



Rep. Karen A. Yarbrough

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1 AMENDMENT TO HOUSE BILL 2362

2 AMENDMENT NO. _____. Amend House Bill 2362 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Deposit of State Moneys Act is amended by
5 changing Section 7 as follows:

6 (15 ILCS 520/7) (from Ch. 130, par. 26)

7 Sec. 7. (a) Proposals made may either be approved or
8 rejected by the State Treasurer. A bank or savings and loan
9 association whose proposal is approved shall be eligible to
10 become a State depository for the class or classes of funds
11 covered by its proposal. A bank or savings and loan association
12 whose proposal is rejected shall not be so eligible. The State
13 Treasurer shall seek to have at all times a total of not less
14 than 20 banks or savings and loan associations which are
15 approved as State depositories for time deposits.

16 (b) The State Treasurer may, in his discretion, accept a

1 proposal from an eligible institution which provides for a
2 reduced rate of interest provided that such institution
3 documents the use of deposited funds for community development
4 projects.

5 (b-5) The State Treasurer may, in his or her discretion,
6 accept a proposal from an eligible institution that provides
7 for a reduced rate of interest, provided that such institution
8 agrees to expend an amount of money equal to the amount of the
9 reduction for the preservation of Cahokia Mounds.

10 (b-10) The State Treasurer may, in his or her discretion,
11 accept a proposal from an eligible institution that provides
12 for a reduced rate of interest, provided that the institution
13 agrees to expend an amount of money equal to the amount of the
14 reduction for senior centers.

15 (c) The State Treasurer may, in his or her discretion,
16 accept a proposal from an eligible institution that provides
17 for interest earnings on deposits of State moneys to be held by
18 the institution in a separate account that the State Treasurer
19 may use to secure up to 10% of any (i) home loans to Illinois
20 citizens purchasing a home in Illinois in situations where the
21 participating financial institution would not offer the
22 borrower a home loan under the institution's prevailing credit
23 standards without the incentive of a reduced rate of interest
24 on deposits of State moneys, (ii) existing home loans of
25 Illinois citizens who have failed to make payments on a home
26 loan as a result of a financial hardship due to circumstances

1 beyond the control of the borrower where there is a reasonable
2 prospect that the borrower will be able to resume full mortgage
3 payments, ~~and~~ (iii) loans in amounts that do not exceed the
4 amount of arrearage on a mortgage and that are extended to
5 enable a borrower to become current on his or her mortgage
6 obligation, and (iv) home loans that are made to refinance
7 loans that meet the definition of a "high risk home loan" or
8 that the Treasurer determines would meet the definition of
9 "high risk home loan" during the term of the loan, as the term
10 "high risk home loan" is defined by the High Risk Home Loan
11 Act.

12 The following factors shall be considered by the
13 participating financial institution to determine whether the
14 financial hardship is due to circumstances beyond the control
15 of the borrower: (i) loss, reduction, or delay in the receipt
16 of income because of the death or disability of a person who
17 contributed to the household income, (ii) expenses actually
18 incurred related to the uninsured damage or costly repairs to
19 the mortgaged premises affecting its habitability, (iii)
20 expenses related to the death or illness in the borrower's
21 household or of family members living outside the household
22 that reduce the amount of household income, (iv) loss of income
23 or a substantial increase in total housing expenses because of
24 divorce, abandonment, separation from a spouse, or failure to
25 support a spouse or child, (v) unemployment or underemployment,
26 (vi) loss, reduction, or delay in the receipt of federal,

1 State, or other government benefits, and (vii) participation by
2 the homeowner in a recognized labor action such as a strike. In
3 determining whether there is a reasonable prospect that the
4 borrower will be able to resume full mortgage payments, the
5 participating financial institution shall consider factors
6 including, but not necessarily limited to the following: (i) a
7 favorable work and credit history, (ii) the borrower's ability
8 to and history of paying the mortgage when employed, (iii) the
9 lack of an impediment or disability that prevents reemployment,
10 (iv) new education and training opportunities, (v) non-cash
11 benefits that may reduce household expenses, and (vi) other
12 debts.

13 For the purposes of this Section, "home loan" means a loan,
14 other than an open-end credit plan or a reverse mortgage
15 transaction, for which (i) the principal amount of the loan
16 does not exceed 50% of the conforming loan size limit ~~for a~~
17 ~~single family dwelling~~ as established from time to time by the
18 Federal National Mortgage Association, (ii) the borrower is a
19 natural person, (iii) the debt is incurred by the borrower
20 primarily for personal, family, or household purposes, and (iv)
21 the loan is secured by a mortgage or deed of trust on real
22 estate upon which there is located or there is to be located a
23 structure designed principally for the occupancy of no more
24 than 4 families and that is or will be occupied by the borrower
25 as the borrower's principal dwelling.

26 (d) If there is an agreement between the State Treasurer

1 and an eligible institution that details the use of deposited
2 funds, the agreement may not require the gift of money, goods,
3 or services to a third party; this provision does not restrict
4 the eligible institution from contracting with third parties in
5 order to carry out the intent of the agreement or restrict the
6 State Treasurer from placing requirements upon third-party
7 contracts entered into by the eligible institution.

8 (Source: P.A. 92-482, eff. 8-23-01; 92-531, eff. 2-8-02;
9 92-625, eff. 7-11-02; 93-246, eff. 7-22-03.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law."