



Sen. Jacqueline Y. Collins

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LRB095 18639 MJR 48529 a

1 AMENDMENT TO SENATE BILL 1998

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1998 on page 1,  
3 line 8, by replacing "Section 1-1.5" with "Sections 1-1.5 and  
4 5-20 and Article VIII"; and

5 on page 17, immediately below line 16, by inserting the  
6 following:

7 "(jj) "HUD-approved housing counselor" means a counselor  
8 employed by a housing counseling agency approved by the United  
9 States Department of Housing and Urban Development."; and

10 on page 70, immediately below line 21, by inserting the  
11 following:

12 "(205 ILCS 635/5-20 new)  
13 Sec. 5-20. Counseling prior to perfecting foreclosure  
14 proceedings.

15 (a) If a mortgage loan becomes delinquent by more than 30

1 days, the servicer shall send a notice advising the borrower  
2 that he or she may wish to seek HUD-approved housing  
3 counseling.

4 (b) The notice required in subsection (a) of this Section  
5 shall state the date on which the notice was mailed and state  
6 the following in 14-point type:

7 "YOUR LOAN IS OR WAS MORE THAN 30 DAYS PAST DUE. YOU MAY BE  
8 EXPERIENCING FINANCIAL DIFFICULTY. IT MAY BE IN YOUR BEST  
9 INTEREST TO SEEK HUD-APPROVED HOUSING COUNSELING. YOU HAVE A  
10 GRACE PERIOD OF 30 DAYS FROM THE DATE OF THIS FORM TO OBTAIN A  
11 HUD-APPROVED HOUSING COUNSELOR. DURING THE GRACE PERIOD, THE  
12 LAW PROHIBITS US FROM TAKING ANY LEGAL ACTION AGAINST YOU. A  
13 LIST OF HUD-APPROVED HOUSING COUNSELORS MAY BE OBTAINED FROM  
14 THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR FROM  
15 THE ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL  
16 REGULATION."

17 No language, other than the language prescribed in this  
18 subsection (b), shall be included in the notice.

19 (c) Upon mailing the notice provided for under subsection  
20 (b), the lender, servicer, or lender's agent shall not  
21 institute legal action under Part 15 of Article XV of the Code  
22 of Civil Procedure for 30 days. Only one 30-day period of  
23 forbearance is allowed under this subsection (c) per subject  
24 loan.

25 (d) If, within the 30-day period provided under subsection  
26 (c) of this Section, a HUD-approved housing counselor notifies

1 the lender, servicer, or lender's agent that the borrower is  
2 seeking HUD-approved housing counseling, then the lender,  
3 servicer, or lender's agent shall not institute legal action  
4 under Part 15 of Article XV of the Code of Civil Procedure for  
5 30 days after the date of that notice. During the 30-period  
6 provided under this subsection (d), the lender, servicer, or  
7 lender's agent shall attempt to agree to a debt management plan  
8 with the borrower. If the lender, servicer, or lender's agent  
9 and the borrower agree to a debt management plan, then the  
10 lender, servicer, or lender's agent shall not institute legal  
11 action under Part 15 of Article XV of the Code of Civil  
12 Procedure for as long as the debt management plan is complied  
13 with by the borrower.

14 The agreed debt management plan must be in writing and  
15 signed by the lender, servicer, or lender's agent, the  
16 HUD-approved housing counselor, and the borrower. No  
17 modification of an approved debt management plan can be made  
18 without the mutual agreement of the lender, servicer, or  
19 lender's agent, the HUD-approved housing counselor, and the  
20 borrower.

21 Upon written notice to the lender, servicer, or lender's  
22 agent, the borrower may change HUD-approved housing  
23 counselors.

24 (e) If the borrower fails to comply with the agreed debt  
25 management plan, then nothing in this Section shall be  
26 construed to impair the legal right of the lender, servicer, or

1 lender's agent to enforce the contract."; and

2 on page 71, immediately below line 23, by inserting the  
3 following:

4 "(205 ILCS 635/Art. VIII heading new)

5 ARTICLE VIII. SERVICER REPORTING

6 (205 ILCS 635/8-1 new)

7 Sec. 8-1. Servicer reporting; requirements. A licensee  
8 acting as a servicer shall compile and submit to the Secretary  
9 on or before the twentieth business day of each month a report  
10 on a form required by the Secretary that contains all of  
11 following information for the preceding month, or as otherwise  
12 indicated:

13 (1) The number of mortgage loans the licensee is  
14 servicing.

15 (2) The number of mortgage loans that the licensee is  
16 servicing that are in payment default and a breakdown of  
17 these mortgage loans by length of payment delinquency  
18 including 30-day, 60-day, and 90-day and greater  
19 delinquencies.

20 (3) Information on loss mitigation activities  
21 undertaken, including, but not limited to, the following:

22 (A) the number and identification of mortgage  
23 loans that were refinanced into more affordable or

1           fixed mortgage loans;

2           (B) the number and identification of mortgage loans  
3           for which the homeowner has sought credit or housing  
4           counseling, if known;

5           (C) the number of workout arrangements entered  
6           into by the licensee in connection with mortgage loans;

7           (D) a description of the types of workout  
8           arrangements, including mortgage loan modifications,  
9           and the percentage of each type of workout arrangement  
10          entered into; and

11          (E) the proactive steps taken by the licensee to  
12          identify borrowers at a heightened risk of default,  
13          such as those with impending interest rate resets,  
14          including, but not limited to, contacts with borrowers  
15          to assess their ability to repay their mortgage loan  
16          obligations.

17          (4) The number of foreclosure actions commenced in this  
18          State in connection with mortgage loans it is servicing.

19          (5) Information regarding the types and volume of  
20          adjustable rate mortgage loans that the licensee is  
21          servicing.

22          (6) Any other information that the Secretary may deem  
23          necessary, including geographic information regarding  
24          applicable mortgage loans.

1       Sec. 8-2. Public review of reports. The Secretary may  
2 publish, for public review, the report, or any information  
3 contained in the report, required under Section 8-1 of this  
4 Act, except personally-identifying information regarding  
5 borrowers.

6           (205 ILCS 635/8-3 new)

7       Sec. 8-3. Repeal. This Article is repealed on December 31,  
8 2010."