



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB0268

Introduced 2/4/2009, by Sen. Jacqueline Y. Collins

SYNOPSIS AS INTRODUCED:

20 ILCS 3805/7.30 new
30 ILCS 105/5.719 new
30 ILCS 105/6z-80 new
205 ILCS 635/2-2

from Ch. 17, par. 2322-2

Amends the Illinois Housing Development Act to authorize the Illinois Housing Authority to establish and administer a foreclosure prevention counseling program using moneys in the Foreclosure Prevention Counseling Fund, appropriated for that purpose, to make grants to HUD-certified housing counseling agencies to support pre-purchase and post-purchase home ownership education and foreclosure prevention counseling. Amends the State Finance Act to create the Foreclosure Prevention Counseling Fund from moneys received from the foreclosure prevention surcharge collected under the Residential Mortgage License Act of 1987. Provides that 75% of the moneys in this Fund shall be used for housing counseling outside Chicago and 25% of the moneys shall be used for such counseling in Chicago. Amends the Residential Mortgage License Act of 1987 to increase the investigation and application fees from \$2,700 to \$3,000. Effective immediately.

LRB096 04161 AJO 14203 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning foreclosure.

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

4 Section 5. The Illinois Housing Development Act is amended
5 by adding Section 7.30 as follows:

6 (20 ILCS 3805/7.30 new)

7 Sec. 7.30. Foreclosure prevention counseling program. The
8 Authority shall establish and administer a foreclosure
9 prevention counseling program. The Authority shall use moneys
10 in the Foreclosure Prevention Counseling Fund, and any other
11 funds appropriated for this purpose, to make grants to
12 HUD-certified housing counseling agencies to support
13 pre-purchase and post-purchase home-ownership education and
14 foreclosure prevention counseling activities under the
15 program.

16 Section 10. The State Finance Act is amended by adding
17 Sections 5.719 and 6z-80 as follows:

18 (30 ILCS 105/5.719 new)

19 Sec. 5.719. The Foreclosure Prevention Counseling Fund.

20 (30 ILCS 105/6z-80 new)

1 Sec. 6z-80. The Foreclosure Prevention Counseling Fund.

2 (a) There is created in the State treasury a special fund
3 to be known as the Foreclosure Prevention Counseling Fund. All
4 moneys received by the Secretary of Financial and Professional
5 Regulation from the foreclosure prevention surcharge collected
6 under subsection (c) of Section 2-2 of the Residential Mortgage
7 License Act of 1987 shall be deposited into the Fund.

8 (b) Moneys in the Fund shall be used as follows:

9 (1) 75% of the moneys in the Fund shall be used to make
10 grants to HUD-certified housing counseling agencies that
11 provide services outside the City of Chicago and across the
12 State, as provided in Section 7.30 of the Illinois Housing
13 Development Act. Grants made by the Illinois Housing
14 Development Authority shall be based upon the number of
15 foreclosures filed in a HUD-certified counseling agency's
16 service area, the capacity of a HUD-certified housing
17 counseling agency to provide foreclosure counseling
18 services, and any other facts that the Illinois Housing
19 Development Authority deems appropriate.

20 (2) The remaining moneys shall, be distributed to the
21 City of Chicago to provide grants to HUD-certified housing
22 counseling agencies located within the City of Chicago to
23 support pre-purchase and post-purchase home-ownership
24 education and foreclosure prevention counseling activities
25 under programs administered by the City of Chicago.

1 Section 15. The Residential Mortgage License Act of 1987 is
2 amended by changing Section 2-2 as follows:

3 (205 ILCS 635/2-2) (from Ch. 17, par. 2322-2)

4 Sec. 2-2. Application process; investigation; fee.

5 (a) The Commissioner shall issue a license upon completion
6 of all of the following:

7 (1) The filing of an application for license.

8 (2) The filing with the Commissioner of a listing of
9 judgments entered against, and bankruptcy petitions by,
10 the license applicant for the preceding 10 years.

11 (3) The payment, in certified funds, of investigation
12 and application fees, the total of which shall be in an
13 amount equal to \$3,000 ~~\$2,700~~ annually, however, the
14 Commissioner may increase the investigation and
15 application fees by rule as provided in Section 4-11.

16 (4) Except for a broker applying to renew a license,
17 the filing of an audited balance sheet including all
18 footnotes prepared by a certified public accountant in
19 accordance with generally accepted accounting principles
20 and generally accepted auditing principles which evidences
21 that the applicant meets the net worth requirements of
22 Section 3-5.

23 (5) The filing of proof satisfactory to the
24 Commissioner that the applicant, the members thereof if the
25 applicant is a partnership or association, the members or

1 managers thereof that retain any authority or
2 responsibility under the operating agreement if the
3 applicant is a limited liability company, or the officers
4 thereof if the applicant is a corporation have 3 years
5 experience preceding application in real estate finance.
6 Instead of this requirement, the applicant and the
7 applicant's officers or members, as applicable, may
8 satisfactorily complete a program of education in real
9 estate finance and fair lending, as approved by the
10 Commissioner, prior to receiving the initial license. The
11 Commissioner shall promulgate rules regarding proof of
12 experience requirements and educational requirements and
13 the satisfactory completion of those requirements. The
14 Commissioner may establish by rule a list of duly licensed
15 professionals and others who may be exempt from this
16 requirement.

17 (6) An investigation of the averments required by
18 Section 2-4, which investigation must allow the
19 Commissioner to issue positive findings stating that the
20 financial responsibility, experience, character, and
21 general fitness of the license applicant and of the members
22 thereof if the license applicant is a partnership or
23 association, of the officers and directors thereof if the
24 license applicant is a corporation, and of the managers and
25 members that retain any authority or responsibility under
26 the operating agreement if the license applicant is a

1 limited liability company are such as to command the
2 confidence of the community and to warrant belief that the
3 business will be operated honestly, fairly and efficiently
4 within the purpose of this Act. If the Commissioner shall
5 not so find, he or she shall not issue such license, and he
6 or she shall notify the license applicant of the denial.

7 The Commissioner may impose conditions on a license if the
8 Commissioner determines that the conditions are necessary or
9 appropriate. These conditions shall be imposed in writing and
10 shall continue in effect for the period prescribed by the
11 Commissioner.

12 (b) All licenses shall be issued in duplicate with one copy
13 being transmitted to the license applicant and the second being
14 retained with the Commissioner.

15 Upon receipt of such license, a residential mortgage
16 licensee shall be authorized to engage in the business
17 regulated by this Act. Such license shall remain in full force
18 and effect until it expires without renewal, is surrendered by
19 the licensee or revoked or suspended as hereinafter provided.

20 (Source: P.A. 93-32, eff. 7-1-03; 93-1018, eff. 1-1-05.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.