



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2256

Introduced 1/11/2006, by Sen. Larry K. Bomke

SYNOPSIS AS INTRODUCED:

765 ILCS 935/10.5 new

Amends the Mortgage Certificate of Release Act. Provides that, if any title insurance company or its duly appointed title insurance agent, knowing the mortgage to be paid pursuant to the lender's written payoff statement, fails to file a certificate of release within one month after the payment of the debt secured by the mortgage or trust deed, the title company shall be liable for and pay to the party aggrieved the sum of \$200, for each offense, which may be recovered by the party aggrieved in a civil action together with reasonable attorney's fees. Provides that, in any such action, introduction of a loan payment book or receipt that indicates that the obligation has been paid shall be sufficient evidence to raise a presumption that the obligation has been paid. Provides that, upon a finding for the party aggrieved, the court shall order the title insurance company or its duly appointed title insurance agent, to make, execute, and deliver the certificate of release that complies with the requirements of this Act.

LRB094 15159 LCT 50341 b

1 AN ACT concerning property.

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

4 Section 5. The Mortgage Certificate of Release Act is
5 amended by adding Section 10.5 as follows:

6 (765 ILCS 935/10.5 new)

7 Sec. 10.5. Penalty for failure to file release. If any
8 title insurance company or its duly appointed title insurance
9 agent, knowing the mortgage to be paid pursuant to the lender's
10 written payoff statement, fails to file a certificate of
11 release within one month after the payment of the debt secured
12 by the mortgage or trust deed, the title company shall be
13 liable for and pay to the party aggrieved the sum of \$200, for
14 each offense, which may be recovered by the party aggrieved in
15 a civil action together with reasonable attorney's fees. In any
16 such action, introduction of a loan payment book or receipt
17 that indicates that the obligation has been paid shall be
18 sufficient evidence to raise a presumption that the obligation
19 has been paid. Upon a finding for the party aggrieved, the
20 court shall order the title insurance company or its duly
21 appointed title insurance agent, to make, execute, and deliver
22 the certificate of release that complies with the requirements
23 of this Act.