

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 adding
5 Section 15-1603.5 as follows:

6 (735 ILCS 5/15-1603.5 new)

7 Sec. 15-1603.5. Strict foreclosure of an omitted
8 subordinate interest.

9 (a) As used in this Section, "omitted subordinate interest"
10 means a recorded subordinate interest in real estate where:

11 (1) the real estate is the subject of a foreclosure
12 action under this Article;

13 (2) a motion to confirm judicial sale under subsection
14 (b) of Section 15-1508 is either pending or has been
15 granted;

16 (3) the interest attached to the real estate prior to
17 the filing or recording of any notice in accordance with
18 Sections 2-1901 and 15-1503; and

19 (4) the interest was not named in the foreclosure
20 complaint.

21 (b) The holder of the certificate of sale or any person who
22 acquired title pursuant to Section 15-1509 or any subsequent
23 successor, assignee, transferee, or grantee who discovers an

1 omitted subordinate interest may file a strict foreclosure
2 complaint. A complaint filed under this Section must include
3 substantially the following:

4 (1) the identity of the plaintiff and how the plaintiff
5 acquired its interest in the property which is the subject
6 of the strict foreclosure;

7 (2) the docket number of the prior foreclosure action
8 and the recording number and date of the mortgage that was
9 previously foreclosed;

10 (3) the legal description, common address, and parcel
11 identification number of the real estate which is the
12 subject of the strict foreclosure;

13 (4) the recording number and a copy of the recorded
14 omitted subordinate interest holder to be named as the
15 defendant;

16 (5) the amount of the successful bid at the foreclosure
17 sale, as stated in the report of sale in the prior
18 foreclosure action, with a copy of the report of sale
19 attached to the complaint;

20 (6) an allegation that, due to inadvertence or mistake
21 or such other reason as may be applicable, the omitted
22 subordinate interest was not made a party defendant in the
23 prior foreclosure action and the omitted subordinate
24 interest was not terminated by the judgment of foreclosure
25 and when the subject property was sold by judicial sale;
26 and

1 (7) a request for relief setting forth the redemption
2 period as provided in this Section and identifying a
3 contact by name and telephone number who will accept tender
4 of the redemption amount.

5 (c) Subject to the objection of the defendant, the court
6 shall enter a judgment extinguishing the omitted subordinate
7 interest by vesting absolute title to the mortgaged real estate
8 in the plaintiff, free and clear of all claims and liens
9 (except liens of the United States of America that cannot be
10 foreclosed without judicial sale).

11 (d) If the defendant objects to the entry of the judgment,
12 the court, after a hearing, shall enter an order providing
13 either:

14 (1) that good cause for the objection has not been
15 shown by the defendant and the defendant has not agreed to
16 pay the amount required to redeem, in which event the court
17 shall proceed to enter the judgment; or

18 (2) that good cause for the objection has been shown by
19 the defendant and the defendant has agreed to pay the
20 amount required to redeem.

21 (e) The amount required to redeem shall be the sum bid at
22 the prior foreclosure sale plus any costs and fees incurred
23 subsequent to the sale for the payment of taxes, preservation
24 of the property, or any other actions taken by the holder of
25 the certificate of sale to protect its interest in the
26 property.

1 The order shall state that upon payment of the redemption
2 amount within the redemption period, which shall extend 30 days
3 after the entry of the order, title to the real estate shall
4 vest in the defendant who redeems pursuant to this Section.
5 Title to the defendant shall be free and clear of all claims
6 and liens (except liens of the United States of America that
7 cannot be foreclosed without judicial sale). If the defendant
8 subject to the order has not paid the amount required to redeem
9 within the 30-day redemption period, the interest of the
10 defendant in the property is terminated.

11 (f) A person whose omitted subordinate interest was not
12 terminated by a prior foreclosure action does not have a right
13 to file a strict foreclosure action.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.