

1 AN ACT concerning property.

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

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
17 proposal from an eligible institution which provides for a
18 reduced rate of interest provided that such institution
19 documents the use of deposited funds for community development
20 projects.

21 (b-5) The State Treasurer may, in his or her discretion,
22 accept a proposal from an eligible institution that provides
23 for a reduced rate of interest, provided that such institution

1 agrees to expend an amount of money equal to the amount of the
2 reduction for the preservation of Cahokia Mounds.

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

8 (c) The State Treasurer may, in his or her discretion,
9 accept a proposal from an eligible institution that provides
10 for interest earnings on deposits of State moneys to be held by
11 the institution in a separate account that the State Treasurer
12 may use to secure up to 10% of any (i) home loans to Illinois
13 citizens purchasing a home in Illinois in situations where the
14 participating financial institution would not offer the
15 borrower a home loan under the institution's prevailing credit
16 standards without the incentive of a reduced rate of interest
17 on deposits of State moneys, (ii) existing home loans of
18 Illinois citizens who have failed to make payments on a home
19 loan as a result of a financial hardship due to circumstances
20 beyond the control of the borrower where there is a reasonable
21 prospect that the borrower will be able to resume full mortgage
22 payments, ~~and~~ (iii) loans in amounts that do not exceed the
23 amount of arrearage on a mortgage and that are extended to
24 enable a borrower to become current on his or her mortgage
25 obligation, and (iv) home loans that are made to refinance
26 loans that meet the definition of a "high risk home loan" or

1 that the Treasurer determines would meet the definition of
2 "high risk home loan" during the term of the loan, as the term
3 "high risk home loan" is defined by the High Risk Home Loan
4 Act.

5 The following factors shall be considered by the
6 participating financial institution to determine whether the
7 financial hardship is due to circumstances beyond the control
8 of the borrower: (i) loss, reduction, or delay in the receipt
9 of income because of the death or disability of a person who
10 contributed to the household income, (ii) expenses actually
11 incurred related to the uninsured damage or costly repairs to
12 the mortgaged premises affecting its habitability, (iii)
13 expenses related to the death or illness in the borrower's
14 household or of family members living outside the household
15 that reduce the amount of household income, (iv) loss of income
16 or a substantial increase in total housing expenses because of
17 divorce, abandonment, separation from a spouse, or failure to
18 support a spouse or child, (v) unemployment or underemployment,
19 (vi) loss, reduction, or delay in the receipt of federal,
20 State, or other government benefits, and (vii) participation by
21 the homeowner in a recognized labor action such as a strike. In
22 determining whether there is a reasonable prospect that the
23 borrower will be able to resume full mortgage payments, the
24 participating financial institution shall consider factors
25 including, but not necessarily limited to the following: (i) a
26 favorable work and credit history, (ii) the borrower's ability

1 to and history of paying the mortgage when employed, (iii) the
2 lack of an impediment or disability that prevents reemployment,
3 (iv) new education and training opportunities, (v) non-cash
4 benefits that may reduce household expenses, and (vi) other
5 debts.

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

19 (d) If there is an agreement between the State Treasurer
20 and an eligible institution that details the use of deposited
21 funds, the agreement may not require the gift of money, goods,
22 or services to a third party; this provision does not restrict
23 the eligible institution from contracting with third parties in
24 order to carry out the intent of the agreement or restrict the
25 State Treasurer from placing requirements upon third-party
26 contracts entered into by the eligible institution.

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

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.