



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1602

Introduced 2/13/2013, by Sen. Jacqueline Y. Collins

SYNOPSIS AS INTRODUCED:

| | |
|------------------------|----------------------------|
| 735 ILCS 5/9-121 | |
| 735 ILCS 5/9-205 | from Ch. 110, par. 9-205 |
| 735 ILCS 5/9-207 | from Ch. 110, par. 9-207 |
| 735 ILCS 5/9-207.5 new | |
| 735 ILCS 5/15-1202.5 | |
| 735 ILCS 5/15-1506 | from Ch. 110, par. 15-1506 |
| 735 ILCS 5/15-1508 | from Ch. 110, par. 15-1508 |
| 735 ILCS 5/15-1508.5 | |
| 735 ILCS 5/15-1701 | from Ch. 110, par. 15-1701 |
| 735 ILCS 5/15-1703 | from Ch. 110, par. 15-1703 |
| 735 ILCS 5/15-1704 | from Ch. 110, par. 15-1704 |

Amends the Code of Civil Procedure. Provides that in the case of a foreclosure, the landlord may terminate a tenancy established prior to the confirmation of sale only (i) at the end of the term of the lease agreement by written notice issued not earlier than 90 days prior to the end of the term of the lease; or (ii) in the case of a month to month or week to week tenancy, by 90 days' written notice. Provides that the entry of a judgment of foreclosure shall not terminate or otherwise affect the rights or interest of any occupant of a dwelling unit who has a lease or tenancy resulting from an arm's length transaction and who is not the mortgagor, whether or not the occupant has been made a party in the foreclosure. Provides that the holder of the certificate of sale, the holder of the deed issued pursuant to that certificate, or if no certificate or deed was issued, the purchaser at the sale shall: (i) assume the lease or tenancy of the mortgaged real estate resulting from an arm's length transaction entered into prior to the confirmation of sale; (ii) assume any federal, state, or local housing subsidy contract for the dwelling unit for the duration of the contract or the assumed lease, whichever is shorter; (iii) assume his or her interest in the mortgaged real estate subject to the rights of any occupant; and (iv) not terminate the occupancy or any occupant's tenancy except as otherwise provided in the Code. Provides that the purchaser who offers money or other valuable consideration to an occupant of a dwelling unit as an incentive to vacate the premises shall tender the offer in accordance with specified conditions. Makes corresponding changes. Effective immediately.

LRB098 09678 HEP 39825 b

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 Code of Civil Procedure is amended by
5 changing Sections 9-121, 9-205, 9-207, 15-1202.5, 15-1506,
6 15-1508, 15-1508.5, 15-1701, 15-1703, and 15-1704 and by adding
7 Section 9-207.5 as follows:

8 (735 ILCS 5/9-121)

9 Sec. 9-121. Sealing of court file.

10 (a) Definition. As used in this Section, "court file" means
11 the court file created when a forcible entry and detainer
12 action is filed with the court.

13 (b) Discretionary sealing of court file. The court may
14 order that a court file in a forcible entry and detainer action
15 be placed under seal if the court finds that the plaintiff's
16 action is sufficiently without a basis in fact or law, which
17 may include a lack of jurisdiction, that placing the court file
18 under seal is clearly in the interests of justice, and that
19 those interests are not outweighed by the public's interest in
20 knowing about the record.

21 (c) Mandatory sealing of court file. The court file
22 relating to a forcible entry and detainer action brought
23 against a tenant under Section 9-207.5 of this Code or as set

1 forth in subdivision (h) (5) of Section 15-1701 of this Code
2 shall be placed under seal ~~who would have lawful possession of~~
3 ~~the premises but for the foreclosure on the property shall be~~
4 ~~sealed pursuant to Section 15-1701.~~

5 (Source: P.A. 96-1131, eff. 7-20-10.)

6 (735 ILCS 5/9-205) (from Ch. 110, par. 9-205)

7 Sec. 9-205. Notice to terminate tenancy from year to year.
8 Except as provided in Section 9-206 and Section 9-207.5 of this
9 Act, in all cases of tenancy from year to year, 60 days'
10 notice, in writing, shall be sufficient to terminate the
11 tenancy at the end of the year. The notice may be given at any
12 time within 4 months preceding the last 60 days of the year.

13 (Source: P.A. 82-280.)

14 (735 ILCS 5/9-207) (from Ch. 110, par. 9-207)

15 Sec. 9-207. Notice to terminate tenancy for less than a
16 year.

17 (a) Except as provided in Section 9-207.5 of this Code, in
18 ~~in~~ all cases of tenancy from week to week, where the tenant
19 holds over without special agreement, the landlord may
20 terminate the tenancy by 7 days' notice, in writing, and may
21 maintain an action for forcible entry and detainer or
22 ejection.

23 (b) Except as provided in Section 9-207.5 of this Code, in
24 ~~in~~ all cases of tenancy for any term less than one year, other

1 than tenancy from week to week, where the tenant holds over
2 without special agreement, the landlord may terminate the
3 tenancy by 30 days' notice, in writing, and may maintain an
4 action for forcible entry and detainer or ejectment.

5 (Source: P.A. 82-280.)

6 (735 ILCS 5/9-207.5 new)

7 Sec. 9-207.5. Termination of tenancies after foreclosure.

8 In the case of a foreclosure under Article 15 of this Code, the
9 landlord may terminate a tenancy established prior to the
10 confirmation of sale under Section 15-1508 of this Code only
11 (i) at the end of the term of the lease agreement by written
12 notice issued not earlier than 90 days prior to the end of the
13 term of the lease; or (ii) in the case of a month to month or
14 week to week tenancy, by 90 days' written notice. Nothing in
15 this Section shall abrogate the rights of a landlord to
16 terminate a tenancy under Sections 9-118, 9-119, 9-120, 9-209,
17 or 9-210 of this Code.

18 (735 ILCS 5/15-1202.5)

19 Sec. 15-1202.5. Dwelling unit. For the purposes of Sections
20 15-1506, 15-1508, 15-1508.5, 15-1701, 15-1703, and 15-1704
21 only, "dwelling unit" means a room or suite of rooms providing
22 complete, independent living facilities for at least one
23 person, including permanent provisions for sanitation,
24 cooking, eating, sleeping, and other activities routinely

1 associated with daily life.

2 (Source: P.A. 96-111, eff. 10-29-09; 97-575, eff. 8-26-11.)

3 (735 ILCS 5/15-1506) (from Ch. 110, par. 15-1506)

4 Sec. 15-1506. Judgment.

5 (a) Evidence. In the trial of a foreclosure, the evidence
6 to support the allegations of the complaint shall be taken in
7 open court, except:

8 (1) where an allegation of fact in the complaint is not
9 denied by a party's verified answer or verified
10 counterclaim, or where a party pursuant to subsection (b)
11 of Section 2-610 of the Code of Civil Procedure states, or
12 is deemed to have stated, in its pleading that it has no
13 knowledge of such allegation sufficient to form a belief
14 and attaches the required affidavit, a sworn verification
15 of the complaint or a separate affidavit setting forth such
16 fact is sufficient evidence thereof against such party and
17 no further evidence of such fact shall be required; and

18 (2) where all the allegations of fact in the complaint
19 have been proved by verification of the complaint or
20 affidavit, the court upon motion supported by an affidavit
21 stating the amount which is due the mortgagee, shall enter
22 a judgment of foreclosure as requested in the complaint.

23 (b) Instruments. In all cases the evidence of the
24 indebtedness and the mortgage foreclosed shall be exhibited to
25 the court and appropriately marked, and copies thereof shall be

1 filed with the court.

2 (c) Summary and Default Judgments. Nothing in this Section
3 15-1506 shall prevent a party from obtaining a summary or
4 default judgment authorized by Article II of the Code of Civil
5 Procedure.

6 (d) Notice of Entry of Default. When any judgment in a
7 foreclosure is entered by default, notice of such judgment
8 shall be given in accordance with Section 2-1302 of the Code of
9 Civil Procedure.

10 (e) Matters Required in Judgment. A judgment of foreclosure
11 shall include the last date for redemption and all rulings of
12 the court entered with respect to each request for relief set
13 forth in the complaint. The omission of the date for redemption
14 shall not extend the time for redemption or impair the validity
15 of the judgment.

16 (f) Special Matters in Judgment. Without limiting the
17 general authority and powers of the court, special matters may
18 be included in the judgment of foreclosure if sought by a party
19 in the complaint or by separate motion. Such matters may
20 include, without limitation:

21 (1) a manner of sale other than public auction;

22 (2) a sale by sealed bid;

23 (3) an official or other person who shall be the
24 officer to conduct the sale other than the one customarily
25 designated by the court;

26 (4) provisions for non-exclusive broker listings or

1 designating a duly licensed real estate broker nominated by
2 one of the parties to exclusively list the real estate for
3 sale;

4 (5) the fees or commissions to be paid out of the sale
5 proceeds to the listing or other duly licensed broker, if
6 any, who shall have procured the accepted bid;

7 (6) the fees to be paid out of the sale proceeds to an
8 auctioneer, if any, who shall have been authorized to
9 conduct a public auction sale;

10 (7) whether and in what manner and with what content
11 signs shall be posted on the real estate;

12 (8) a particular time and place at which such bids
13 shall be received;

14 (9) a particular newspaper or newspapers in which
15 notice of sale shall be published;

16 (10) the format for the advertising of such sale,
17 including the size, content and format of such advertising,
18 and additional advertising of such sale;

19 (11) matters or exceptions to which title in the real
20 estate may be subject at the sale;

21 (12) a requirement that title insurance in a specified
22 form be provided to a purchaser at the sale, and who shall
23 pay for such insurance;

24 (13) whether and to what extent bids with mortgage or
25 other contingencies will be allowed;

26 (14) such other matters as approved by the court to

1 ensure sale of the real estate for the most commercially
2 favorable price for the type of real estate involved.

3 (g) Agreement of the Parties. If all of the parties agree
4 in writing on the minimum price and that the real estate may be
5 sold to the first person who offers in writing to purchase the
6 real estate for such price, and on such other commercially
7 reasonable terms and conditions as the parties may agree, then
8 the court shall order the real estate to be sold on such terms,
9 subject to confirmation of the sale in accordance with Section
10 15-1508.

11 (h) Postponement of Proving Priority. With the approval of
12 the court prior to the entry of the judgment of foreclosure, a
13 party claiming an interest in the proceeds of the sale of the
14 mortgaged real estate may defer proving the priority of such
15 interest until the hearing to confirm the sale.

16 (i) Effect of Judgment and Lien.

17 (1) Upon the entry of the judgment of foreclosure, all
18 rights of a party in the foreclosure against the mortgagor
19 provided for in the judgment of foreclosure or this Article
20 shall be secured by a lien on the mortgaged real estate,
21 which lien shall have the same priority as the claim to
22 which the judgment relates and shall be terminated upon
23 confirmation of a judicial sale in accordance with this
24 Article.

25 (2) Upon the entry of the judgment of foreclosure, the
26 rights in the real estate subject to the judgment of

1 foreclosure of (i) all persons made a party in the
2 foreclosure and (ii) all nonrecord claimants given notice
3 in accordance with paragraph (2) of subsection (c) of
4 Section 15-1502, shall be solely as provided for in the
5 judgment of foreclosure and in this Article.

6 (3) Entry of a judgment of foreclosure does not
7 terminate or otherwise affect the rights or interest of any
8 occupant of a dwelling unit who has a lease or tenancy
9 resulting from an arm's length transaction and who is not
10 the mortgagor, whether or not the occupant has been made a
11 party in the foreclosure.

12 (Source: P.A. 85-907.)

13 (735 ILCS 5/15-1508) (from Ch. 110, par. 15-1508)

14 Sec. 15-1508. Report of Sale and Confirmation of Sale.

15 (a) Report. The person conducting the sale shall promptly
16 make a report to the court, which report shall include a copy
17 of all receipts and, if any, certificate of sale.

18 (b) Hearing. Upon motion and notice in accordance with
19 court rules applicable to motions generally, which motion shall
20 not be made prior to sale, the court shall conduct a hearing to
21 confirm the sale. Unless the court finds that (i) a notice
22 required in accordance with subsection (c) of Section 15-1507
23 was not given, (ii) the terms of sale were unconscionable,
24 (iii) the sale was conducted fraudulently, or (iv) justice was
25 otherwise not done, the court shall then enter an order

1 confirming the sale. The confirmation order shall include a
2 name, address, and telephone number of the holder of the
3 certificate of sale or deed issued pursuant to that certificate
4 or, if no certificate or deed was issued, the purchaser, whom a
5 municipality or county may contact with concerns about the real
6 estate. The confirmation order may also:

7 (1) approve the mortgagee's fees and costs arising
8 between the entry of the judgment of foreclosure and the
9 confirmation hearing, those costs and fees to be allowable
10 to the same extent as provided in the note and mortgage and
11 in Section 15-1504;

12 (2) provide for a personal judgment against any party
13 for a deficiency; and

14 (3) determine the priority of the judgments of parties
15 who deferred proving the priority pursuant to subsection
16 (h) of Section 15-1506, but the court shall not defer
17 confirming the sale pending the determination of such
18 priority.

19 (b-5) Notice with respect to residential real estate. With
20 respect to residential real estate, the notice required under
21 subsection (b) of this Section shall be sent to the mortgagor
22 even if the mortgagor has previously been held in default. In
23 the event the mortgagor has filed an appearance, the notice
24 shall be sent to the address indicated on the appearance. In
25 all other cases, the notice shall be sent to the mortgagor at
26 the common address of the foreclosed property. The notice shall

1 be sent by first class mail. Unless the right to possession has
2 been previously terminated by the court, the notice shall
3 include the following language in 12-point boldface
4 capitalized type:

5 IF YOU ARE THE MORTGAGOR (HOMEOWNER), YOU HAVE THE RIGHT TO
6 REMAIN IN POSSESSION FOR 30 DAYS AFTER ENTRY OF AN ORDER OF
7 POSSESSION, IN ACCORDANCE WITH SECTION 15-1701(c) OF THE
8 ILLINOIS MORTGAGE FORECLOSURE LAW.

9 (b-10) Notice of confirmation order sent to municipality or
10 county. A copy of the confirmation order required under
11 subsection (b) shall be sent to the municipality in which the
12 foreclosed property is located, or to the county within the
13 boundary of which the foreclosed property is located if the
14 foreclosed property is located in an unincorporated territory.
15 A municipality or county must clearly publish on its website a
16 single address to which such notice shall be sent. If a
17 municipality or county does not maintain a website, then the
18 municipality or county must publicly post in its main office a
19 single address to which such notice shall be sent. In the event
20 that a municipality or county has not complied with the
21 publication requirement in this subsection (b-10), then such
22 notice to the municipality or county shall be provided pursuant
23 to Section 2-211 of the Code of Civil Procedure.

24 (c) Failure to Give Notice. If any sale is held without
25 compliance with subsection (c) of Section 15-1507 of this
26 Article, any party entitled to the notice provided for in

1 paragraph (3) of that subsection (c) who was not so notified
2 may, by motion supported by affidavit made prior to
3 confirmation of such sale, ask the court which entered the
4 judgment to set aside the sale. Any such party shall guarantee
5 or secure by bond a bid equal to the successful bid at the
6 prior sale, unless the party seeking to set aside the sale is
7 the mortgagor, the real estate sold at the sale is residential
8 real estate, and the mortgagor occupies the residential real
9 estate at the time the motion is filed. In that event, no
10 guarantee or bond shall be required of the mortgagor. Any
11 subsequent sale is subject to the same notice requirement as
12 the original sale.

13 (d) Validity of Sale. Except as provided in subsection (c)
14 of Section 15-1508, no sale under this Article shall be held
15 invalid or be set aside because of any defect in the notice
16 thereof or in the publication of the same, or in the
17 proceedings of the officer conducting the sale, except upon
18 good cause shown in a hearing pursuant to subsection (b) of
19 Section 15-1508. At any time after a sale has occurred, any
20 party entitled to notice under paragraph (3) of subsection (c)
21 of Section 15-1507 may recover from the mortgagee any damages
22 caused by the mortgagee's failure to comply with such paragraph
23 (3). Any party who recovers damages in a judicial proceeding
24 brought under this subsection may also recover from the
25 mortgagee the reasonable expenses of litigation, including
26 reasonable attorney's fees.

1 (d-5) Making Home Affordable Program. The court that
2 entered the judgment shall set aside a sale held pursuant to
3 Section 15-1507, upon motion of the mortgagor at any time prior
4 to the confirmation of the sale, if the mortgagor proves by a
5 preponderance of the evidence that (i) the mortgagor has
6 applied for assistance under the Making Home Affordable Program
7 established by the United States Department of the Treasury
8 pursuant to the Emergency Economic Stabilization Act of 2008,
9 as amended by the American Recovery and Reinvestment Act of
10 2009, and (ii) the mortgaged real estate was sold in material
11 violation of the program's requirements for proceeding to a
12 judicial sale. The provisions of this subsection (d-5), except
13 for this sentence, shall become inoperative on January 1, 2014
14 for all actions filed under this Article after December 31,
15 2013, in which the mortgagor did not apply for assistance under
16 the Making Home Affordable Program on or before December 31,
17 2013.

18 (e) Deficiency Judgment. In any order confirming a sale
19 pursuant to the judgment of foreclosure, the court shall also
20 enter a personal judgment for deficiency against any party (i)
21 if otherwise authorized and (ii) to the extent requested in the
22 complaint and proven upon presentation of the report of sale in
23 accordance with Section 15-1508. Except as otherwise provided
24 in this Article, a judgment may be entered for any balance of
25 money that may be found due to the plaintiff, over and above
26 the proceeds of the sale or sales, and enforcement may be had

1 for the collection of such balance, the same as when the
2 judgment is solely for the payment of money. Such judgment may
3 be entered, or enforcement had, only in cases where personal
4 service has been had upon the persons personally liable for the
5 mortgage indebtedness, unless they have entered their
6 appearance in the foreclosure action.

7 (f) Satisfaction. Upon confirmation of the sale, the
8 judgment stands satisfied to the extent of the sale price less
9 expenses and costs. If the order confirming the sale includes a
10 deficiency judgment, the judgment shall become a lien in the
11 manner of any other judgment for the payment of money.

12 (g) The order confirming the sale shall include,
13 notwithstanding any previous orders awarding possession during
14 the pendency of the foreclosure, an award to the purchaser of
15 possession of the mortgaged real estate, as of the date 30 days
16 after the entry of the order, against the parties to the
17 foreclosure whose interests have been terminated.

18 An order of possession authorizing the removal of a person
19 from possession of the mortgaged real estate shall be entered
20 and enforced only against those persons personally named as
21 individuals in the complaint or the petition under subsection
22 (h) of Section 15-1701. However, no order of possession issued
23 under this Section shall be entered against an occupant of a
24 dwelling unit of the mortgaged real estate who has been
25 personally named in the foreclosure if that occupant is not the
26 mortgagor and has a lease or tenancy resulting from an arm's

1 length transaction. An ~~and in the order of possession and~~ shall
2 not be entered and enforced against any person who is only
3 generically described as an unknown owner or nonrecord claimant
4 or by another generic designation in the complaint.

5 Notwithstanding the preceding paragraph, the failure to
6 personally name, include, or seek an award of possession of the
7 mortgaged real estate against a person in the confirmation
8 order shall not abrogate any right that the purchaser may have
9 to possession of the mortgaged real estate and to maintain a
10 proceeding against that person for possession under Article 9
11 of this Code or, if applicable, under subsection (h) of Section
12 15-1701; and possession against a person who (1) has not been
13 personally named as a party to the foreclosure and (2) has not
14 been provided an opportunity to be heard in the foreclosure
15 proceeding may be sought only by maintaining a proceeding under
16 Article 9 of this Code or, if applicable, under subsection (h)
17 of Section 15-1701.

18 (h) With respect to mortgaged real estate containing 5 or
19 more dwelling units, the order confirming the sale shall also
20 provide that (i) the mortgagor shall transfer to the purchaser
21 the security deposits, if any, that the mortgagor received to
22 secure payment of rent or to compensate for damage to the
23 mortgaged real estate from any current occupant of a dwelling
24 unit of the mortgaged real estate, as well as any statutory
25 interest that has not been paid to the occupant, and (ii) the
26 mortgagor shall provide an accounting of the security deposits

1 that are transferred, including the name and address of each
2 occupant for whom the mortgagor holds the deposit and the
3 amount of the deposit and any statutory interest.

4 (Source: P.A. 96-265, eff. 8-11-09; 96-856, eff. 3-1-10;
5 96-1245, eff. 7-23-10; 97-333, eff. 8-12-11; 97-575, eff.
6 8-26-11; 97-1159, eff. 1-29-13.)

7 (735 ILCS 5/15-1508.5)

8 Sec. 15-1508.5. Notice by holder or purchaser to known
9 occupants of dwelling units of mortgaged real estate.

10 (a) The holder of the certificate of sale or deed issued
11 pursuant to that certificate or, if no certificate or deed was
12 issued, the purchaser, shall:

13 (1) following the judicial sale under Section 15-1507,
14 but no later than 21 days after the confirmation of sale
15 under Section 15-1508, make a good faith effort to
16 ascertain the identities and addresses of all occupants of
17 dwelling units of the mortgaged real estate; and

18 (2) following the order confirming sale under Section
19 15-1508, but no later than 21 days after the order
20 confirming sale, notify all known occupants of dwelling
21 units of the mortgaged real estate that the holder or
22 purchaser has acquired the mortgaged real estate. The
23 notice shall be in writing and shall:

24 (i) identify the occupant being served by the name
25 known to the holder or purchaser;

1 (ii) inform the occupant that the mortgaged real
2 estate at which the dwelling unit is located is the
3 subject of a foreclosure and that control of the
4 mortgaged real estate has changed;

5 (iii) provide the name, address, and telephone
6 number of an individual or entity whom the occupants
7 may contact with concerns about the mortgaged real
8 estate or to request repairs of that property;

9 (iv) include the following language, or language
10 that is substantially similar: "This is NOT a notice to
11 vacate the premises. You may wish to contact a lawyer
12 or your local legal aid or housing counseling agency to
13 discuss any rights that you may have."; ~~and~~

14 (v) include the name of the case, the case number,
15 and the court where the order confirming the sale has
16 been entered; ~~and-~~

17 (vi) provide instructions on the method of payment
18 of future rent, if applicable.

19 (b) The written notice required by subsection (a) of this
20 Section shall be served by delivering a copy thereof to the
21 known occupant, or by leaving the same with some person of the
22 age of 13 years or upwards who is residing on or in possession
23 of the premises, or by sending a copy of the notice to the
24 known occupant by first-class mail, addressed to the occupant
25 by the name known to the holder or purchaser.

26 (c) In the event that the holder or purchaser ascertains

1 the identity and address of an occupant of a dwelling unit of
2 the mortgaged real estate more than 21 days after the
3 confirmation of sale under Section 15-1508, the holder or
4 purchaser shall provide the notice required by subparagraph (2)
5 of subsection (a) within 7 days of ascertaining the identity
6 and address of the occupant.

7 (d) (i) A holder or purchaser who fails to comply with
8 subsections (a), (b), and (c) may not collect any rent due and
9 owing from a known occupant, or terminate a known occupant's
10 tenancy for non-payment of such rent, until the holder or
11 purchaser has served the notice described in paragraph (2) of
12 subsection (a) of this Section upon the known occupant. After
13 providing such notice, the holder or purchaser may collect any
14 and all rent accruing after service of the notice ~~otherwise due~~
15 and owing the holder or purchaser from the known occupant and
16 may terminate the known occupant's tenancy for non-payment of
17 such rent if the holder or purchaser otherwise has such right
18 to terminate.

19 (ii) An occupant who previously paid rent for the current
20 rental period to the mortgagor, or other entity with the
21 authority to operate, manage, and conserve the mortgaged real
22 estate at the time of payment, shall not be held liable for
23 that rent by the holder or purchaser, and the occupant's
24 tenancy shall not be terminated for non-payment of rent for
25 that rental period.

26 (e) Within 21 days of the confirmation of sale under

1 Section 15-1508, the holder or purchaser shall post a written
2 notice on the primary entrance of each dwelling unit subject to
3 the foreclosure action. This notice shall:

4 (i) inform occupant that the dwelling unit is the
5 subject of a foreclosure action and that control of the
6 mortgaged real estate has changed;

7 (ii) include the following language: "This is NOT a
8 notice to vacate the premises."; ~~and~~

9 (iii) provide the name, address, and telephone number
10 of the individual or entity whom occupants may contact with
11 concerns about the mortgaged real estate or to request
12 repairs of the property; ~~and-~~

13 (iv) provide instructions on the method of payment of
14 future rent, if applicable.

15 (f) (i) The provisions of subsection (d) of this Section
16 shall be the exclusive remedy for the failure of a holder or
17 purchaser to provide notice to a known occupant under this
18 Section.

19 (ii) This Section shall not abrogate any right that a
20 holder or purchaser may have to possession of the mortgaged
21 real estate and to maintain a proceeding against an occupant of
22 a dwelling unit for possession under Article 9 of this Code or
23 subsection (h) of Section 15-1701.

24 (iii) In the event that the holder or purchaser is a
25 mortgagee in possession of the mortgaged real estate pursuant
26 to Section 15-1703 at the time of the confirmation of sale and

1 has complied with requirements of subsection (a-5) of Section
2 15-1703, the holder or purchaser is excused from the
3 requirements of subsections (a) and (e) of this Section.

4 (iv) A holder or purchaser is not required to provide the
5 notice required by this Section to a mortgagor or party against
6 whom an order of possession has been entered authorizing the
7 removal of the mortgagor or party pursuant to subsection (g) of
8 Section 15-1508.

9 (Source: P.A. 96-111, eff. 10-29-09.)

10 (735 ILCS 5/15-1701) (from Ch. 110, par. 15-1701)

11 Sec. 15-1701. Right to possession.

12 (a) General. The provisions of this Article shall govern
13 the right to possession of the mortgaged real estate during
14 foreclosure. Possession under this Article includes physical
15 possession of the mortgaged real estate to the same extent to
16 which the mortgagor, absent the foreclosure, would have been
17 entitled to physical possession. For the purposes of Part 17,
18 real estate is residential real estate only if it is
19 residential real estate at the time the foreclosure is
20 commenced.

21 (b) Pre-Judgment. Prior to the entry of a judgment of
22 foreclosure:

23 (1) In the case of residential real estate, the
24 mortgagor shall be entitled to possession of the real
25 estate except if (i) the mortgagee shall object and show

1 good cause, (ii) the mortgagee is so authorized by the
2 terms of the mortgage or other written instrument, and
3 (iii) the court is satisfied that there is a reasonable
4 probability that the mortgagee will prevail on a final
5 hearing of the cause, the court shall upon request place
6 the mortgagee in possession. If the residential real estate
7 consists of more than one dwelling unit, then for the
8 purpose of this Part residential real estate shall mean
9 only that dwelling unit or units occupied by persons
10 described in clauses (i), (ii) and (iii) of Section
11 15-1219.

12 (2) In all other cases, if (i) the mortgagee is so
13 authorized by the terms of the mortgage or other written
14 instrument, and (ii) the court is satisfied that there is a
15 reasonable probability that the mortgagee will prevail on a
16 final hearing of the cause, the mortgagee shall upon
17 request be placed in possession of the real estate, except
18 that if the mortgagor shall object and show good cause, the
19 court shall allow the mortgagor to remain in possession.

20 (c) Judgment Through 30 Days After Sale Confirmation. After
21 the entry of a judgment of foreclosure and through the 30th day
22 after a foreclosure sale is confirmed:

23 (1) Subsection (b) of Section 15-1701 shall be
24 applicable, regardless of the provisions of the mortgage or
25 other instrument, except that after a sale pursuant to the
26 judgment the holder of the certificate of sale (or, if

1 none, the purchaser at the sale) shall have the mortgagee's
2 right to be placed in possession, with all rights and
3 duties of a mortgagee in possession under this Article.

4 (2) Notwithstanding paragraph (1) of subsection (b)
5 and paragraph (1) of subsection (c) of Section 15-1701,
6 upon request of the mortgagee, a mortgagor of residential
7 real estate shall not be allowed to remain in possession
8 between the expiration of the redemption period and through
9 the 30th day after sale confirmation unless (i) the
10 mortgagor pays to the mortgagee or such holder or
11 purchaser, whichever is applicable, monthly the lesser of
12 the interest due under the mortgage calculated at the
13 mortgage rate of interest applicable as if no default had
14 occurred or the fair rental value of the real estate, or
15 (ii) the mortgagor otherwise shows good cause. Any amounts
16 paid by the mortgagor pursuant to this subsection shall be
17 credited against the amounts due from the mortgagor.

18 (d) After 30 Days After Sale Confirmation. The holder of
19 the certificate of sale or deed issued pursuant to that
20 certificate or, if no certificate or deed was issued, the
21 purchaser, except to the extent the holder or purchaser may
22 consent otherwise, shall be entitled to possession of the
23 mortgaged real estate, as of the date 30 days after the order
24 confirming the sale is entered, against those parties to the
25 foreclosure whose interests the court has ordered terminated,
26 without further notice to any party, further order of the

1 court, or resort to proceedings under any other statute other
2 than this Article. This right to possession shall be limited by
3 the provisions governing entering and enforcing orders of
4 possession under subsection (g) of Section 15-1508. If the
5 holder or purchaser determines that there are occupants of the
6 mortgaged real estate who have not been made parties to the
7 foreclosure and had their interests terminated therein, the
8 holder or purchaser may bring a proceeding under subsection (h)
9 of this Section, if applicable, or under Article 9 of this Code
10 to terminate the rights of possession of any such occupants.
11 The holder or purchaser shall not be entitled to proceed
12 against any such occupant under Article 9 of this Code until
13 after 30 days after the order confirming the sale is entered.

14 (e) Termination of Leases. A lease of all or any part of
15 the mortgaged real estate shall not be terminated automatically
16 solely by virtue of the entry into possession by (i) a
17 mortgagee or receiver prior to the entry of an order confirming
18 the sale, (ii) the holder of the certificate of sale, (iii) the
19 holder of the deed issued pursuant to that certificate, or (iv)
20 if no certificate or deed was issued, the purchaser at the
21 sale.

22 (f) Other Statutes; Instruments. The provisions of this
23 Article providing for possession of mortgaged real estate shall
24 supersede any other inconsistent statutory provisions. In
25 particular, and without limitation, whenever a receiver is
26 sought to be appointed in any action in which a foreclosure is

1 also pending, a receiver shall be appointed only in accordance
2 with this Article. Except as may be authorized by this Article,
3 no mortgage or other instrument may modify or supersede the
4 provisions of this Article.

5 (g) Certain Leases. Leases of the mortgaged real estate
6 entered into by a mortgagee in possession or a receiver and
7 approved by the court in a foreclosure shall be binding on all
8 parties, including the mortgagor after redemption, the
9 purchaser at a sale pursuant to a judgment of foreclosure and
10 any person acquiring an interest in the mortgaged real estate
11 after entry of a judgment of foreclosure in accordance with
12 Sections 15-1402 and 15-1403.

13 (h) Proceedings Against Certain Occupants.

14 (1) The mortgagee-in-possession of the mortgaged real
15 estate under Section 15-1703, a receiver appointed under
16 Section 15-1704, a holder of the certificate of sale or
17 deed, or the purchaser may, at any time during the pendency
18 of the foreclosure and up to 90 days after the date of the
19 order confirming the sale, file a supplemental petition for
20 possession against a person not personally named as a party
21 to the foreclosure. The supplemental petition for
22 possession shall name each such occupant against whom
23 possession is sought and state the facts upon which the
24 claim for relief is premised. This subsection (h) does not
25 apply to any occupant of a dwelling unit of the mortgaged
26 real estate who has a lease or tenancy resulting from an

1 arm's length transaction and who is not the mortgagor.

2 (2) The petitioner shall serve upon each named occupant
3 the petition, a notice of hearing on the petition, and, if
4 any, a copy of the certificate of sale or deed. The
5 proceeding for the termination of such occupant's
6 possessory interest, including service of the notice of the
7 hearing and the petition, shall in all respects comport
8 with the requirements of Article 9 of this Code, except as
9 otherwise specified in this Section. The hearing shall be
10 no less than 21 days from the date of service of the
11 notice.

12 (3) The supplemental petition shall be heard as part of
13 the foreclosure proceeding and without the payment of
14 additional filing fees. An order for possession obtained
15 under this Section shall name each occupant whose interest
16 has been terminated, shall recite that it is only effective
17 as to the occupant so named and those holding under them,
18 and shall be enforceable for no more than 120 days after
19 its entry, except that the 120-day period may be extended
20 to the extent and in the manner provided in Section 9-117
21 of Article 9 and except as provided in item (4) of this
22 subsection (h).

23 (4) In a case of foreclosure where the occupant is
24 current on his or her rent, or where timely written notice
25 of to whom and where the rent is to be paid has not been
26 provided to the occupant, or where the occupant has made

1 good-faith efforts to make rental payments in order to keep
2 current, any order of possession must allow the occupant to
3 retain possession of the property covered in his or her
4 rental agreement (i) for 120 days following the notice of
5 the hearing on the supplemental petition that has been
6 properly served upon the occupant, or (ii) through the
7 duration of his or her lease, whichever is shorter,
8 provided that if the duration of his or her lease is less
9 than 30 days from the date of the order, the order shall
10 allow the occupant to retain possession for 30 days from
11 the date of the order. A mortgagee in possession, receiver,
12 holder of a certificate of sale or deed, or purchaser at
13 the judicial sale, who asserts that the occupant is not
14 current in rent, shall file an affidavit to that effect in
15 the supplemental petition proceeding. If the occupant has
16 been given timely written notice of to whom and where the
17 rent is to be paid, this item (4) shall only apply if the
18 occupant continues to pay his or her rent in full during
19 the 120-day period or has made good-faith efforts to pay
20 the rent in full during that period. ~~No~~
21 ~~mortgagee in possession, receiver or holder of a~~
22 ~~certificate of sale or deed, or purchaser who fails to file~~
23 ~~a supplemental petition under this subsection during the~~
24 ~~pendency of a mortgage foreclosure shall file a forcible~~
25 ~~entry and detainer action against an occupant of the~~
26 ~~mortgaged real estate until 90 days after a notice of~~

1 ~~intent to file such action has been properly served upon~~
2 ~~the occupant.~~

3 (5) The court records relating to a supplemental
4 petition for possession filed under this subsection (h)
5 against an occupant who is entitled to notice under item
6 (4) of this subsection (h), or relating to a forcible entry
7 and detainer action brought against an occupant who would
8 have lawful possession of the premises but for the
9 foreclosure of a mortgage on the property, shall be ordered
10 sealed and shall not be disclosed to any person, other than
11 a law enforcement officer or any other representative of a
12 governmental entity, except upon further order of the
13 court.

14 (i) Occupants of Dwelling Units.

15 (1) The holder of the certificate of sale, the holder
16 of the deed issued pursuant to that certificate, or if no
17 certificate or deed was issued, the purchaser at the sale
18 shall: (i) assume the lease or tenancy of the mortgaged
19 real estate resulting from an arm's length transaction
20 entered into prior to the confirmation of sale under
21 Section 15-1508 of this Code; (ii) assume any federal,
22 state, or local housing subsidy contract for the dwelling
23 unit for the duration of the contract or the assumed lease,
24 whichever is shorter; (iii) assume his or her interest in
25 the mortgaged real estate subject to the rights of any
26 occupant; and (iv) not terminate the occupancy or any

1 occupant's tenancy except pursuant to Article 9 of this
2 Code.

3 (2) A receiver, mortgagee, or holder of the certificate
4 of sale, the holder of the deed issued pursuant to that
5 certificate, or if no certificate or deed was issued, the
6 purchaser at the sale who offers any money or other
7 valuable consideration to an occupant of a dwelling unit as
8 an incentive to vacate the premises shall tender the offer
9 in writing along with a notice in the manner set forth in
10 paragraph (3) of this subsection (i). The offer shall: (i)
11 offer an amount that is at least either 3 times the
12 security deposit and interest that would be due to the
13 occupant under State or local law upon the termination of
14 the tenancy, or 3 months' rent, whichever is greater; (ii)
15 not require an occupant to vacate the premises earlier than
16 14 days after acceptance of the offer; (C) not require the
17 occupant to perform any other obligation that is not
18 already required under the law or any lease or tenancy in
19 existence prior to the offer; (iv) not demand the waiver or
20 forfeiture of any other rights or remedies the occupant may
21 have under the law; and (v) not misrepresent the occupant's
22 right to continued possession of the dwelling unit.

23 (3) A notice accompanying an offer tendered under
24 paragraph (2) of this subsection shall be headed in bold
25 14-point type "CASH-FOR-KEYS OFFER", and shall state the
26 following in 14-point type: "THIS IS AN OFFER FOR A

1 MONETARY PAYMENT IN EXCHANGE FOR VACATING THE PREMISES.
2 THIS IS NOT A DEMAND TO VACATE, AND YOU DO NOT HAVE TO
3 ACCEPT THESE TERMS. You cannot be asked to vacate sooner
4 than 14 days from the date you accept any offer, and you
5 cannot be asked to do more than your lease or tenancy
6 already requires. If you choose not to accept this offer,
7 only a judge can end your lease or tenancy. You may wish to
8 contact a lawyer or your local legal aid agency to discuss
9 any rights that you may have."

10 (4) A person whose rights have been violated under this
11 subsection may bring an action seeking: (i) all equitable
12 and legal relief, including punitive damages; (ii) an
13 amount that is the equivalent of 3 months' rent at the
14 subject property under any tenancy or lease that was
15 entered into prior to the confirmation of sale in addition
16 to \$1000 per violation; and (iii) reasonable attorney's
17 fees and costs.

18 (5) This subsection does not apply to the mortgagor or
19 other person whose possessory interest in the property is
20 terminated under Section 15-1508 of this Article.

21 (6) Nothing in this subsection shall be interpreted to
22 limit any code or ordinance of any unit of local government
23 that provides greater or additional protections to
24 occupants.

25 (Source: P.A. 95-262, eff. 1-1-08; 95-933, eff. 8-26-08; 96-60,
26 eff. 7-23-09; 96-111, eff. 10-29-09; 96-1000, eff. 7-2-10.)

1 (735 ILCS 5/15-1703) (from Ch. 110, par. 15-1703)

2 Sec. 15-1703. Mortgagee in Possession.

3 (a) Powers and Duties. A mortgagee placed in possession of
4 the real estate pursuant to Section 15-1701 or Section 15-1702
5 shall have:

6 (1) such power and authority with respect to the real
7 estate and other property subject to the mortgage,
8 including the right to receive the rents, issues and
9 profits thereof, as may have been conferred upon the
10 mortgagee by the terms of the mortgage or other written
11 instrument authorizing the taking of possession;

12 (2) all other rights and privileges of a mortgagee in
13 possession under law not inconsistent herewith; and

14 (3) the same powers, duties and liabilities as a
15 receiver appointed for the real estate in accordance with
16 this Article. If an order placing a mortgagee in possession
17 is modified, revoked or set aside, the mortgagee shall not
18 be liable for any damages to the extent such damages arise
19 solely out of the fact that the mortgagor was removed from
20 possession or that the mortgagee was placed in possession.

21 (a-5) Notice to occupants.

22 (1) Following the order placing the mortgagee in
23 possession of the mortgaged real estate, but no later than
24 21 days after the entry of such order, the mortgagee in
25 possession shall make a good faith effort to ascertain the

1 identities and addresses of all occupants of dwelling units
2 of the mortgaged real estate.

3 (2) Following the order placing the mortgagee in
4 possession of the mortgaged real estate, but no later than
5 21 days after the entry of such order, the mortgagee in
6 possession shall notify all known occupants of dwelling
7 units of the mortgaged real estate that the mortgagee has
8 taken possession of the mortgaged real estate. The notice
9 shall be in writing and shall:

10 (i) identify the occupant being served by the name
11 known to the mortgagee in possession;

12 (ii) inform the occupant that the mortgaged real
13 estate at which the dwelling unit is located is the
14 subject of a foreclosure action and that control of the
15 mortgaged real estate has changed;

16 (iii) provide the name, address, and telephone
17 number of the individual or entity whom occupants may
18 contact with concerns about the mortgaged real estate
19 or to request repairs of that property;

20 (iv) include the following language, or language
21 that is substantially similar: "This is NOT a notice to
22 vacate the premises. You may wish to contact a lawyer
23 or your local legal aid or housing counseling agency to
24 discuss any rights that you may have."; ~~and~~

25 (v) include the name of the case, the case number,
26 and the court where the foreclosure action is pending;

1 ~~and-~~

2 (vi) provide instructions on the method of payment
3 of future rent, if applicable.

4 (3) The written notice required by item (2) of this
5 subsection (a-5) shall be served by delivering a copy
6 thereof to the known occupant, or by leaving the same with
7 some person of the age of 13 years or upwards, who is
8 residing on or in possession of the premises; or by sending
9 a copy of the notice to the known occupant by first-class
10 mail, addressed to the occupant by the name known to the
11 mortgagee in possession.

12 (4) In the event that a mortgagee in possession
13 ascertains the identity and address of an occupant of a
14 dwelling unit of the mortgaged real estate more than 21
15 days after being placed in possession of the mortgaged real
16 estate pursuant to Section 15-1703, the mortgagee in
17 possession shall provide the notice required by item (2) of
18 this subsection (a-5) within 7 days of ascertaining the
19 identity and address of the occupant.

20 (5)(i) A mortgagee in possession who fails to comply
21 with items (1), (2), (3), and (4) of this subsection (a-5)
22 may not collect any rent due and owing from a known
23 occupant, or terminate a known occupant's tenancy for
24 non-payment of such rent, until the mortgagee in possession
25 has served the notice described in item (2) of this
26 subsection (a-5) upon the known occupant. After providing

1 such notice, the mortgagee in possession may collect any
2 and all rent accruing after service of the notice ~~otherwise~~
3 ~~due~~ and owing the mortgagee in possession from the known
4 occupant and may terminate the known occupant's tenancy for
5 non-payment of such rent if the mortgagee in possession
6 otherwise has such right to terminate.

7 (ii) An occupant who previously paid rent for the
8 current rental period to the mortgagor, or other entity
9 with the authority to operate, manage, and conserve the
10 mortgaged real estate at the time of payment, shall not be
11 held liable for that rent by the mortgagee in possession,
12 and the occupant's tenancy shall not be terminated for
13 non-payment of rent for that rental period.

14 (6) Within 21 days of the order placing the mortgagee
15 in possession of the mortgaged real estate, the mortgagee
16 in possession shall post a written notice on the primary
17 entrance of each dwelling unit subject to the foreclosure
18 action that informs the occupants that the mortgagee in
19 possession is now operating and managing the mortgaged real
20 estate. This notice shall:

21 (i) inform occupant that the dwelling unit is the
22 subject of a foreclosure action and that control of the
23 mortgaged real estate has changed;

24 (ii) include the following language: "This is NOT a
25 notice to vacate the premises."; ~~and~~

26 (iii) provide the name, address, and telephone

1 number of the individual or entity whom occupants may
2 contact with concerns about the mortgaged real estate
3 or to request repairs of the property; ~~and~~

4 (iv) provide instructions on the method of payment
5 of future rent, if applicable.

6 (7) (i) The provisions of item (5) of this subsection
7 (a-5) shall be the exclusive remedy for the failure of a
8 mortgagee in possession to provide notice to a known
9 occupant under this Section.

10 (ii) This Section shall not abrogate any right that a
11 mortgagee in possession may have to possession of the
12 mortgaged real estate and to maintain a proceeding against
13 an occupant of a dwelling unit for possession under Article
14 9 of this Code or subsection (h) of Section 15-1701.

15 (b) Fees and Expenses. A mortgagee in possession shall not
16 be entitled to any fees for so acting, but shall be entitled to
17 reimbursement for reasonable costs, expenses and third party
18 management fees incurred in connection with such possession.

19 (Source: P.A. 96-111, eff. 10-29-09.)

20 (735 ILCS 5/15-1704) (from Ch. 110, par. 15-1704)

21 Sec. 15-1704. Receivers.

22 (a) Receiver. Notwithstanding the provisions of
23 subsections (b), (c) and (d) of Section 15-1701, and except as
24 provided in Section 15-1702, upon request of any party and a
25 showing of good cause, the court shall appoint a receiver for

1 the mortgaged real estate.

2 (b) Powers. A receiver appointed pursuant to this Article
3 shall have possession of the mortgaged real estate and other
4 property subject to the mortgage during the foreclosure, shall
5 have full power and authority to operate, manage and conserve
6 such property, and shall have all the usual powers of receivers
7 in like cases. Without limiting the foregoing, a receiver shall
8 have the power and authority to:

9 (1) secure tenants and execute leases for the real
10 estate, the duration and terms of which are reasonable and
11 customary for the type of use involved, and such leases
12 shall have the same priority as if made by the owner of the
13 real estate; but, unless approved by the Court, the
14 receiver shall not execute oil, gas or other mineral
15 leases, or (even if otherwise allowed by law) leases
16 extending beyond the time of the receiver's possession;
17 provided, however, with respect to residential real estate
18 leased by the receiver, nothing in this Section shall
19 affect the legal rights of any lessee with respect to the
20 safety and habitability of the residential real estate;

21 (2) collect the rents, issues and profits from the
22 mortgaged real estate;

23 (3) insure the mortgaged real estate against loss by
24 fire or other casualty;

25 (4) employ counsel, custodians, janitors and other
26 help; and

1 (5) pay taxes which may have been or may be levied
2 against the mortgaged real estate.

3 (c) Duties. A receiver appointed pursuant to this Article
4 must manage the mortgaged real estate as would a prudent
5 person, taking into account the effect of the receiver's
6 management on the interest of the mortgagor. A receiver may,
7 without an order of the court, delegate managerial functions to
8 a person in the business of managing real estate of the kind
9 involved who is financially responsible, not related to the
10 mortgagee or receiver and prudently selected. However, the
11 receiver shall remain responsible to the mortgagor or other
12 persons for the acts or omissions of such management agent.
13 When fees are paid to such a management agent, the receiver's
14 fees may be adjusted to the extent the court deems appropriate.
15 In managing the mortgaged real estate and other property
16 subject to the mortgage, a receiver or receiver's delegate, to
17 the extent the receiver receives sufficient receipts from the
18 mortgaged real estate, such other property or other sources,
19 except to the extent ordered otherwise by the court:

20 (1) shall maintain the existing casualty and liability
21 insurance required in accordance with the mortgage or
22 applicable to the real estate and other property subject to
23 the mortgage at the time the receiver took possession;

24 (2) shall use reasonable efforts to maintain the real
25 estate and other property subject to the mortgage in at
26 least as good condition as existed at the time the receiver

1 took possession, excepting reasonable wear and tear and
2 damage by any casualty;

3 (2.5) shall accept all rental payments from an occupant
4 of the mortgaged property, and any payments from a third
5 party or any rental assistance program in support of an
6 occupant's housing;

7 (3) shall apply receipts to payment of ordinary
8 operating expenses, including royalties, rents and other
9 expenses of management;

10 (4) shall pay any shared or common expense assessments
11 due to any association of owners of interests in real
12 estate to the extent that such assessments are or may
13 become a lien against the mortgaged real estate;

14 (5) may pay the amounts due under any mortgage if the
15 mortgagee thereof is not a party in the foreclosure;

16 (6) may carry such additional casualty and liability
17 insurance as is reasonably available and reasonable as to
18 amounts and risks covered;

19 (7) may make other repairs and improvements necessary
20 to comply with building, housing, and other similar codes
21 or with existing contractual obligations affecting the
22 mortgaged real estate;

23 (8) may hold receipts as reserves reasonably required
24 for the foregoing purposes; and

25 (9) may take such other actions as may be reasonably
26 necessary to conserve the mortgaged real estate and other

1 property subject to the mortgage, or as otherwise
2 authorized by the court.

3 (d) Allocation of Receipts. Receipts received from
4 operation of the real estate and other property subject to the
5 mortgage by the receiver shall be applied in the following
6 order of priority.

7 (1) to reimbursement of the receiver for all reasonable
8 costs and expenses incurred by the receiver or the
9 receiver's delegates;

10 (2) to payment of insurance premiums authorized in
11 paragraph (1) of subsection (c) of Section 15-1704;

12 (3) to payment of the receiver's delegates of any
13 reasonable management fees for managing real estate of the
14 type involved;

15 (4) to payment of receiver's fees allowed by the court;

16 (5) to payment of expenses authorized in paragraphs
17 (2), (3) and (4) of subsection (c) of Section 15-1704;

18 (6) to payment of amounts authorized in paragraph (5)
19 of subsection (c) of Section 15-1704;

20 (7) to payment of expenses authorized in paragraphs (6)
21 and (7) of subsection (c) of Section 15-1704; and

22 (8) the balance, if any, shall be held or disbursed as
23 ordered by the court.

24 (e) Non-Liability for Allocations. A receiver shall in no
25 event be liable to any person for the allocation of, or failure
26 to allocate, receipts to possible expenditures within the same

1 priority category.

2 (f) Notice to occupants.

3 (1) Following an order appointing a receiver pursuant
4 to Section 15-1704, but no later than 21 days after the
5 entry of such order, the appointed receiver shall make a
6 good faith effort to ascertain the identities and addresses
7 of all occupants of dwelling units of the mortgaged real
8 estate.

9 (2) Following an order appointing a receiver pursuant
10 to Section 15-1704, but no later than 21 days after the
11 entry of such order, the appointed receiver shall notify
12 all known occupants of dwelling units of the mortgaged real
13 estate that the receiver has been appointed receiver of the
14 mortgaged real estate. Such notice shall be in writing and
15 shall:

16 (i) identify the occupant being served by the name
17 known to the receiver;

18 (ii) inform the occupant that the mortgaged real
19 estate at which the dwelling unit is located is the
20 subject of a foreclosure action and that control of the
21 mortgaged real estate has changed;

22 (iii) provide the name, address, and telephone
23 number of the individual or entity whom occupants may
24 contact with concerns about the mortgaged real estate
25 or to request repairs of that property;

26 (iv) include the following language, or language

1 that is substantially similar: "This is NOT a notice to
2 vacate the premises. You may wish to contact a lawyer
3 or your local legal aid or housing counseling agency to
4 discuss any rights that you may have."; ~~and~~

5 (v) include the name of the case, the case number,
6 and the court where the foreclosure action is pending;
7 and-

8 (vi) provide instructions on the method of payment
9 of future rent, if applicable.

10 (3) The written notice required by item (2) of this
11 subsection (f) shall be served by delivering a copy thereof
12 to the known occupant, or by leaving the same with some
13 person of the age of 13 years or upwards, who is residing
14 on or in possession of the premises; or by sending a copy
15 of the notice to the known occupant by first-class mail,
16 addressed to the occupant by the name known to the
17 receiver.

18 (4) In the event that a receiver ascertains the
19 identity and address of an occupant of a dwelling unit of
20 the mortgaged real estate more than 21 days after
21 appointment pursuant to Section 15-1704, the receiver
22 shall provide the notice required by item (2) of this
23 subsection (f) within 7 days of ascertaining the identity
24 and address of the occupant.

25 (5) (i) A receiver who fails to comply with items (1),
26 (2), (3), and (4) of this subsection (f) may not collect

1 any rent due and owing from a known occupant, or terminate
2 a known occupant's tenancy for non-payment of such rent,
3 until the receiver has served the notice described in item
4 (2) of this subsection (f) upon the known occupant. After
5 providing such notice, the receiver may collect any and all
6 rent accruing after service of the notice ~~otherwise due~~ and
7 owing the receiver from the known occupant and may
8 terminate the known occupant's tenancy for non-payment of
9 such rent if the receiver otherwise has such right to
10 terminate.

11 (ii) An occupant who previously paid rent for the
12 current rental period to the mortgagor, or other entity
13 with the authority to operate, manage, and conserve the
14 mortgaged real estate at the time of payment, shall not be
15 held liable for that rent by the receiver, and the
16 occupant's tenancy shall not be terminated for non-payment
17 of rent for that rental period.

18 (6) Within 21 days of appointment, the receiver shall
19 post a written notice on the primary entrance of each
20 dwelling unit subject to the foreclosure action that
21 informs occupants that the receiver has been appointed to
22 operate and manage the property. This notice shall:

23 (i) inform occupant that the dwelling unit is the
24 subject of a foreclosure action and that control of the
25 mortgaged real estate has changed;

26 (ii) include the following language: "This is NOT a

1 notice to vacate the premises."; ~~and~~

2 (iii) provide the name, address, and telephone
3 number of the individual or entity whom occupants may
4 contact with concerns about the mortgaged real estate
5 or to request repairs of the property; ~~and.~~

6 (iv) provide instructions on the method of payment
7 of future rent, if applicable.

8 (7) (i) The provisions of item (5) of this subsection
9 (f) shall be the exclusive remedy for the failure of a
10 receiver to provide notice to a known occupant under this
11 Section.

12 (ii) This Section shall not abrogate any right that a
13 receiver may have to possession of the mortgaged real
14 estate and to maintain a proceeding against an occupant of
15 a dwelling unit for possession under Article 9 of this Code
16 or subsection (h) of Section 15-1701.

17 (g) Increase of rents. Notwithstanding any other provision
18 of this Article, a receiver shall not charge an occupant of the
19 mortgaged real estate a rental amount above that which the
20 occupant had been paying for use and occupancy of the mortgaged
21 real estate prior to the appointment of a receiver without
22 leave of court. The court may allow an increase of rent if,
23 upon motion by the receiver, the court finds by a preponderance
24 of the evidence, that the increase of rent is necessary to
25 operate, manage, and conserve the mortgaged real estate
26 pursuant to this Section. A list of the current rents for each

1 unit in the mortgaged real estate, and a list of the proposed
2 rent increase for each of those units, must be attached to a
3 motion for a rent increase under this subsection (g). All
4 occupants of the mortgaged real estate who may be affected by
5 the motion for a rent increase, if not otherwise entitled to
6 notice, shall be notified in writing of the nature of the
7 motion, the date and time of the motion, and the court where
8 the motion will be heard. Such notice shall be by personal
9 service or first-class mail. In the event that the receiver and
10 an occupant of a dwelling unit agree to a rent increase for
11 that dwelling unit, the receiver is excused from the
12 requirements of this subsection (g) as to that dwelling unit.
13 Nothing in this subsection (g) shall alter the terms of any
14 lease agreement.

15 (h) Removal. The court may remove a receiver upon a showing
16 of good cause, in which case a new receiver may be appointed in
17 accordance with subsection (b) of Section 15-1702 and
18 subsection (a) of Section 15-1704.

19 (Source: P.A. 96-111, eff. 10-29-09.)

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