



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB1370

Introduced 2/8/2011, by Sen. Martin A. Sandoval

SYNOPSIS AS INTRODUCED:

20 ILCS 3805/7.32 new
735 ILCS 5/15-1504.2 new
30 ILCS 105/5.786 new

Amends the Illinois Housing Development Act. Creates the Neighborhood Stabilization Program. Provides that the Illinois Housing Development Authority shall establish and administer the Program and use moneys in the Neighborhood Stabilization Program Fund, and any other funds appropriated for this purpose, to make grants to non-profit organizations that serve communities with high rates of residential foreclosures. Provides that the Authority shall promulgate rules, including emergency rules. Provides that subject to appropriation, the Authority shall make grants from the Neighborhood Stabilization Program Fund to approved non-profit organizations that serve communities with high rates of residential foreclosures. Defines terms. Amends the Code of Civil Procedure. Provides that for uninhabited residential real estate in foreclosure, from the time of the filing of a foreclosure complaint until the plaintiff no longer has any interest in the property, the plaintiff shall pay to the circuit clerk a fee of \$1000 per month for each month that the residential real estate is not inhabited until the property is sold to a bona fide buyer who will either inhabit the premises or lease the property to a tenant for inhabitation within 90 days after the closing. Provides that fees collected shall be deposited into the Neighborhood Stabilization Fund, a special fund created in the State treasury. The clerk shall remit the fees to the State Treasurer as follows: 98% to the State Treasurer for deposit into the Neighborhood Stabilization Fund Program Fund; and 2% to the circuit clerk for administrative expenses related to this program. Provides that annually, the circuit clerk shall submit to the Authority a report of the funds collected and remitted. Amends the State Finance Act. Creates the Neighborhood Stabilization Fund. Effective immediately.

LRB097 06241 AJ0 46316 b

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 7.32 as follows:

6 (20 ILCS 3805/7.32 new)

7 Sec. 7.32. Neighborhood Stabilization Program.

8 (a) The Authority shall establish and administer a
9 Neighborhood Stabilization Program. Subject to appropriation,
10 the Authority shall use moneys in the Neighborhood
11 Stabilization Program Fund, and any other funds appropriated
12 for this purpose, to make grants to approved non-profit
13 organizations that serve communities with high rates of
14 residential foreclosures. The Authority shall promulgate rules
15 to implement this program and may adopt emergency rules as soon
16 as practicable to begin implementation of the program.

17 As used in this Section: "Approved non-profit
18 organization" means a not-for-profit entity that provides
19 educational and financial information to residents of a
20 community with high rates of foreclosure through in-person
21 contact. "Approved non-profit organization" does not include a
22 not-for-profit corporation or other entity or person that
23 provides legal representation or advice in a civil proceeding

1 or court-sponsored mediation services, or a governmental
2 agency. "Approved non-profit organization that serves
3 communities with high rates of residential foreclosures" means
4 by an approved non-profit organization that provides in-person
5 contact with residents in communities with high rates of
6 residential foreclosures to provide (i) home foreclosure
7 counseling, and (ii) education about the foreclosure process
8 and the options of a mortgagor in a foreclosure proceeding.

9 Section 10. The Code of Civil Procedure is amended by
10 adding Section 15-1504.2 as follows:

11 (735 ILCS 5/15-1504.2 new)

12 Sec. 15-1504.2. Fee for uninhabited residential real
13 estate in foreclosure.

14 (a) With respect to residential real estate, from the time
15 of the filing of a foreclosure complaint until the plaintiff no
16 longer has any interest in the property, the plaintiff shall
17 pay to the clerk of the court in which the foreclosure
18 complaint is filed a fee of \$1000 per month for each month, or
19 fraction thereof, that the residential real estate is in
20 foreclosure and is not inhabited or has not been purchased by a
21 bona fide buyer who will either inhabit the premises or lease
22 the property to a tenant for inhabitation within 90 days after
23 the closing on the purchase of the property. Fees collected
24 under this Section shall be deposited into the Neighborhood

1 Stabilization Fund, a special fund created in the State
2 treasury. The clerk shall remit the fee to the State Treasurer
3 as provided in this Section. The funds in the Neighborhood
4 Stabilization Fund are to be expended for the purposes set
5 forth in Section 7.32 of the Illinois Housing Development Act.
6 All fees paid by plaintiffs to the clerk of the court as
7 provided in this Section shall be disbursed within 60 days
8 after receipt by the clerk of the court as follows: (i) 98% to
9 the State Treasurer for deposit into the Neighborhood
10 Stabilization Fund Program Fund, and (ii) 2% to the clerk of
11 the court for administrative expenses related to
12 implementation of this Section.

13 (b) Not later than March 1 of each year, the clerk of the
14 court shall submit to the Illinois Housing Development
15 Authority a report of the funds collected and remitted pursuant
16 to this Section during the preceding year.

17 Section 15. The State Finance Act is amended by adding
18 Section 5.786 as follows:

19 (30 ILCS 105/5.786 new)

20 Sec. 5.786. The Neighborhood Stabilization Fund.

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