

SB3407



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3407

Introduced 2/7/2012, by Sen. Ira I. Silverstein

SYNOPSIS AS INTRODUCED:

765 ILCS 605/19.1 new

Amends the Condominium Property Act. Provides that notwithstanding any provision in any condominium instrument or bylaw, a condominium association must not: impair or restrict a condominium unit owner from securing a reverse mortgage, so long as the reverse mortgage does not adversely affect the rights of an association to collect an assessment; prevent, impair, or restrict a unit owner from borrowing money on the unit by refusing to cooperate with a lender or any federal program; or levy a fee to process or to close on a reverse mortgage or other similar financing transaction.

LRB097 19912 AJ0 65202 b

A BILL FOR

1 AN ACT concerning civil law.

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

4 Section 5. The Condominium Property Act is amended by
5 adding Section 19.1 as follows:

6 (765 ILCS 605/19.1 new)

7 Sec. 19.1. Reverse mortgage availability.

8 (a) Notwithstanding any provision in the declaration,
9 bylaws, rules, regulations, agreements, or other instruments
10 of a condominium association, or any construction of any of
11 those instruments by an association or by an association's
12 board, an association must not:

13 (1) impair or restrict the rights of an owner to secure
14 a reverse mortgage or other similar financing, so long as
15 on its face the reverse mortgage or similar financing does
16 not adversely affect the rights of an association to
17 collect an assessment;

18 (2) prevent, impair, or restrict a unit owner from
19 borrowing money on the unit owner's condominium unit by
20 refusing to: (i) cooperate with a lender; (ii) comply with
21 a lender's regulations, procedures, or requirements; (iii)
22 cooperate with any federal program; or (iv) comply with any
23 federal program's procedures or regulations that concern

1 loans, the guarantee of loans, or refinancing; or
2 (3) refuse to allow the examination or copying of
3 documents concerning an association's budget, financial
4 statement, or tax identification number.

5 (b) Fees must not be levied by an association concerning
6 paperwork necessary to process or to close on a reverse
7 mortgage or other similar financing transaction.

8 (c) As used in this Section, "reverse mortgage" has the
9 meaning ascribed to that term in Section 6.1 of the Illinois
10 Banking Act.