

SB0537



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0537

Introduced 2/8/2007, by Sen. John J. Cullerton

SYNOPSIS AS INTRODUCED:

765 ILCS 910/4.5 new

Amends the Mortgage Escrow Account Act. Provides that if any mortgage lender requires that a borrower maintain an escrow account, the mortgage lender must pay the borrower interest on the monies that the borrower paid into the escrow account for property tax purposes. Provides that the mortgage lender shall pay interest at the rate of 3% per annum or the lender's passbook savings account rate, whichever is greater, calculate the interest monthly, and pay the interest at least quarterly.

LRB095 00150 AJO 20150 b

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning mortgages.

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

4 Section 5. The Mortgage Escrow Account Act is amended by
5 adding Section 4.5 as follows:

6 (765 ILCS 910/4.5 new)

7 Sec. 4.5. If any mortgage lender requires that a borrower
8 maintain an escrow account, the mortgage lender must pay the
9 borrower interest on the monies that the borrower paid into the
10 escrow account for property tax purposes. The mortgage lender
11 shall pay interest at the rate of 3% per annum or the lender's
12 passbook savings account rate, whichever is greater, calculate
13 the interest monthly, and pay the interest at least quarterly.