 of
18 the Residential Mortgage License Act of 1987.

19 "Good faith" means honesty in fact in the conduct or
20 transaction concerned.

21 Section 15. Eligibility for assistance.

22 (a) No assistance may be given to a homeowner pursuant to
23 this Act unless:

24 (1) The property securing the mortgage is the
25 homeowner's primary residence.

1 (2) The homeowner is a resident of this State and his
2 or her property is being foreclosed due to failure to make
3 mortgage payments.

4 (3) The lender agrees to halt foreclosure proceedings
5 upon written notification by the Authority that a homeowner
6 has been approved for assistance.

7 (4) The homeowner's household income is less than 120%
8 of area median income determined by the U.S. Department of
9 Housing and Urban Development.

10 (5) The mortgage lender agrees to renegotiate in good
11 faith the terms of the mortgage being foreclosed upon
12 written notification that the homeowner has been approved
13 by the Authority.

14 (6) The homeowner has attended a counseling session
15 that was provided by a HUD-certified housing counseling
16 agency.

17 (7) The borrower is a resident of this State.

18 (8) The homeowner agrees to defend and indemnify and
19 hold harmless the Authority from and against any and all
20 damages arising out the Authority's payment on behalf of
21 the borrower.

22 (9) The lender agrees to defend and indemnify and hold
23 harmless the Authority from and against any and all damages
24 arising out the Authority's payment on behalf of the
25 borrower.

26 (b) Upon a determination that the conditions of eligibility

1 described in this Act have been met, and funds for assistance
2 are available, the homeowner shall become eligible for the
3 assistance described in Section 20 of this Act.

4 Section 20. Assistance payments.

5 (a) If the Authority determines that a homeowner is
6 eligible for assistance under this program, the Authority shall
7 pay directly to each lender payments on behalf of the homeowner
8 seeking assistance under the program. This amount shall
9 include, but not be limited to, delinquencies of principal,
10 interest, taxes, assessments, ground rents, hazard insurance,
11 mortgage insurance, and credit insurance premiums.

12 (b) An eligible applicant may not receive a grant in excess
13 of \$6,000, or the sum of 3 monthly mortgage payments on the
14 property, whichever is less.

15 (c) Grants made under this Act may only be used to satisfy
16 mortgage financing with a first lien position.

17 Section 25. Program funding.

18 (a) The Authority shall use only funds specifically
19 appropriated by the General Assembly for the purposes of this
20 Act to make payments to lenders, to provide reimbursement to
21 HUD-certified housing counseling agencies for costs incurred
22 in assisting borrowers, and to reimburse the Authority for
23 administration of the program. Assistance under this Act shall
24 not be available at any time the Authority does not have funds

1 currently available to approve applications for emergency
2 mortgage assistance.

3 (b) This Act is subject to appropriation; however, at no
4 time shall the cumulative amount of grants issued under this
5 program exceed \$3,000,000 in a calendar year.

6 Section 27. No authority to make or promulgate rules.
7 Notwithstanding any other rulemaking authority that may exist,
8 neither the Governor nor any agency or agency head under the
9 jurisdiction of the Governor has any authority to make or
10 promulgate rules to implement or enforce the provisions of this
11 Act. If, however, the Governor believes that rules are
12 necessary to implement or enforce the provisions of this Act,
13 the Governor may suggest rules to the General Assembly by
14 filing them with the Clerk of the House and Secretary of the
15 Senate and by requesting that the General Assembly authorize
16 such rulemaking by law, enact those suggested rules into law,
17 or take any other appropriate action in the General Assembly's
18 discretion. Nothing contained in this Act shall be interpreted
19 to grant rulemaking authority under any other Illinois statute
20 where such authority is not otherwise explicitly given. For the
21 purposes of this Act, "rules" is given the meaning contained in
22 Section 1-70 of the Illinois Administrative Procedure Act, and
23 "agency" and "agency head" are given the meanings contained in
24 Sections 1-20 and 1-25 of the Illinois Administrative Procedure
25 Act to the extent that such definitions apply to agencies or

1 agency heads under the jurisdiction of the Governor.

2 Section 30. Repealer. This Act is repealed on January 1,
3 2010.

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.".