



Rep. Jack McGuire

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09600HB6411ham001

LRB096 21039 RPM 39510 a

1 AMENDMENT TO HOUSE BILL 6411

2 AMENDMENT NO. _____. Amend House Bill 6411 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Mortgage Escrow Account Act is amended by
5 adding Section 20 as follows:

6 (765 ILCS 910/20 new)

7 Sec. 20. Notice of transfer of mortgage escrow account.

8 (a) A mortgage lender who acquires an escrow account
9 through assignment, sale, or transfer shall notify the borrower
10 of any such assignment, sale, or transfer.

11 (b) The notice required under this Section shall comport
12 with the following provisions concerning timing:

13 (1) The mortgage lender who acquires the escrow account
14 shall notify the borrower not less than 15 days after the
15 effective date of the assignment, sale, or transfer of the
16 escrow account.

1 (2) The notice required under subsection (a) of this
2 Section shall be made to the borrower not more than 30 days
3 after the effective date of the assignment, sale, or
4 transfer of the mortgage account in any case in which the
5 assignment, sale, or transfer of the mortgage account was
6 preceded by:

7 (i) termination of the contract for servicing the
8 loan, including maintaining the escrow account, for
9 cause;

10 (ii) commencement of bankruptcy proceedings of the
11 mortgage lender; or

12 (iii) commencement of proceedings by the Federal
13 Deposit Insurance Corporation for receivership of the
14 mortgage lender or any entity that owns or controls the
15 mortgage lender.

16 (c) The notice required under this Section shall include
17 the following information:

18 (1) the effective date of assignment, sale, or transfer
19 of the escrow account;

20 (2) the name, address, website, fax number, and
21 toll-free or collect-call telephone number of the mortgage
22 lender who is acquiring the escrow account;

23 (3) the name of and a toll-free or collect-call number
24 for an individual employed by, or a department within, the
25 transferring mortgage lender that can be contacted by the
26 borrower to answer inquiries relating to the assignment,

1 sale, or transfer of the mortgage account;

2 (4) the name of and toll-free or collect-call telephone
3 number for an individual employed by, or a department
4 within, the mortgage lender that is acquiring the escrow
5 account that can be contacted by the borrower to answer
6 inquiries related to the assignment, sale, or transfer of
7 the mortgage account;

8 (5) the date on which the mortgage lender who holds the
9 escrow account before the assignment, sale, or transfer
10 will cease to accept payments relating to the escrow
11 account and the date on which the mortgage lender who is
12 acquiring the escrow account will begin to accept such
13 payments; and

14 (6) the number of the toll-free consumer hotline
15 maintained by the Division of Banking of the Department of
16 Financial and Professional Regulation.

17 (d) The notice required under this Section shall be sent by
18 first class mail in an envelope that is marked with the
19 following statement, in 12-point, bold-faced font: "ENCLOSED
20 IS AN IMPORTANT NOTICE REGARDING YOUR MORTGAGE ESCROW ACCOUNT
21 WITH (insert name of the transferring mortgage lender)."

22 (e) The provisions of this Section shall not apply to any
23 assignment, sale, or transfer of a mortgage account if the
24 mortgage lender who makes the loan provides to the borrower, at
25 settlement, written notice of the assignment, sale, or
26 transfer.

1 (f) A mortgage lender who violates this Section is guilty
2 of a business offense and, upon conviction, shall be fined not
3 more than \$1,000 for each offense."