

SB1578



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1578

Introduced 2/19/2009, by Sen. A. J. Wilhelmi

SYNOPSIS AS INTRODUCED:

815 ILCS 160/2

from Ch. 17, par. 7102

Amends the Credit Agreements Act. Provides that specified provisions shall not constitute a defense to a claim that arises out of bad faith conduct intended to unjustly benefit a creditor or a third party. Provides that the mere failure by a creditor to enter into a credit agreement with or to provide a written commitment to a debtor, without more, shall not constitute bad faith under specified provisions. Provides for the legislative intent of the General Assembly and that certain provisions apply to pending actions as well as actions commenced on or after the effective date of the amendatory Act. Effective immediately.

LRB096 11014 MJR 21301 b

A BILL FOR

1 AN ACT concerning business.

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

4 Section 5. The Credit Agreements Act is amended by changing
5 Section 2 as follows:

6 (815 ILCS 160/2) (from Ch. 17, par. 7102)

7 Sec. 2. Credit agreements to be in writing.

8 (a) A debtor may not maintain an action on or in any way
9 related to a credit agreement unless the credit agreement is in
10 writing, expresses an agreement or commitment to lend money or
11 extend credit or delay or forbear repayment of money, sets
12 forth the relevant terms and conditions, and is signed by the
13 creditor and the debtor.

14 (b) This Section shall not constitute a defense to a claim
15 that arises out of bad faith conduct intended to unjustly
16 benefit a creditor or a third party. Mere failure by a creditor
17 to enter into a credit agreement with or to provide a written
18 commitment to a debtor, without more, shall not constitute bad
19 faith under this Section.

20 (c) By enacting this amendatory Act of the 96th General
21 Assembly, it is the intent of the General Assembly to make
22 explicit the original meaning of Section 2 of the Credit
23 Agreements Act. See Machinery Transports of Illinois v. Morton

1 Community Bank, 293 Ill.App.3d 207 (3rd Dist. 1997).

2 (d) This amendatory Act of the 96th General Assembly
3 applies to pending actions as well as actions commenced on or
4 after its effective date.

5 (Source: P.A. 86-613.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.